

12754.let.as

7 September 2012

Healthe Group

Suite 6, Level 10
Altitude Corporate Centre
163 O'Riordan Street
MASCOT NSW 2020

Attention: Mark Sweeny
Email: mark.sweeny@healthecare.com.au

Dear Mark

**HURSTVILLE PRIVATE HOSPITAL
CAPITAL INVESTMENT VALUE (CIV) ESTIMATE**

Please find enclosed our Capital Investment Value Estimate for the proposed works at Hurstville Private Hospital, NSW.

Our estimate for the project has been based on market rates current to September 2012 and amounts to **\$32,200,000 excluding GST**. Please refer to the attached estimate for the detailed breakdown.

Please see the attached Notes Accompanying Estimate for further details on the basis of this estimate and documentation used in preparation.

Please note that this estimate has been produced for calculating the project's Capital Investment Value (CIV) and should not be adopted for Cost Planning purposes.

We confirm that this estimate has been prepared by a suitable qualified corporate member of the Australian Institute of Quantity Surveyors.

Should you have any queries or wish to discuss anything further please do not hesitate to contact either Aaron Satchell or the undersigned.

Yours faithfully



Mark Hocking
Newcastle Manager
Rider Levett Bucknall
mark.hocking@au.rlb.com

Encl



ISO 9001
FS 548756

**HURSTVILLE PRIVATE HOSPITAL
NOTES ACCOMPANYING ESTIMATE**

Basis of Estimate

The basis and purpose of this report is to provide an estimate of Capital Investment Value for the project (as outlined within the Owners' Part 3A Application) and thereby to enable the maximum fee for the application to be determined under Clause's 245A - 245N of the EPA Regulation 2000.

Whilst this report provides a genuine estimate of the Capital Investment Value of the project, it should not be used as the basis for further project feasibility or for any other purpose other than providing the basis of determining the application fee.

We note that "Capital Investment Value" is a defined term in Cluse 3 of the EPA Regulations 2000, as follows:

"Capital Investment Value" of a development or project includes all costs necessary to establish and operate the project, including the design and construction of buildings, structures, associated infrastructure and fixed or mobile plant and equipment, other than the following costs:

- a) amounts payable, or the cost of land dedicated or any other benefit provided, under a condition imposed under Division 6 or 6A of Part 4 of the Act or a planning agreement under that Division,
- b) costs relating to any part of the development or project that is the subject of a separate development consent or project approval,
- c) land costs (including any costs of marketing and selling land),
- d) GST (within the meaning of A New Tax System (Goods and Service Tax) Act 1999 of the Commonwealth)."

In accordance with this definition it is clear that development contributions levied or payable, as well as GST, are not included in "Capital Investment Value". Whilst it is not explicit in the above definition it is also our opinion that statutory fees and charges are intended to be excluded to avoid a circular calculation.

Due to the preliminary nature of the project design we have included project contingencies to cover any unknown costs.

This estimate is based upon measured approximate quantities/built-up elemental rates applied to measured areas with rates current as at September 2012. Accordingly this is a point in time estimate and no escalation beyond the date of this letter.

Rider Levett Bucknall accepts no responsibility, or liability, to any other party who might use or rely upon this report without our prior knowledge and written consent. Further, no portion of this report (included without limitation any conclusions which may affect value, the identity of Rider Levett Bucknall or its Sub-Contractors, or any individuals signing or associated with this report, or the Professional Associations or Organisations with which they are affiliated) shall be copied or disseminated to third parties, by any means, without the prior written consent and approval of Rider Levett Bucknall.

Documents

The following documents have been used in preparation of this Capital Investment Value Estimate:

Building design drawings prepared by Health Science Planning Consultants:

- DA10 A Existing Site Plan
- DA11 A Existing Lower Basement Plan
- DA12 A Existing Upper Basement Plan
- DA13 A Existing Ground Floor Plan
- DA14 A Existing Level 1 Plan
- DA15 A Existing Roof Plan
- DA20 A Demolition Plan: Lower Basement
- DA21 A Demolition Plan: Upper Basement
- DA22 A Demolition Plan: Ground Level
- DA23 A Demolition Plan: Level 1
- DA30 A Proposed Lower Basement Plan
- DA31 A Proposed Upper Basement Plan
- DA32 A Proposed Ground Floor Plan
- DA33 A Proposed Level 1 Plan
- DA34 A Proposed Level 2 Plan
- DA35 A Proposed Level 3 Plan
- DA36 A Proposed Level 4 Plan

Items Specifically Excluded

The following items have been excluded from our estimate(s):

- Works beyond those detailed in the design plans above
- Statutory fees, charges and contributions
- Land costs
- Legal costs
- Works outside the site boundaries
- Site investigations / test bores
- Rock excavation
- Removal of contaminated soil / material, unless specifically noted
- Major service diversion works, unless specifically noted
- Major infrastructure upgrades to the facility, unless specifically noted
- Provision of new substation(s)
- Specialised medical / surgical equipment
- Tenancy fit-out costs
- Loose, soft and hard furnishings
- Special services, unless specifically noted
- Goods and Services Tax (GST)
- Escalation beyond September 2012

