



# Project **Feasibility** Analysis

Hunter Depot Program

Prepared for Ausgrid

January 2023



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# 1. Executive Summary

## 1.1. Scope

JLL has been engaged by Ausgrid to undertake feasibility analyses for a selection of major property projects. This project feasibility analysis relates to the Hunter Depot Program.

## 1.2. Key Findings & Recommendation

Based on the financial assessment we have undertaken, as well as our non-financial observations, we recommend proceeding with **Scenario 2 - Implement Hunter Depot Program**. This scenario results in a superior financial outcome compared with Scenario 1 and results in more significant non-financial benefits being realised impacting operations, efficiency and safety.

Delivery of this scenario would result in the following capital expenditure (capex) over the FY25-29 period to deliver the new facilities. The capex shown in the table below includes the cost to construct new facilities and the relocation costs for the Hunter Depot Program. It does not include minor ongoing and reactive capital works required at the site in the lead up or post construction.

Table 1: FY25-29 Proposed Capex of Recommended Scenario

Nominal \$million	FY25	FY26	FY27	FY28	FY29	Total FY25-29
Capex						

## 1.3. Report Authors


## 2. Introduction

### 2.1. Instructions

JLL has been engaged by Ausgrid to undertake feasibility analysis related to their Hunter Depot Program (further details provided below in Section 2.3). The feasibility assessment in this report includes both financial and non-financial analysis. This information is targeted at informing Ausgrid of the least cost solution to addressing the risks associated with non-network property assets that are declining in condition as they reach an advanced age.

### 2.2. Ausgrid Property & Accommodation Strategy

Ausgrid are continuing a program of consolidating and modernising their non-network property portfolio. The priority is to ensure they provide safe, secure and fit-for-purpose workplaces for staff that allows for the provision of timely and reliable services to meet customer needs. Further, as a consequence of more agile working practices adopted during COVID-19 and a significant downsizing of the workforce over the last 10 years, Ausgrid's property footprint is currently under-utilised. Over the course of FY22 the transformation and strategic property teams have conducted a review of all Ausgrid sites being utilised to accommodate staff with the purpose of the review to:

- Maximise utilisation and improve financial outcomes;
- Maintain and improve operational performance and ensure Ausgrid's sites are set up for the future target operating model;
- Support improvements in Ausgrid's culture by enhancing the spaces their teams work in.

Ausgrid has identified the need for a number of projects involving the replacement, upgrading or refurbishment of property during the five-year forecast period. In particular, Ausgrid has an ageing property portfolio and priority has been given to those assets which are of greater safety and security concern and are in the most urgent need of replacement. A selection of these projects are the subject of the analysis we are now undertaking, as described in the instructions above.

### 2.3. Overview of the Proposed Projects

Ausgrid have developed a Hunter Depot Program which includes the delivery of new developments enabling smaller, more fit for purpose facilities or part land area divestments. The following is a summary of the proposed interrelated works:

- Deliver a smaller, more fit for purpose new depot at Muswellbrook, as well as provide funds to enable development of the Renewables and Sustainability Program Facility at Muswellbrook.
- Deliver a smaller, more fit for purpose new depot at Cessnock.
- Following the redevelopment, portion off surplus land at Muswellbrook for divestment.

The key Ausgrid drivers for the proposed development of the Hunter Depot Program include:

- Accommodate the workforce and critical operations in suitable facilities that align with Ausgrid Accommodation Guidelines.
- The current Cessnock Depot is quite dated and the current layout not efficient, resulting in the site not being well utilised. Opportunity therefore exists for a redevelopment that is fit for purpose in the longer term.
- The current Muswellbrook site is dated, no longer fit-for-purpose, larger than required and we understand issues with the facilities are arising (e.g., leaking roof). Significant investment would be required whether to refurbish the current buildings or demolish the current facilities and build a purpose-built depot, however, with a rebuild an opportunity exists to consolidate the new facilities in closer proximity to the substation, presenting an opportunity to subdivide surplus land.

