

APPENDIX 34

Estimated costs of easements (Part B Works)



Maloney Field Services

NATIONAL VALUATION AND LAND ACCESS SOLUTIONS

Easement Acquisition Estimates

Brown Hill Keswick Creek Stormwater Project

June 2014

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Introduction

The following report has been prepared in accordance with original instructions received from **Mr Michael Salkeld**, Project Director of the Brown Hill Keswick Creek Stormwater Project ("the Project") on 18 June 2013.

Our instructions were to provide preliminary advice regarding costs associated with the potential acquisition of easements to enable the upgrade of the existing Brown Hill Creek alignment. It is understood that the Brown Hill Keswick Creek Stormwater Project is currently considering various options to cater for the estimated 100 year Average Recurrence Interval ("ARI") flow in this section of Brown Hill Creek and that one of these options is to upgrade the existing creek necessitating the acquisition of such easements.

Colour coded plans provided to us indicate which sections of the creek are likely to require the acquisition of easements under the Brown Hill Creek Upgrade scenario. Based upon the plans provided to us, we identified all privately owned properties which may require easements. The properties that were excluded from our scope of work are those properties where plans indicate there will be either no change to the existing creek bed, or where the upgrade will be limited to vegetation management only. We also excluded properties in the ownership of the relevant Council as it assumed that nil compensation will be payable in these instances.

Based on the criteria as described above, we identified 53 privately owned properties as potentially requiring easements and subsequently set about preparing estimates of both the compensation that will be payable to affected owners together with other costs associated with acquisition such as survey, statutory and legal costs to required to facilitate easement registration.

Scope of Work

In accordance with our instructions, the cost estimates associated with acquiring easements over portions of Brown Hill Creek as detailed herein have been undertaken on a desktop basis.

In carrying out our desktop assessments, we firstly (to the best of our ability) identified the private properties which will potentially be affected and subsequently set up an Affected Ownership Register. This Affected Ownership Register was then populated with basic information regarding each property, with the majority of this information being sourced from the South Australian Government Department of Planning, Transport and Infrastructure Property Valuation Listing.

In carrying out our estimates we made a number of assumptions including, but not limited to, the following:

- All proposed acquisitions are for easements rather than freehold tenure.
- Assessments of compensation have only been provided in respect of the registered proprietor's interest and do not extend to compensation for any other interest in the land, e.g. leases and licences.

- All costs associated with acquiring the proposed easements will be borne by the Project.
- All fencing and/or property infrastructure affected by construction of the upgraded channel will be reinstated by the Project.
- The estimates as detailed herein have been prepared for the use in the feasibility stage of the project only.
- In the event that the Project decides to pursue the acquisition of the easements referred to herein, individual assessments of compensation will need to be prepared with the benefit of survey plans, access to the properties to undertake site inspections together with the opportunity to interview affected property owners.
- The compensation component of our estimates has been prepared within the framework of Section 25 of the *Land Acquisition Act 1969*. Accordingly, the compensation estimates prepared herein are based on the actual Value of Land Taken, together with likely losses arising from Injurious Affection, Severance and Disturbance.
- Our preparation of the easement acquisition cost estimates expressly exclude costs of construction, property reinstatement and all costs associated with negotiating with individual landowners. Whilst we have made an allowance for basic professional fees to be incurred by the affected owner, our estimates do not make an allowance for any potential litigation.

The Schedule of Affected Properties which details the estimated easement acquisition costs of each of the nominated properties is included in this report and marked **Appendix 1**.

Methodology

As detailed previously herein, we have calculated the compensation component of the cost estimates pursuant to Section 25 of the *Land Acquisition Act 1969* and separately estimated the further costs of registering the easements.

The data collected and various cost estimates have been captured in spreadsheet format, with the following briefly describing the information provided:

Property Number

A unique identifier allocated by Maloney Field Services.

Site Area Sqm

Sourced from South Australian Government Department of Planning, Transport and Infrastructure Property Valuation Listing.

Property Improvements

Sourced from South Australian Government Department of Planning, Transport and Infrastructure Property Valuation Listing.

VG Site Value

Sourced from South Australian Government Department of Planning, Transport and Infrastructure Property Valuation Listing.

Land Value per Square Metre

Derived by dividing VG site value by the site area.

