



Economic Benefit Statement

Curtin Central Purpose Built Student Accommodation for SDAU

November 2020 – R1

Document Control

Revision	Date	Prepared	Checked	Comments
A	16/09/2020	BY		Draft
0	08/11/2019	BY	JC	Issued for DA
1	18/11/2019	BY	JC	Further details incorporated

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1 Introduction

Curtin Central is a proposed Purpose Built Student Accommodation (PBSA) located on the south eastern corner of the Curtin University’s Bentley campus and immediately opposite Canning College. It is bounded by Mckay Street, Keaney Place and Garvey Street in Waterford, Western Australia.

It will consist of three towers made up of student accommodation units, common facilities, outdoor areas, and retail outlets. The development is owned by Curtin Central Pty Ltd (ACN 612 264 963) and developed by Exal Group Pty Ltd.

Curtin Central will largely cater for international students studying in Curtin University, Canning College, Curtin College and South Metropolitan TAFE. Its retail spaces on the ground floor will largely serve its residences but will also provide amenity to the local residences nearby.

The development approval for this proposal is submitted to the State Development Assessment Unit, a special unit under the Western Australian Planning Commission to assess significant development proposals worth more than \$20 million in Perth’s metropolitan area. The pathway has a particular interest in the recovery of the State of Western Australia’s economy post CoVID-19 pandemic. For this reason, two critical aspects to qualify for an assessment through this pathway are:

- the economic benefits of the project to the economy post pandemic
- the project has to be “shovel ready”

This document provides an overview of economic benefits Curtin Central and the ability for the project to commence or be “shovel ready”.

1.1 Timeline for Development

Curtin Central is intended to be developed within a compressed schedule with its doors opening for the first intake in 2023 and with construction to commence in 2021. The timeline is in line with the post pandemic economic recovery period with construction activities and employment to peak in 2022.

Key milestones are listed below:

Milestone	Estimated Date
DA Approval	January 2021
Construction Commencement	June 2021
Stage 1 Completion	December 2022
Stage 1 first Intake	February 2023
Stage 2 & 3 Commencement	June 2023
Stage 2 & 3 Completion	December 2024
Stag 2 & 3 first intake	February 2025

2 Economic Benefits

The economic benefits of undertaking the proposed Purpose Built Student Accommodation development at Curtin Central include:

- job creation
- increase education export
- other economic

2.1 Job Creation

The development will result in both a direct creation of construction jobs as well as the creation of enduring jobs for the operations and upkeep of the student accommodation.

The development and construction phase will see the employment of architects, designers, engineers and local contractors and subcontractors to undertake the design and construction of the project. Once operational, a team of administrative and operational staff will be hired to operate the Purpose Built Student Accommodation, along with support and maintenance staff. The direct job creation has been estimated based on manhours and cross checked with the Australian Urban Research Infrastructure Network (AURIN) Flinders University's Economic Impact Analysis Tool (EIAT) (Flinders University 2020)

Furthermore, the flow-on effect of the capital expenditure will result in creation of job opportunities to support the main activities. To ascertain the flow-on effects of the proposal, the proponent has undertaken an economic impact analysis using EIAT.

The resulting jobs created as result of undertaking this proposal is summarised as follow:

Phase	Direct Job Creation			Flow-on Effect	Total
	Jobs	Est. manhours	FTE	FTE	FTE
Construction	Architect Engineers Project managers Construction jobs	380,000	183	136	319
Operations (Enduring)	Administration Maintenance Cleaning Activities Operations	83,200 p.a.	40	7	47

The distribution of the total FTE through the lifecycle of the project up to its 5th year of operation is as follow:

Industry Sector	Year								
	1	2	3	4	5	6	7	8	9
	FTE								
Agriculture, Forestry and Fishing	0	0	0	0	0	0	0	0	0
Mining	0	0	0	0	0	0	0	0	0
Manufacturing	0	1	1	2	0	0	0	0	0
Electricity, Gas, Water and Waste Services	0	0	0	0	0	0	0	0	0
Construction	0	67	67	71	0	0	0	0	0
Wholesale Trade	0	1	1	1	0	0	0	0	0
Retail Trade	0	3	3	4	1	1	1	1	1
Accommodation and Food Services	0	2	2	38	42	40	40	41	42
Transport, Postal and Warehousing	0	1	1	1	0	0	0	0	0
Information Media and Telecommunications	0	0	0	0	0	0	0	0	0
Financial and Insurance Services	0	4	4	5	1	1	1	1	1
Rental, Hiring and Real Estate Services	0	1	1	1	0	0	0	0	0
Professional, Scientific and Technical Services	8	15	14	15	1	1	1	1	1
Administrative and Support Services	0	2	2	3	1	1	1	1	1
Public Administration and Safety	0	1	1	1	0	0	0	0	0
Education and Training	0	1	1	1	0	0	0	0	0
Health Care and Social Assistance	0	1	1	2	0	0	0	0	0
Arts and Recreation Services	0	0	0	1	0	0	0	0	0
Other Services	0	2	2	3	0	0	0	0	0
Total	11	104	102	148	49	46	46	47	48