- This overarching strategy will help to improve the culture through improved facilities, standardisation of practices, and grouping of teams to enhance collaboration, knowledge sharing, communication and problem-solving.
- Appropriately manage lifetime property costs.
- Address current and future demands in the Hunter region.
- Potential for surplus land to be disposed after the completion of works (re-zoning and Council approval would be required).



### 3. Muswellbrook Depot

#### 3.1. Location

Ausgrid’s Muswellbrook Depot is located at 41 Thomas Mitchell Drive, Muswellbrook, NSW, 2333.

Figure 1: Ausgrid’s Muswellbrook Depot



Source: SIX Maps

#### 3.2. Surrounding Developments

The surrounding developments comprise predominantly farmland and conservation land zoned as ‘RU1 – Primary Production’ and ‘C3 – Environmental Management’ respectively. The Muswellbrook town centre is located 3 kms to the northeast of the subject. A small industrial precinct is adjacent to the subject and zoned as IN1 – General Industrial.

#### 3.3. Legal

Title Details	Lot 111 DP 815033 and Lot 1 DP 1090331
Registered Owner/s	Alpha Distribution Ministerial Holdings Corporation
Encumbrances	We have not verified the existence of encumbrances on title
Property No. (NSW Valuer General (VG))	██████
VG Assessed Land Value	██████████

### 3.4. Landholdings

Address	41 Thomas Mitchell Drive, Muswellbrook, NSW, 2333.
Site Details	The subject property is an irregular shaped allotment and is located on the northern side of Thomas Mitchell Drive.
Land Area	153,100 sqm
Services	All standard services (electricity, water, telephone and sewerage) are assumed to be available to the site
PRP Online No.	820633

### 3.5. Improvements

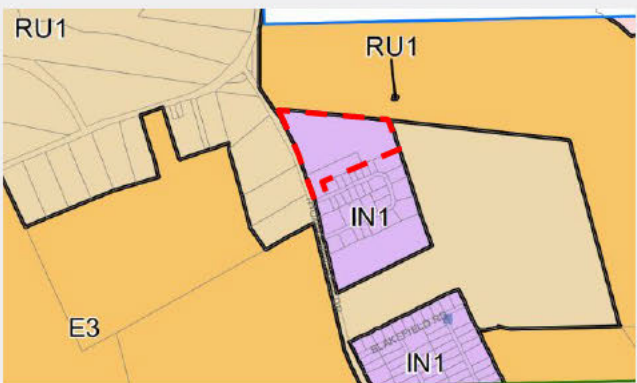
Subject's Present Use	The subject property is currently utilised as Muswellbrook Distribution Centre, comprising depot, offices and pole storage area and substation
Year Constructed	Circa 1970's through to 2009 Building 1 West has been partly refurbished from 2000-2007 (PRP Valuation)
Construction Materials	Office Areas – Brick clad, mix of carpet and vinyl flooring with generally suspended grid ceiling and ducted air conditioning. Warehouses – Steel framed, colorbond clad with concrete floors and high bay lighting throughout. Storage Sheds – Steel framed with metal deck roofing and generally clear span with concrete flooring. (PRP Valuation)
Lettable Area	7,580 sqm
Condition	Poor (Accommodation Strategy Stage 2)
Other Structures	Apart from the depot buildings (Building 1 East and Building 1 West), the site includes storage sheds, truck covered shed, car parking, open storage/hardstand and a pole storage area.

### 3.6. Environmental

Contamination	JLL have been provided with some site specific information on potential contamination risks with this site – we refer the reader to the report by WSP titled 'Asbestos and Lead Materials Audit dated June 2018. Within this report 1 item was identified to have 'Moderate Priority Risk Rating', and a further 8 items were identified to 'Low Priority Risk Rating'
Flooding	JLL has had reference to the Muswellbrook Local Environmental Plan (LEP) 2009. The subject property does not appear to be impacted given it is not within a flood zone, nor a flood planning area