VG Capital Value

Sourced from South Australian Government Department of Planning, Transport and Infrastructure Property Valuation Listing.

Easement Length Metres

As scaled off Australian Water Environment's Plans (very approximate).

Easement Width Metres

In accordance with our instructions, we have assumed that each easement will have a width of eight (8) metres.

Easement Area Sqm

The multiplication of easement length by easement width.

Value of Land Taken

This amount represents the pro rata value of the affected land and subsequently assessed at 20% diminution.

Severance and Injurious Affection

The amount allowed under the heading of Severance and Injurious Affection represents an estimate in the loss in value to the balance of the property following acquisition of the proposed easements. In this instance, we have made an allowance for Severance and Injurious Affection equivalent to 1.5% of the VG capital value.

Disturbance

This sum represents an amount to compensate the affected owner for General Disturbance, Construction Disturbance and an allowance for basic professional fees.

Cost of Land Division

This represents an allowance for survey, statutory and legal costs associated with registration of the easements.

Subtotal

The subtotal of acquisition costs represents the total compensation payable to the owner together with the additional cost of registering the easements. The purpose of calculating a sub-total of acquisition costs is to enable the application of a contingency factor.

Contingency

For the purpose of this exercise we have adopted 2% as representing a reasonable contingency factor.

Grand Total

This figure represents our estimate of the total costs associated with the acquisition of easements over the 53 properties identified herein, subject to exclusions set out elsewhere in this report.

Declaration

The valuer has no pecuniary interest past, present or prospective in the subject properties and the preliminary estimates prepared herein are free from any bias.

Disclaimer

This valuation is current at the date of valuation only. The value assessed herein may change significantly and unexpectedly over a relatively short period of time (including as a result of general market movements or factors specific to the particular property). Liability for losses arising from such subsequent changes in value is excluded as is liability where the valuation is relied upon after the date of the valuation.

Contaminants such as asbestos, chemicals, toxic wastes, or other potentially hazardous materials could, if present, adversely affect the value of "the Property". We advise the valuer is not qualified to detect such substances, quantifying the impact on values, or estimate the remedial costs. Therefore unless otherwise stated in this report, the extent of hazardous substances, which may or may not be represented on or in "the Property", was not considered by the valuer in the conclusion of value.

We also emphasise we have not carried out a structural survey of the improvements nor have we examined them for signs of timber infestation, concrete cancer and the like and accordingly cannot be responsible for the consequence of such defects. Furthermore, no soil analysis or geological studies were ordered or made in conjunction with this report.

This valuation has been prepared on the basis that full disclosure of all information and facts which may affect the valuation has been made to us. We do not accept any liability or responsibility whatsoever for the valuation if full disclosure has not been made. Furthermore, we do not accept responsibility for any consequential error or defect in the valuation which has resulted from any error, omission or inaccuracy in data or information supplied by the client or its officers and agents.

Where land and buildings have been valued on a market basis it should be noted the Privacy Act prevents the disclosure of vendors and purchasers names and this information has been excluded from the Government sales data provided to us. Whilst we have made reasonable efforts to eliminate sales from our analysis which do not conform to the definition of the value contained herein, we cannot verify the accuracy of sales upon which our judgements are based.

Government sales data provided may include GST. We have made reasonable efforts to determine if GST or the Margin Scheme has been applied and made allowance for such amounts if applicable. We cannot verify the accuracy of sales upon which our judgements are based.

This valuation is solely for the use of the party by whom we were instructed and for no other purpose. We owe no duty of care to any third party who become aware of this valuation and, without our knowledge, chooses to act or rely on the whole or any part of it.

Summary

As detailed previously herein we have carried out estimates of the costs of acquiring a number of easements over private property to enable the upgrade of the existing Brown Hill Creek alignment to cater for the estimated 100 year Average Recurrence Interval (ARI) flow in this section of Brown Hill Creek.

Therefore, in accordance with our instructions, we have completed desktop estimates of the cost of acquiring easements over nominated properties, with a summary of these estimates being as follows:

▪ Property Compensation	\$2,440,000
▪ Disturbance Compensation	\$400,000
▪ Cost of Easement Registration	\$265,000
▪ Contingency	\$65,000
	TOTAL
	\$3,170,000
	SAY
	\$3,200,000

We trust that the information provided to the Brown Hill Keswick Creek Stormwater Project is useful in carrying out feasibility analysis associated with this particular option and look forward to providing further advice as required.