2.2 Increase in Education Export

Education export is the 3rd largest export for Australia, and a key economic driver for Western Australia. International students directly contribute \$549 million to the Western Australia economy in 2019, with a further \$1.5 billion boost to the economy indirectly as a result of international student expenditure. If the contribution of visiting friends and relatives are included, the contribution is \$2.1 billion.

Based on studies completed by the Perth Education City Project in 2017, one critical element to drive international students to Western Australia is the availability of safe and affordable accommodation. The proposed development is well located at the doorstep of Curtin University and Canning College and will improve the attractiveness of these education institutions to foreign students.

2.3 Other Economic and Public Benefits

Economic Flow-On Effects

Based on the EIAT, the indirect flow on effect of the direct capital investment of the project will also further result in a \$60 million trickle through various sectors as shown below.

Industry Sector	Year								
	1	2	3	4	5	6	7	8	9
	Economic Flow-On Impact								
Agriculture, Forestry and Fishing	\$ 569	\$ 9,368	\$ 9,255	\$ 19,285	\$ 11,317	\$ 10,651	\$ 10,651	\$ 10,873	\$ 11,095
Mining	\$ 4,936	\$ 113,338	\$ 112,351	\$ 141,217	\$ 27,094	\$ 25,500	\$ 25,500	\$ 26,031	\$ 26,562
Manufacturing	\$ 4,646	\$ 168,625	\$ 167,695	\$ 218,011	\$ 48,872	\$ 45,997	\$ 45,997	\$ 46,956	\$ 47,914
Electricity, Gas, Water and Waste Services	\$ 1,581	\$ 20,926	\$ 20,610	\$ 28,903	\$ 8,562	\$ 8,058	\$ 8,058	\$ 8,226	\$ 8,394
Construction	\$ 13,060	\$ 7,089,960	\$ 7,087,348	\$ 7,513,643	\$ 39,299	\$ 36,987	\$ 36,987	\$ 37,758	\$ 38,529
Wholesale Trade	\$ 6,289	\$ 97,543	\$ 96,285	\$ 125,694	\$ 28,867	\$ 27,169	\$ 27,169	\$ 27,735	\$ 28,301
Retail Trade	\$ 15,022	\$ 179,512	\$ 176,507	\$ 236,484	\$ 60,296	\$ 56,750	\$ 56,750	\$ 57,932	\$ 59,114
Accommodation and Food Services	\$ 22,877	\$ 122,598	\$ 118,023	\$ 2,271,559	\$ 2,547,622	\$ 2,397,762	\$ 2,397,762	\$ 2,447,716	\$ 2,497,669
Transport, Postal and Warehousing	\$ 8,645	\$ 87,744	\$ 86,015	\$ 107,659	\$ 20,459	\$ 19,256	\$ 19,256	\$ 19,657	\$ 20,058
Information Media and Telecommunications	\$ 22,333	\$ 83,941	\$ 79,474	\$ 105,298	\$ 26,569	\$ 25,006	\$ 25,006	\$ 25,527	\$ 26,048
Financial and Insurance Services	\$ 102,843	\$ 1,484,161	\$ 1,463,592	\$ 1,702,592	\$ 192,448	\$ 181,127	\$ 181,127	\$ 184,901	\$ 188,674
Rental, Hiring and Real Estate Services	\$ 74,319	\$ 874,145	\$ 859,281	\$ 1,083,490	\$ 213,220	\$ 200,678	\$ 200,678	\$ 204,859	\$ 209,040
Professional, Scientific and Technical Services	\$ 833,172	\$ 1,588,534	\$ 1,421,900	\$ 1,550,641	\$ 102,922	\$ 96,867	\$ 96,867	\$ 98,885	\$ 100,904
Administrative and Support Services	\$ 33,329	\$ 251,551	\$ 244,885	\$ 318,408	\$ 72,823	\$ 68,540	\$ 68,540	\$ 69,968	\$ 71,395
Public Administration and Safety	\$ 14,589	\$ 87,128	\$ 84,210	\$ 97,898	\$ 11,455	\$ 10,781	\$ 10,781	\$ 11,006	\$ 11,231
Education and Training	\$ 14,831	\$ 90,622	\$ 87,656	\$ 115,225	\$ 27,705	\$ 26,075	\$ 26,075	\$ 26,618	\$ 27,162
Health Care and Social Assistance	\$ 10,751	\$ 92,684	\$ 90,534	\$ 120,846	\$ 30,553	\$ 28,756	\$ 28,756	\$ 29,355	\$ 29,954
Arts and Recreation Services	\$ 7,261	\$ 35,620	\$ 34,167	\$ 46,012	\$ 12,179	\$ 11,463	\$ 11,463	\$ 11,702	\$ 11,940
Other Services	\$ 12,115	\$ 138,993	\$ 136,570	\$ 163,865	\$ 24,013	\$ 22,600	\$ 22,600	\$ 23,071	\$ 23,542