### 3.7. Planning Controls

Local Authority	Muswellbrook Shire Council
Planning Instrument	Muswellbrook Local Environmental Plan (LEP) 2009
Zoning	<p>IN1 – General Industrial</p> 
Objectives of Zone	<p>1 Objectives of zone</p> <ul style="list-style-type: none"> <li>• To provide a wide range of industrial and warehouse land uses.</li> <li>• To encourage employment opportunities.</li> <li>• To minimise any adverse effect of industry on other land uses.</li> <li>• To support and protect industrial land for industrial uses.</li> <li>• To recognise existing industries and to encourage the establishment of new industries so as to expand the local employment base, and to minimise any adverse effects of industry on residential communities.</li> <li>• To accommodate larger industries or those which potentially could create nuisance in locations separated from residential areas but accessible to the workforce.</li> <li>• To enable development that is associated with, ancillary to, or supportive of industry or industrial employees.</li> </ul> <p>2 Permitted without consent</p> <p>Nil</p> <p>3 Permitted with consent</p> <p>Air transport facilities; Car parks; Community facilities; Crematoria; Depots; Environmental facilities; Environmental protection works; Flood mitigation works; Freight transport facilities; Garden centres; General industries; Hardware and building supplies; Heavy industrial storage establishments; Helipads; Industrial retail outlets; Industrial training facilities; Industries; Information and education facilities; Kiosks; Neighbourhood shops; Oyster aquaculture; Places of public worship; Public administration buildings; Recreation areas; Recreation facilities (indoor); Recreation facilities (outdoor); Roads; Rural industries; Service stations; Sewerage systems; Sex services premises; Signage; Storage premises; Take away food and drink premises; Tank-based aquaculture; Timber yards; Transport depots; Truck depots; Vehicle body repair workshops; Vehicle repair stations; Vehicle sales or hire premises; Warehouse or distribution centres; Waste or resource management facilities; Water supply systems; Wholesale supplies</p> <p>4 Prohibited</p> <p>Pond-based aquaculture; Any other development not specified in item 2 or 3</p>



Conformity	Upon a review of the applicable planning controls listed above, the subject site appears to conform to the LEP's controls
Heritage	JLL did not find evidence of the subject property being affected by heritage considerations.
Surrounding Zones	The site is primarily surrounded by 'RU1 – Primary Production' and 'C3 – Environmental Management'.

## 4. Cessnock Depot

### 4.1. Location

Ausgrid’s Cessnock Depot is located at 23 South Avenue, Cessnock, NSW, 2325.

Figure 2: Ausgrid’s Cessnock Depot



Source: SIX Maps

### 4.2. Surrounding Developments

The surrounding developments of the depot site appear to be mostly commercial properties zoned ‘B7 – Business Park’ and ‘B4 Mixed Use’. TAFE NSW Cessnock is located immediately opposite the site. Other surrounding uses ‘R3- Medium Density Residential’, ‘RE1 Public Recreation’, ‘RU2 – Rural Landscape’ and ‘C2 – Environmental Conservation’.

### 4.3. Legal

Title Details	Lot 2 DP 608084 and Lot 292 DP 40038
Registered Owner/s	Alpha Distribution Ministerial Holdings Corporation
Encumbrances	We have not verified the existence of encumbrances on title
Property No. (NSW Valuer General (VG))	██████████
VG Assessed Land Value	████████████████████

#### 4.4. Landholdings

Address	23 South Avenue, Cessnock, NSW, 2325
Site Details	The site is a regular shape comprising 2 allotments with a frontage on the southern side of South Avenue.
Land Area	7,978 sqm
Services	All standard services (electricity, water, telephone and sewerage) are assumed to be available to the site
PRP Online No.	820653

#### 4.5. Improvements

Subject's Present Use	The subject property is used as a district depot and workshop comprising a main single-level brick office and amenities building.
Year Constructed	Circa 1960's/2000's
Construction Materials	Masonry construction to the main building and steel framed construction to the workshops (PRP Valuation).
Lettable Area	1,016 sqm
Condition	Good (Accommodation Strategy Stage 2)
Other Structures	Apart from the depot facilities, the remaining parts of the site are concrete sealed for parking and/or storage purposes while the site is fully fenced and accessed through a secure gate. Towards the south eastern section of the site is an electricity substation accommodating approximately 1,200 square metres of land (PRP Valuation).