Maloney Field Services



ANDREA CAROLAN

BAppSc PRM FAPI
Certified Practising Valuer



Maloney Field Services

NATIONAL VALUATION AND LAND ACCESS SOLUTIONS

Appendix 1

Schedule of Affected Properties

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Property No 2014	Site Area m2	Property Improvements	VG Site Value	Land value per m2	VG Capital Value	Easement Length Metres	Easement Width Metres	Easement Area Square metres	Value of Land Taken	Severance and Injurious Affection	Disturbance	Cost of Easement Registration	Sub Total	Contingency	Grand Total
2014-1	1,263	5H S/R GAR SH	\$660,000	\$523	\$660,000	89	8	712	\$74,413	\$9,900	\$7,500	\$5,000	\$96,813	\$1,936	\$98,750
2014-3	1,204	H CP IG	\$610,000	\$507	\$850,000	17	8	136	\$13,781	\$12,750	\$7,500	\$5,000	\$39,031	\$781	\$39,811
2014-4	868	5H SH CP	\$470,000	\$541	\$550,000	32	8	256	\$27,724	\$8,250	\$7,500	\$5,000	\$48,474	\$969	\$49,443
2014-5	689	7H CP V DIG	\$335,000	\$486	\$570,000	50	6	300	\$29,173	\$8,550	\$7,500	\$5,000	\$50,223	\$1,004	\$51,227
2014-6	787	5H CP	\$420,000	\$534	\$550,000	50	6	300	\$32,020	\$8,250	\$7,500	\$5,000	\$52,770	\$1,055	\$53,826
2014-7	689	4H S/O G	\$335,000	\$486	\$430,000	50	6	300	\$29,173	\$6,450	\$7,500	\$5,000	\$48,123	\$962	\$49,085
2014-8	1,126	4H DI/G CP	\$350,000	\$311	\$375,000	50	6	300	\$18,650	\$5,625	\$7,500	\$5,000	\$36,775	\$736	\$37,511
2014-9	1,053	6H SP CP SH	\$495,000	\$470	\$530,000	50	6	300	\$28,205	\$7,950	\$7,500	\$5,000	\$48,655	\$973	\$49,628
2014-19-2	619	4H/UNIT G CP	\$460,000	\$743	\$690,000	12.6	2	25.2	\$3,745	\$10,350	\$7,500	\$5,000	\$26,595	\$532	\$27,127
2014-20	622	HALL STABLE	\$186,000	\$299	\$192,000	23.9	8	191.2	\$11,435	\$2,880	\$7,500	\$5,000	\$26,815	\$536	\$27,351
2014-21	8,010	UNLEY SWIM CENTRE	\$1,025,000	\$128	\$1,025,000	0	0	0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2014-25	455	5H	\$370,000	\$813	\$425,000	12.1	8	96.8	\$15,743	\$6,375	\$7,500	\$5,000	\$34,618	\$692	\$35,311
2014-26	687	6H G	\$320,000	\$466	\$465,000	11.8	8	94.4	\$8,794	\$6,975	\$7,500	\$5,000	\$28,269	\$565	\$28,835
2014-27	1,868	4 H UNIT CP (x10)	\$1,363,000	\$730	\$2,240,000	31.4	8	251.2	\$36,658	\$33,600	\$7,500	\$5,000	\$82,758	\$1,655	\$84,413
2014-45	557	5H ENC CP	\$320,000	\$575	\$450,000	14.8	8	118.4	\$13,604	\$6,750	\$7,500	\$5,000	\$32,854	\$657	\$33,511
2014-46	557	6H CP	\$320,000	\$575	\$550,000	14.8	8	118.4	\$13,604	\$8,250	\$7,500	\$5,000	\$34,354	\$687	\$35,041
2014-47	557	7HCP	\$320,000	\$575	\$770,000	14.8	8	118.4	\$13,604	\$11,550	\$7,500	\$5,000	\$37,654	\$753	\$38,407
2014-48	557	5H G	\$320,000	\$575	\$610,000	14.8	4	59.2	\$6,802	\$9,150	\$7,500	\$5,000	\$28,452	\$569	\$29,021
2014-53	585	7H I/G CP	\$365,000	\$624	\$850,000	14.8	4	59.2	\$7,387	\$12,750	\$7,500	\$5,000	\$32,637	\$653	\$33,290