**HURSTVILLE PRIVATE HOSPITAL
CAPITAL INVESTMENT VALUE ESTIMATE**

Hurstville Private Hospital
Capital Investment Value Estimate
 Location Summary

Rates Current At September 2012
 GFA: Total GFA

Code	Description	GFA m²	Cost/m²	Total Cost
A	Site Allowances & Preparation			\$100,000
B	Building Works			
B1	Lower Basement	1,816	\$101	\$184,000
B2	Upper Basement	1,635	\$490	\$801,000
B3	Ground Floor	2,452	\$2,420	\$5,934,400
B4	First Floor	1,542	\$1,237	\$1,907,000
B5	Second Floor	1,375	\$2,764	\$3,800,000
B6	Third Floor	1,367	\$2,400	\$3,280,800
B7	Fourth Floor including roof	1,370	\$2,875	\$3,938,100
	B - Building Works Total	11,557	\$1,717	\$19,845,300
C	Passenger Lift(s)			\$695,000
D	External Works & Services			\$340,000
	Estimated Net Cost	11,557	\$1,815	\$20,980,300
Margins & Adjustments				
	Builders Preliminaries	18.0%		\$3,776,454
	Builders Margin	3.0%		\$742,703
	Staging/Phasing Costs	4.0%		\$1,019,979
	Professional Fees	10.0%		\$2,651,944
	Design Contingency	5.0%		\$1,458,569
	Project Planning Contingency	5.0%		\$1,531,498
	Authority Fees & Charges			Excl.
	Land & Legal Fees			Excl.
	Finance Costs & Interest Charges			Excl.
	Escalation			Excl.
	GST			Excl.
	rounding	0.1%		\$38,553
	Estimated Total Cost	11,557	\$2,786	\$32,200,000

Hurstville Private Hospital
Capital Investment Value Estimate
Location/Elements/Item

Code: A
Location: Site Allowances & Preparation

Code	Description	Unit	Qty	Rate	Total
XP 96	Site Preparation Allowance for establishment on restricted site area	Item			\$100,000
	Site Preparation Total				\$100,000
Site Allowances & Preparation					Total
					\$100,000

Hurstville Private Hospital

Capital Investment Value Estimate

Location/Elements/Item

Code: B1

Location: Lower Basement

GFA: 1,816 m² Cost/m²: \$101

[illegible]

Hurstville Private Hospital

Capital Investment Value Estimate

Location/Elements/Item

Code: B2

Location: Upper Basement

GFA: 1,635 m² Cost/m²: \$490

Code	Description	Unit	Qty	Rate	Total
AR	Alterations and Renovations				
163	Redevelopment works	m2	330.00	\$300	\$99,000
165	New building works	m2	585.00	\$1,200	\$702,000
	Alterations and Renovations Total		\$489/m²		\$801,000
Upper Basement			Total		\$801,000

Hurstville Private Hospital

Capital Investment Value Estimate

Location/Elements/Item

Code: B3

Location: Ground Floor

GFA: 2,452 m² Cost/m²: \$2,420

[illegible]

Hurstville Private Hospital

Capital Investment Value Estimate

Location/Elements/Item

Code: B4

Location: First Floor

GFA: 1,542 m² Cost/m²: \$1,237

[illegible]

Hurstville Private Hospital
Capital Investment Value Estimate
Location/Elements/Item

Code: B6

Location: Third Floor

GFA: 1,367 m² **Cost/m²:** \$2,400

Code	Description	Unit	Qty	Rate	Total
AR	Alterations and Renovations				
179	New building works to Level 3	m2	1,367.00	\$2,400	\$3,280,800
	Alterations and Renovations Total		\$2400/m²		\$3,280,800
Third Floor					Total
					\$3,280,800

Hurstville Private Hospital

Capital Investment Value Estimate

Location/Elements/Item

Code: B7

Location: Fourth Floor including roof

GFA: 1,370 m² Cost/m²: \$2,875

[illegible]

Hurstville Private Hospital

Capital Investment Value Estimate

Code: C

Location/Elements/Item

Location: Passenger Lift(s)

[illegible]

Hurstville Private Hospital**Capital Investment Value Estimate**

Location/Elements/Item

Code: D**Location:** External Works & Services

Code	Description	Unit	Qty	Rate	Total
XR	Roads, Footpaths and Paved Areas				
183	Allowance for extension and upgrades to existing carpark pavements, footpaths and driveways	Item			\$50,000
	Roads, Footpaths and Paved Areas Total				\$50,000
XL	Landscaping and Improvements				
104	Allowance for hard and soft landscaping works to affected areas	Item			\$20,000
	Landscaping and Improvements Total				\$20,000
XK	External Stormwater Drainage				
99	Allowance for upgrades to stormwater infrastructure and new reticulation/services	Item			\$25,000
	External Stormwater Drainage Total				\$25,000
XD	External Sewer Drainage				
100	Allowance for upgrade to sewer infrastructure and new reticulation/services	Item			\$15,000
	External Sewer Drainage Total				\$15,000
XW	External Water Supply				
101	Allowance for upgrade to water infrastructure and new reticulation/services	Item			\$15,000
	External Water Supply Total				\$15,000
XF	External Fire Protection				
103	Allowance for upgrade to fire protection infrastructure and new reticulation/services	Item			\$100,000
	External Fire Protection Total				\$100,000
XE	External Electric Light and Power				
98	Allowance for new substation and major upgrades to electrical infrastructure including generator etc (excluded, as advised by HeC)	Item			Excl.
113	Allowance for connection to existing electrical infrastructure	Item			\$100,000
	External Electric Light and Power Total				\$100,000
XC	External Communications				
102	Allowance for upgrade to communication infrastructure and reticulation/services	Item			\$15,000
	External Communications Total				\$15,000
External Works & Services				Total	\$340,000