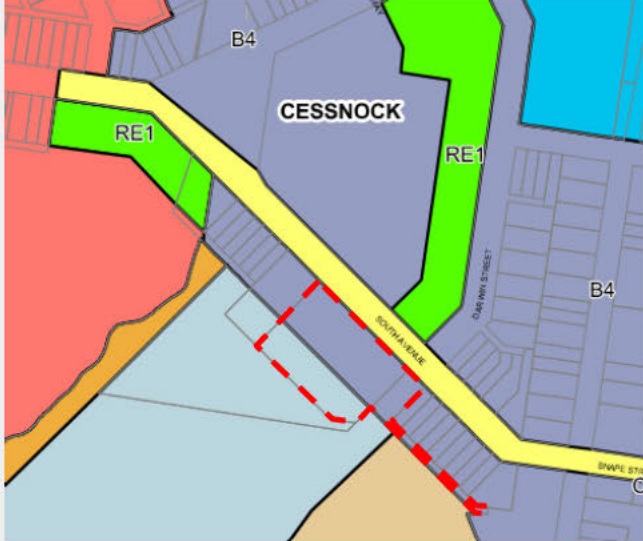
#### 4.6. Environmental

Contamination	JLL have been provided with some site-specific information on potential contamination risks with this site – we refer the reader to the report by WSP titled 'Asbestos and Lead Materials Audit dated June 2018. Within this report 11 items were identified to have a 'Low Priority Risk Rating'.
Flooding	JLL has had reference to the Cessnock Local Environmental Plan (LEP) 2011. The subject property does not appear to be impacted given it is not within a flood zone, nor a flood planning area.

#### 4.7. Planning Controls

Local Authority	Cessnock City Council
Planning Instrument	Cessnock Local Environmental Plan (LEP) 2011



Zoning	<p>B7 – Business Park and B4 Mixed Use</p> 
Objectives of Zone	<p>Zone B4 Mixed Use</p> <p>1 Objectives of zone</p> <ul style="list-style-type: none"> <li>• To provide a mixture of compatible land uses.</li> <li>• To integrate suitable business, office, residential, retail and other development in accessible locations so as to maximise public transport patronage and encourage walking and cycling.</li> </ul> <p>2 Permitted without consent</p> <p>Home occupations</p> <p>3 Permitted with consent</p> <p>Boarding houses; Centre-based child care facilities; Commercial premises; Community facilities; Educational establishments; Entertainment facilities; Function centres; Hotel or motel accommodation; Information and education facilities; Medical centres; Oyster aquaculture; Passenger transport facilities; Recreation facilities (indoor); Registered clubs; Respite day care centres; Restricted premises; Roads; Seniors housing; Sewage reticulation systems; Shop top housing; Tank-based aquaculture; Any other development not specified in item 2 or 4</p> <p>4 Prohibited</p> <p>Agriculture; Airstrips; Amusement centres; Animal boarding or training establishments; Attached dwellings; Bed and breakfast accommodation; Biosolids treatment facilities; Boat building and repair facilities; Boat launching ramps; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Crematoria; Depots; Dual occupancies; Dwelling houses; Eco-tourist facilities; Electricity generating works; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Farm stay accommodation; Freight transport facilities; Heavy industrial storage establishments; Helipads; Highway service centres; Home occupations (sex services); Industrial retail outlets; Industrial training facilities; Industries; Jetties; Marinas; Mooring pens; Moorings; Open cut mining; Pond-based aquaculture; Recreation facilities (major); Recreation facilities (outdoor); Resource recovery facilities; Rural workers' dwellings; Secondary</p>