Property No 2014	Site Area m2	Property Improvements	VG Site Value	Land value per m2	VG Capital Value	Easement Length Metres	Easement Width Metres	Easement Area Square metres	Value of Land Taken	Severance and Injurious Affection	Disturbance	Cost of Easement Registration	Sub Total	Contingency	Grand Total
2014-54	571	6HDG DECK	\$365,000	\$639	\$1,075,000	18.5	8	148	\$18,921	\$16,125	\$7,500	\$5,000	\$47,546	\$951	\$48,497
2014-55	1,142	5H G W/SHOP	\$700,000	\$613	\$920,000	17.2	8	137.6	\$16,869	\$13,800	\$7,500	\$5,000	\$43,169	\$863	\$44,032
2014-57	1,592	7HDG DGWS	\$1,050,000	\$660	\$1,650,000	56.3	8	450.4	\$59,412	\$24,750	\$7,500	\$5,000	\$96,662	\$1,933	\$98,595
2014-58	1,158	8HDG	\$970,000	\$838	\$1,550,000	19.7	8	157.6	\$26,403	\$23,250	\$7,500	\$5,000	\$62,153	\$1,243	\$63,396
2014-59	1,804	9HDGV SP	\$1,475,000	\$818	\$2,625,000	15.8	8	126.4	\$20,670	\$39,375	\$7,500	\$5,000	\$72,545	\$1,451	\$73,996
2014-60	1,002	7H G	\$820,000	\$818	\$820,000	15.1	8	120.8	\$19,772	\$12,300	\$7,500	\$5,000	\$44,572	\$891	\$45,463
2014-61	757	4H S/O GAR	\$780,000	\$1,030	\$780,000	43.9	6	263.4	\$54,281	\$11,700	\$7,500	\$5,000	\$78,481	\$1,570	\$80,050
2014-63	907	8H D/G S/P	\$860,000	\$948	\$1,850,000	40.9	8	327.2	\$62,049	\$27,750	\$7,500	\$5,000	\$102,299	\$2,046	\$104,345
2014-64	930	7H CP G	\$880,000	\$946	\$930,000	5.4	8	43.2	\$8,175	\$13,950	\$7,500	\$5,000	\$34,625	\$693	\$35,318
2014-66	603	7H CP	\$780,000	\$1,294	\$780,000	16.1	8	128.8	\$33,321	\$11,700	\$7,500	\$5,000	\$57,521	\$1,150	\$58,672
2014-67	2,257	9H CP TC SP	\$2,100,000	\$930	\$3,000,000	17.5	8	140	\$26,052	\$45,000	\$7,500	\$5,000	\$83,552	\$1,671	\$85,223
2014-68	895	9H DCP	\$860,000	\$961	\$1,600,000	44.6	8	356.8	\$68,569	\$24,000	\$7,500	\$5,000	\$105,069	\$2,101	\$107,171
2014-70	2,772	9H S/P	\$2,000,000	\$722	\$2,725,000	83.3	6	499.8	\$72,121	\$40,875	\$7,500	\$5,000	\$125,496	\$2,510	\$128,006
2014-71	1,131	6H D/G	\$1,150,000	\$1,017	\$1,775,000	30.8	8	246.4	\$50,108	\$26,625	\$7,500	\$5,000	\$89,233	\$1,785	\$91,018
2014-76	1,630	7H TG SP	\$970,000	\$595	\$1,700,000	35.9	8	287.2	\$34,182	\$25,500	\$7,500	\$5,000	\$72,182	\$1,444	\$73,626
2014-78	2,596	11H DG TC SP	\$1,625,000	\$626	\$3,125,000	44.7	8	357.6	\$44,769	\$46,875	\$7,500	\$5,000	\$104,144	\$2,083	\$106,227
2014-80	1,889	9H SP DG TC	\$1,225,000	\$648	\$1,225,000	29.1	8	232.8	\$30,194	\$18,375	\$7,500	\$5,000	\$61,069	\$1,221	\$62,290
2014-81	1,542	5H/UNIT G S/P	\$480,000	\$311	\$540,000	59.8	4	239.2	\$14,892	\$8,100	\$7,500	\$5,000	\$35,492	\$710	\$36,202
2014-84	1,924	9H SP DG	\$1,225,000	\$637	\$1,400,000	30.8	8	246.4	\$31,376	\$21,000	\$7,500	\$5,000	\$64,876	\$1,298	\$66,174

