Rider Levett Bucknall NSW Pty Ltd
ABN 94 003 234 026

Level 19, 141 Walker Street
PO Box 531
North Sydney NSW 2059
Australia

T: +61 2 9922 2277
E: sydney@au.rlb.com

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13 October 2021

DPT and DPPT Operator Pty Ltd
Level 51
MLC Centre
19 Martin Place
Sydney NSW 2000

Attention: Mr Greg Mannes

Dear Sir

COCKLE BAY PARK – MIXED USE DEVELOPMENT
QUANTITY SURVEYOR CERTIFICATE OF COST

As requested, we have prepared this Quantity Surveyor's Certificate of Cost to verify the Capital Investment Value of the project in accordance with the definition contained in the State Environment Planning Policy (Major Development) 2005.

Under this policy the Capital Investment Value has the same meaning as in the Environmental Planning Assessment Regulation 2000 which was amended on 7 May 2010 to the following;

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 Environmental Planning and Assessment 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 Services Tax) Act 1999 of the Commonwealth).

Based on this definition, we advise that our estimate of Capital Investment Value for this project is $891,533,000, as summarised below;

• Demolition and Site Preparation	$10,760,000
• Building Works	$618,762,000
• External Works, Land Bridge, including Augmentation of Services	$162,244,000
• Consultant and Project Management Fees	$96,719,000
• Long Service Leave Levy	$3,048,000
Total Excl. GST	**$891,533,000**

We note our estimate excludes allowances for the following items based on advice provided by the NSW Department of Planning;

- Development Application and Construction Certificate fees
- Land and holding costs
- Loose furniture, fittings and equipment
- Finance costs

We confirm our estimate is based on the following information:

- Drawings prepared by Henning Larsen.

Employment Benefit

We have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed development (attached). As noted within this report, the entire project has a forecasted perceived employment contribution throughout the community during construction of **3,332 job years** during the life of the project.

In addition, our forecast analysis of the operational phase of the proposed development are additional direct job opportunities of **7,200** on site.

This Quantity Surveyors Certificate has been prepared for the purpose of providing an indicative order of development cost suitable to fulfil the DA submission requirements for NSW State Government. The actual cost of the development will vary depending on numerous issues including but not limited to the method of contractual procurement, staging, quality of finishes and fitments, method of construction, caliber of contractor and timing of implementation of the works. Hence, this report is for the benefit of government only and not to be relied upon by third parties

We trust the above is self-explanatory however, if you have any queries please do not hesitate to contact us.

Yours faithfully,

Jeremy Vitler
Senior Associate
Rider Levett Bucknall

jeremy.vitler@au.rlb.com

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Dear Sir,

COCKLE BAY PARK – MIXED USE DEVELOPMENT
EMPLOYMENT AND ECONOMIC MULTIPLIER BENEFITS

As requested, Rider Levett Bucknall (RLB) have undertaken an analysis of the perceived employment benefits derived from the construction of the proposed development. RLB would emphasise that we have assessed the potential "gross" benefits in regard to the project. Our approach is that the economic and employment impact of the project has been viewed in isolation, ignoring external contributory influences and we have assumed that all benefits identified are a result of this project alone.

The benefits attributable to the project can be direct, indirect or induced. The Initial Effect benefits are those derived from the direct employment within the construction industry based on the project value. The Production Induced Benefits are those employment outcomes that are derived from all industries that directly support the construction industry by the supply of materials and services directly to the project.

Employment Multiplier Effects Calculation

The following tables highlight the Employment Generation Analysis of the proposed phases of the project (not including land, project design and management, statutory fees, occupancy and financing costs), highlighting the employment outcomes associated with the project.

The unit measure for employment is the equivalent of one full-time job for one year.

Multiples as at October 2021 (for each $1m of construction cost)

		Production Induced Effects			
Employment Multiplier (Full Time Job Years)	**Initial Effects**	**First Round Effects**	**Industrial Support Effects**	**Total Production Effects**	**Total**
Building (Res & Non Res)	**2.7955**	*0.858*	*0.457*	**1.316**	**4.111**

As at October 2021 **Project Value : $891 million**

Employment Output (Full Time Job Years)	**Initial Effects**	**Production Induced Effects**			**Total Employment Output**
		First Round Effects	**Industrial Support Effects**	**Total Production Effects**	
Building (Res & Non Res)	**2,265**	*696*	*371*	**1067**	**3,332**

The employment output represents that for each $1,000,000 of construction work done, the initial employment effect would be that 2.8 workers would be engaged to undertake the works on site, 0.8 workers would be employed in the manufacture and supply of intermediate goods and services used in the construction of the project and a further 0.5 workers would be employed through the indirect supply of goods and services to those companies supplying the construction companies involved.

As noted within this report, the entire project has a forecasted perceived employment contribution throughout the community of **3,332 job years** during the life of the project.

The forecast outcomes are derived from established methodological approaches and measures. As the analysis involves forecasting, it can be affected by a number of unforeseeable variables. It represents, for the party to whom it is addressed, the best estimates of Rider Levett Bucknall, but no assurance is, or can be, given that the forecast outcomes will be achieved.

Yours faithfully,

Jeremy Vitler
Senior Associate
Rider Levett Bucknall

jeremy.vitler@au.rlb.com

Notes to Rider Levett Bucknall's Employment Benefit Analysis

Methodology

The method used to estimate the direct, indirect and induced effects of a project is by means of an "input-output" analysis. The main application of this analysis is to examine the effects on the economy as a whole in private or government spending.

Input / Output analysis utilises multipliers to assess additional economic activity, measured in dollars (Economic Multipliers) and employment measured in jobs (Employment Multipliers) that result from increased production in a particular industry.

There are two types of multipliers – Production Induced Multipliers and Consumption Induced Multipliers.

Production Induced Multipliers consist of:

(1) First Round Effects which comprise all outputs and employment required to produce the inputs for construction and;

(2) Industrial Support Effects which are the induced extra output and employment from all industries to support the production of the first round effect.

Consumption Induced Multipliers relate to the demand for additional goods and services due to increased spending by the wage and salary earners, across all industries, arising from employment. These multipliers have not been used in this example as they have been deemed too distant for real analysis.

Input-output multipliers used within this analysis have been derived from ABS published data tables and adjusted for inflationary & productivity factors together with Rider Levitt Bucknall's assessment of the project being undertaken.

ABS input/output tables have been derived from the Australian construction industry as a whole and is calculated on all work performed within the sector.

Definitions

Full Time Job Years	*The number of full-time jobs of 1 year in length*
Initial Effects	*The employment or economic benefit generated directly from the project spend on the construction process.*
Production Induced Effects	*Indirect wages and economic benefit generated by companies supporting the production of goods and services to the project.*
First Round Effects	*Wages and economic benefit generated by companies directly supplying goods and services to the construction effort.*
Industrial Support	*Indirect wages and economic benefit arising from the generation of the First Round Effects*