	<p>dwellings; Semi-detached dwellings; Sewage treatment plants; Sex services premises; Transport depots; Truck depots; Vehicle body repair workshops; Waste disposal facilities; Water recreation structures; Water recycling facilities; Wharf or boating facilities</p> <p>Zone B7 Business Park</p> <p>1 Objectives of zone</p> <ul style="list-style-type: none"> <li>• To provide a range of office and light industrial uses.</li> <li>• To encourage employment opportunities.</li> <li>• To enable other land uses that provide facilities or services to meet the day to day needs of workers in the area.</li> </ul> <p>2 Permitted without consent</p> <p>Nil</p> <p>3 Permitted with consent</p> <p>Centre-based child care facilities; Garden centres; Hardware and building supplies; Landscaping material supplies; Light industries; Neighbourhood shops; Office premises; Oyster aquaculture; Passenger transport facilities; Plant nurseries; Respite day care centres; Restaurants or cafes; Roads; Rural supplies; Shop top housing; Specialised retail premises; Take away food and drink premises; Tank-based aquaculture; Timber yards; Vehicle sales or hire premises; Warehouse or distribution centres; Any other development not specified in item 2 or 4</p> <p>4 Prohibited</p> <p>Agriculture; Airstrips; Animal boarding or training establishments; Boat launching ramps; Boat building and repair facilities; Boat sheds; Camping grounds; Caravan parks; Cemeteries; Charter and tourism boating facilities; Community facilities; Crematoria; Eco-tourist facilities; Electricity generating works; Entertainment facilities; Exhibition homes; Exhibition villages; Extractive industries; Farm buildings; Freight transport facilities; Function centres; Heavy industrial storage establishments; Helipads; Highway service centres; Home businesses; Home occupations (sex services); Industrial training facilities; Industries; Information and education facilities; Jetties; Marinas; Mooring pens; Moorings; Open cut mining; Places of public worship; Pond-based aquaculture; Recreation areas; Recreation facilities (major); Recreation facilities (outdoor); Registered clubs; Residential accommodation; Resource recovery facilities; Retail premises; Sewerage systems; Sex services premises; Tourist and visitor accommodation; Vehicle body repair workshops; Waste disposal facilities; Water recreation structures; Wharf or boating facilities</p>
Conformity	Upon a review of the applicable planning controls listed above, the subject site appears to conform to the LEP's controls
Heritage	JLL did not find evidence of the subject property being affected by heritage considerations
Surrounding Zones	The site is primarily surrounded by 'B7 – Business Park', 'B4 Mixed Use', 'RE1 Public Recreation' and 'RU2 – Rural Landscape'. Other surrounding uses include 'R3- Medium Density Residential', 'RU2 – Rural Landscape' and 'C2 – Environmental Conservation'.

## 5. Financial Analysis and Assessment

### 5.1. Scenarios

In undertaking our analysis, we have had consideration to the scenarios described below. We believe these scenarios capture the appropriate and realistic options that could be undertaken to resolve the issues / achieve the benefits identified within Section 2.3.

#### Scenario 1 – Base Case

This scenario assumes the continuation of current operations across the relevant depots. Major refurbishments are assumed across Muswellbrook & Cessnock Depots given their age, BCA and hazard issues.

#### Scenario 2 - Implement Hunter Depot Program

This scenario assumes the redevelopment of both the Muswellbrook and Cessnock Depots into smaller, more fit for purpose facilities, as well as funds to enable development of the Renewables and Sustainability Program Facility at Muswellbrook. This scenario includes divestment of any surplus lands once operations are consolidated.

### 5.2. Key Inputs

Provided below are key inputs related to costs, values, as well as other model assumptions. For further details, refer to the full financial model within the appendices.

- Existing improvements and conditions – based on BCA and Hazard Reports (where available), as well as plans
- Fair value of sites – as assessed by Preston Rowe Paterson (PRP)
- Major capital works – estimated by JLL and based on site conditions and future requirements
- Growth rates for both costs and values – costs adopting CPI forecasts provided by Ausgrid, values assuming a premium to CPI
- Discount rate – based on Ausgrid Regulated Weighted Average Cost of Capital
- Ongoing capital works – based on typical ongoing capital works for new facilities by broad use type and an assumed premium for existing facilities
- Operating Expenses (Opex) excluding land tax and council rates – for existing facilities based on historic charge, for new facilities utilising historic charge from recently completed Beresfield Depot
- Land tax and council rates – based on historic charges and proportion adjustments to land area where divestments are assumed

### 5.3. Financial Outcomes

Based on the assumptions outlined, the following rounded Net Present Value (NPV) financial outcomes have been derived by scenario.

