

Ref 180119PS

18th January 2019

Ethos Urban
173 Sussex Street
Sydney
NSW 2000

Attention: Kate Tudehope

**Re: Project Discover Australian Museum
Section 61 Exemption QS Cost Report**

Dear Kate,

The Central Sydney Development Contributions Plan 2013, Section 2.2 part C lists works that may be exempted from the Section 61 Levy. This list includes:

5. Heritage – “development for the sole purpose of the adaptive reuse of an item of environmental heritage. The terms ‘item’ and ‘environmental heritage’ have the same meaning as in the Heritage Act 1977”

Further, the Heritage Act 1977 includes the following definitions:

“Item” means a place, building, work, relic, moveable object or precinct.

“Environmental heritage” means those places, buildings, works, relics, moveable objects, and precincts, of State or local heritage significance.

The Heritage Impact Statement for the project, prepared by Orwell & Peter Phillips, confirms that “The Australian Museum is listed on the State Heritage Register (SHR No 00696) and as a heritage item in Schedule 5 of Sydney Local Environmental Plan 2012.” The sole purpose of undertaking Project Discover (the subject of SSD 9452) is the adaptive reuse of areas of the Museum, and accordingly, the entire project should be exempt from the Central Sydney Development Contributions Plan 2013 Levy.

To this end we have prepared this Quantity Surveyor’s Certificate of Cost to verify the Capital Investment Value of the proposed Section 61 exemption, as defined in the State Environmental Planning Policy (Major Development) 2005.

Our estimate of the Capital Investment Value of the proposed Section 61 exemption is \$57,551,764 (excl GST) as summarized below:

| | |
|------------------------------------|---------------------|
| Basement level works | \$4,932,700 |
| Lower ground level works | \$3,378,800 |
| Ground level works | \$9,414,764 |
| Level 1 works | \$713,400 |
| Level 2 works | \$4,772,300 |
| Level 3 works | \$518,100 |
| Level 4 works | \$281,700 |
| Out of normal work hours allowance | \$2,100,000 |
| Staging works allowance | \$1,000,000 |
| Preliminaries (22%) | \$5,964,588 |
| Margin (6%) | \$1,984,581 |
| Construction Total | \$35,060,933 |
| Project Contingency | \$5,259,140 |
| Consultant Fees | \$3,804,100 |
| Museum Costs | \$13,427,591 |
| Total Cost (excl GST) | \$57,551,764 |

We confirm our estimate is based on the work scope indicated in the following documentation:

- Plans from Cox / Neeson Murcutt Architects dated 7th December 2018,
- Room data sheets prepared by Cox / Neeson Murcutt Architects received 13th December 2018
- Structural mark up drawings prepared by D'Ambrosio Consulting dated December 2018
- Building Services return brief Rev 01, draft prepared by ADP Consulting dated 23 November 2018.

We have calculated the development costs in accordance with schedule 2.3 of the Central Sydney Contributions Plan 2013 and at current rates.

As requested, we confirm (as advised by the Australian Museum) the employment projections for Project Discover are:

Museum employees: an additional 14 FTE positions

Construction employees: 70 FTE positions during construction phase.

Should you have any queries in relation to this letter, please do not hesitate to contact the undersigned on (02) 9263 1296.

Yours sincerely,

ALTUS GROUP COST MANAGEMENT PTY LTD

Phil Stephens

Associate (AAIQS 14613)