Property No 2014	Site Area m2	Property Improvements	VG Site Value	Land value per m2	VG Capital Value	Easement Length Metres	Easement Width Metres	Easement Area Square metres	Value of Land Taken	Severance and Injurious Affection	Disturbance	Cost of Easement Registration	Sub Total	Contingency	Grand Total
2014-85	1,914	11H G ST CP S/P	\$1,225,000	\$640	\$1,225,000	20.6	8	164.8	\$21,095	\$18,375	\$7,500	\$5,000	\$51,970	\$1,039	\$53,009
2014-86	2,435	11H S/P TC D/G	\$1,575,000	\$647	\$1,875,000	39.5	8	316	\$40,879	\$28,125	\$7,500	\$5,000	\$81,504	\$1,630	\$83,134
2014-87	728	6H G CP	\$520,000	\$714	\$680,000	4.9	8	39.2	\$5,600	\$10,200	\$7,500	\$5,000	\$28,300	\$566	\$28,866
2014-88	572	10H G CP	\$630,000	\$1,101	\$710,000	30.4	8	243.2	\$53,572	\$10,650	\$7,500	\$5,000	\$76,722	\$1,534	\$78,256
2014-93	1,712	10H D/G S/P	\$770,000	\$450	\$1,075,000	40.2	8	321.6	\$28,929	\$16,125	\$7,500	\$5,000	\$57,554	\$1,151	\$58,705
2014-95	1,001	9H CP	\$630,000	\$629	\$710,000	30.1	8	240.8	\$30,310	\$10,650	\$7,500	\$5,000	\$53,460	\$1,069	\$54,530
2014-97	1,364	6H D/G	\$650,000	\$477	\$780,000	71	8	568	\$54,135	\$11,700	\$7,500	\$5,000	\$78,335	\$1,567	\$79,902
2014-98	927	8H DG SP	\$660,000	\$712	\$980,000	39.9	2	79.8	\$11,363	\$14,700	\$7,500	\$5,000	\$38,563	\$771	\$39,334
2014-99	1,109	6H CP CP	\$630,000	\$568	\$800,000	29.8	8	238.4	\$27,086	\$12,000	\$7,500	\$5,000	\$51,586	\$1,032	\$52,618
2014-100	1,145	5H 2G	\$700,000	\$611	\$730,000	39	8	312	\$38,148	\$10,950	\$7,500	\$5,000	\$61,598	\$1,232	\$62,830
2014-101	815	7H DG	\$500,000	\$613	\$840,000	48.8	8	390.4	\$47,902	\$12,600	\$7,500	\$5,000	\$73,002	\$1,460	\$74,462
2014-107	2,188	10H G S/P	\$1,100,000	\$503	\$1,500,000	92.8	8	742.4	\$74,647	\$22,500	\$7,500	\$5,000	\$109,647	\$2,193	\$111,840
2014-109	983	7H D/CP W/S	\$630,000	\$641	\$735,000	34.2	8	273.6	\$35,070	\$11,025	\$7,500	\$5,000	\$58,595	\$1,172	\$59,767
2014-111	1,100	8H SHED CP	\$620,000	\$564	\$630,000	25.6	8	204.8	\$23,087	\$9,450	\$7,500	\$5,000	\$45,037	\$901	\$45,937
2014-112	753	10H CP	\$510,000	\$677	\$580,000	12.3	8	98.4	\$13,329	\$8,700	\$7,500	\$5,000	\$34,529	\$691	\$35,220
2014-113	1,006	6H 3FLAT CP	\$660,000	\$656	\$780,000	10.6	8	84.8	\$11,127	\$11,700	\$7,500	\$5,000	\$35,327	\$707	\$36,033
									\$1,592,932	\$846,855	\$397,500	\$265,000	\$3,102,287	\$62,046	\$3,164,333