- |              |                             |
|--------------|-----------------------------|
| • Scenario 1 | NPV of <b>-\$43,800,000</b> |
| • Scenario 2 | NPV of <b>-\$40,600,000</b> |

## 5.4. Non-Financial Outcomes

In addition to the financial analysis undertaken, we have also had consideration to some of the non-financial implications. We have summarised the scenarios into advantages and disadvantages in the following table.

Advantages	Disadvantages
Scenario 1 – Base Case	
<ul style="list-style-type: none"><li>– This scenario improves the current safety conditions of the sites by looking to address the Building Code of Australia requirements and other hazard issues through refurbishments.</li><li>– Maintains proximity and capacity to support the Hunter Region.</li><li>– Addresses current and future growth demands of the Hunter Region.</li><li>– Sites are generally located in close proximity to the major arterial road networks hubs in the area.</li></ul>	<ul style="list-style-type: none"><li>– The current property footprints exceed operational requirements, is in varying states of repair and is no longer considered fit for purpose.</li><li>– This scenario will not resolve ongoing property end of life issues.</li><li>– This scenario will result in continued operation from not fit for purpose facilities, in some cases in larger landholdings then necessary (e.g., Muswellbrook Depot).</li><li>– Disruptions will likely occur with the proposed refurbishment works while continuing to operate from the same location.</li></ul>
Scenario 2 - Implement Hunter Depot Program	
<ul style="list-style-type: none"><li>– The scenario will enable a consolidation of business operations leading to better economies of scale.</li><li>– The developments of both the Cessnock and Muswellbrook Depots provide the potential to create more efficient, fit-for-purpose facilities which will better meet the needs of Ausgrid in the short to medium term.</li><li>– This scenario would address the property end-of-life issues.</li><li>– This scenario provides the opportunity for a partial divestment of existing depot land in the medium term for their likely highest and best use (subject to re-zoning and council approval).</li><li>– Maintains proximity and capacity to support the Hunter region.</li><li>– Addresses current and future growth demands of the Hunter region.</li><li>– Sites are generally located in close proximity to the major arterial road networks hubs in the area.</li></ul>	<ul style="list-style-type: none"><li>– Disruptions will likely occur as part of the relocation of operations post redevelopment.</li></ul>

## 5.5. Recommendation

Based on the financial assessment we have undertaken, as well as our non-financial observations, we recommend proceeding with Scenario 2 - Implement Hunter Depot Program. This scenario results in a superior financial outcome compared with Scenario 1 and results in more significant non-financial benefits being realised impacting operations, efficiency and safety.



Delivery of this scenario would result in the following capital expenditure (capex) over the FY25-29 period to deliver the new facilities. The capex shown in the table below includes the cost to construct new facilities and the relocation costs for the Hunter Depot Program. It does not include minor ongoing and reactive capital works required at the site in the lead up or post construction.

Table 2: FY25-29 Proposed Capex of Recommended Scenario

Nominal \$million	FY25	FY26	FY27	FY28	FY29	Total FY25-29
Capex						

## 5.6. Assumptions and Limitations

We have been provided with various assumptions, historic costs and other information from Ausgrid, this includes future building size requirements, historic operational costs, valuation figures, amongst other information. Due to the nature of the sites, facilities and operations - it is challenging to independently verify these figures. As such, should any of these be proven incorrect this would have implications on the financial analysis provided.



## 6. Appendices

### 6.1. Hunter Depot Program Financial Model

Hunter Depot Program

Indicative Modelling

			FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32
Sites	Address	Lot Details												
Muswellbrook Depot	41 Thomas Mitchell Drive, Muswellbrook	111/DP815033, 1/DP1090331												
Cessnock Depot	23 South Avenue, Cessnock	2/DP608084, 292/DP40038												

Site Areas

Existing Sites	Existing Area	
Muswellbrook Depot	153,100 m2	
Cessnock Depot	7,978 m2	
Sites to Divest	Divestible Area	
Muswellbrook Depot	78,000 m2	Note: Advised by Ausgrid