Improved Traffic Conditions

A large majority of students studying at Curtin University and Canning College currently live in private homes a certain distance from these education institutes. This means these students typically end up owning a car and driving to campus, causing the following issues:

- increased greenhouse gas emissions from travel
- unorderly and illegal parking along street verges
- traffic congestion within a suburban context

The proposal will reduce the need for car ownership with students being able to walk or cycle to campus.

Improved Housing Stock

Majority of houses immediately adjacent to the campus are being used as rental accommodation for students. These houses are typically not well maintained and may not be fit for purpose, rendering the houses unkept and disorderly.

Purpose Built Student Accommodation such as Curtin Central will be able to provide a fit-for-purpose accommodation option for students and therefore reduce the reliance on these houses.

Amenity to Local Residents

The proposal includes a convenience store and food outlets along its ground floor interface. These retail outlets will stimulate the local economy and provide local residence with a convenient and safe place to access daily groceries and food.

3 Shovel Readiness

It is the intention of Curtin Central to commence the development at the earliest feasible opportunity. Whilst CoVID-19 pandemic has had an adverse impact on international student numbers, the general consensus formulated by both the education sector and the student accommodation sector is that the sector will generally recover by 2023, which is in line with the forecasted completion date for the project.

For this reason, being shovel ready upon obtaining planning approval is in line with the strategy of Curtin Central. This has been achieved through three main areas, including:

- Ensuring that the project is operationally and financially feasible
- Ensuring that the project can be technically feasible and constructable
- Ensuring that project funding is available

3.1 Operational and Financial Feasibility

A thorough supply and demand study was commissioned by the proponent to assess the supply and demand of the proposed Purpose Built Student Accommodation project undertaken by the proponent.

The report looked at the existing supply of Purpose Built Student Accommodation developed by Curtin University and the new student accommodation under construction within the Curtin Exchange project. It then compares the supply against existing and forecasted student population numbers, and benchmarked data of student population taking up these accommodation.

Based on these findings, it is determined that the proposal meets future supply and demand requirements and is a feasible project.

3.2 Delivery Feasibility

In order to de-risk the ability to commence the project, the following have been done by the proponent in preparation of the Development Application:

- engagement of an operator to assess operational feasibility and operational requirements of the projects
- engagement of financial specialists and investor groups to structure financial structures to fund the proposal
- engagement of a builder under an Early Contractor Involvement (ECI) arrangement to ascertain the constructability of the project and to implement value engineering opportunities to improve the feasibility of the project
- engagement of a team of engineers and consultants to complete preliminary engineering and design to ensure the project is technically achievable

Copies of the reports and preliminary drawings from the engineers and consultants are appended to the planning submission.

Upon obtaining Planning Approval, the proposed project can commence construction documentation as per the timeline outlined in Section 1.1.

3.3 Project Funding

Funding for the project is a critical element for the successful delivery of the project. The following have been undertaken to address funding requirements for the project:

- an investor has been sourced to fund the project
- detailed cost plans have been completed to ascertain the construction cost
- the project is staged to reduce peak expenditures and to generate income from stage 1 to fund stage 2 and 3

4 Summary

In summary, this document has demonstrated that the proposal meets the SDAU's aim of being shovel ready and having the ability to create jobs and stimulate the economy of Western Australia.