Built Form

Existing Sites	Office	Warehouse	Workshop	Total						
Muswellbrook Depot	542 m2	7,038 m2		7,580 m2	Source: Site plans					
Cessnock Depot	316 m2	700 m2		1,016 m2	Source: Advised by Ausgrid					
New Sites	Office	Warehouse	Spoil Bay	Total	Parking (on-grade)	Circulation	Battery Storage	Pole Storage		
Muswellbrook Depot	644 m2	2,164 m2		2,808 m2	7,670 m2	788 m2			Source: Muswellbrook Depot Concept Design	
Cessnock Depot	155 m2	454 m2		609 m2	2,767 m2				Source: Cessnock Depot Masterplan	

Site Value

Existing Sites	Fair Value (FY19)	Fair Value (Escalated to FY21)	
Muswellbrook Depot			
All Sites	Area	\$/sqm of Land	Land Value
Muswellbrook Depot			
Cessnock Depot			

Opex (excl. Land Tax, Council Rates)

Sites	Opex \$/sqm	Floor Area (sqm)	Opex \$	
Muswellbrook Depot	N/A	N/A	\$210,124	Source: Ausgrid - TOM Stage 2 File FY21 (total opex less land tax & council rates)
Cessnock Depot	N/A	N/A	\$32,621	Source: Ausgrid - TOM Stage 2 File FY21 (total opex less land tax & council rates)
Muswellbrook Depot (new)	\$55	2,808 m2	\$153,638	Note: Utilised \$/sqm of existing Beresfield
Cessnock Depot (new)	\$55	609 m2	\$33,321	Note: Utilised \$/sqm of existing Beresfield

Land Tax + Council Rates

Sites	Land Tax	Council Rates	
Muswellbrook Depot	\$17,338	\$11,152	Source: Ausgrid - TOM Stage 2 File FY21 (land tax & council rates)
Cessnock Depot	\$15,822	\$15,379	Source: Ausgrid - TOM Stage 2 File FY21 (land tax & council rates)
Muswellbrook Depot (reduced)	\$8,505	\$5,470	Note: Assumed reduction in land tax and council rates based on reduced land area.

### Major Capital Works

Scenario 1		\$ Cost	
Refurbish Muswellbrook Depot		\$ [REDACTED]	Note: Qualifications, inclusions and exclusions provided on separate tab. Rounded cost.
Refurbish Cessnock Depot		\$ [REDACTED]	Note: Qualifications, inclusions and exclusions provided on separate tab. Rounded cost.
Scenario 2		\$ Cost	
Construct Muswellbrook Depot		\$ [REDACTED]	Note: Qualifications, inclusions and exclusions provided on separate tab. Rounded cost.
Construct Cessnock Depot		[REDACTED]	Note: Qualifications, inclusions and exclusions provided on separate tab. Rounded cost.

### Ongoing Capital Works

Type	\$/sqm Cost (per annum)	
Office (New)	\$	Note: Indicative assumption of how much ongoing capex is required over a 10-year period
Warehouse/Workshop (New)	\$	Note: Indicative assumption of how much ongoing capex is required over a 10-year period
Premium for existing	%	Note: Assumed premium for existing buildings as these have not been maintained to the required standard
Office (Existing)	\$	
Warehouse/Workshop (Existing)	\$	
Existing Muswellbrook Depot	\$	Note: Based on assumed cost outlined above.
Existing Cessnock Depot	\$	Note: Based on assumed cost outlined above.
New Muswellbrook Depot	\$	Note: Based on assumed cost outlined above.
New Cessnock Depot	\$	Note: Based on assumed cost outlined above.

### Model Inputs

[illegible]

### Scenario 1 - Base Case

**Description:** This scenario assumes the continuation of current operations across the relevant depots. Major refurbishment are assumed across Muswellbrook & Cessnock Depots given their age, BCA and hazard issues.

[illegible]

### Scenario 2 - Implement Hunter Depot Program

**Description:** This scenario assumes the redevelopment of both the Muswellbrook and Cessnock Depots into smaller, more fit for purpose facilities, as well as, funds to enable development of the Renewables and Sustainability Program Facility at Muswellbrook. This scenario includes divestment of any surplus lands once operations are consolidated.

[illegible]



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