

MELBOURNE METRO RAIL PROJECT ENVIRONMENT EFFECTS STATEMENT
INQUIRY AND ADVISORY COMMITTEE

SUBMSISIONS ON BEHALF OF MMRA

TECHNICAL NOTE

TECHNICAL NOTE NUMBER: 079

DATE: 7 October 2016

PRECINCT: CBD North Precinct

EES/MAP BOOK REFERENCE: EES Technical Appendix G: Business Impact Assessment

SUBJECT: Response to request by RMIT regarding revenue estimate

NOTE:

1. This Technical Note has been prepared to respond to a question raised during the evidence of Mr Terry Rawnsley on 1 September 2016. Counsel representing RMIT referred to data contained within RMIT's 2015 Annual Report ("**Annual Report**") relating to RMIT's financial performance, and requested an explanation of the assumptions underpinning the 'Gross Value Added' ("**GVA**") estimate for RMIT presented in *Technical Appendix G to the EES the Melbourne Metro Rail Project - Business Impact Assessment* ("**Business Impact Assessment**").
2. As outlined in Part 4 of the Business Impact Assessment, GVA is the value of goods and services (produced by a business within an area) measured by subtracting the cost of inputs from the value of the goods and services produced. GVA is equal to the profits and wages paid by a business.
3. The Business Impact Assessment estimated the level of GVA to understand the potential impact the project could have on business operations in each of the Precincts.
4. The Business Impact Assessment has estimated the GVA within the CBD North Precinct, based on the City of Melbourne Census of Land Use and

Employment (“**CLUE data**”) dated 2015. The CBD North Precinct boundary is illustrated in figure 42 on page 142 of the Business Impact Assessment.

5. By contrast, the Annual Report covers all RMIT operations at the three campuses in Melbourne (City, Brunswick and Bundoora), two in Vietnam (Hanoi and Ho Chi Minh City) and a centre in Barcelona, Spain. The CBD North Precinct covers only a subset of the RMIT City campus. As shown in the map included in Attachment 1, the RMIT City Campus extends north beyond Victoria Street to Queensberry Street. RMIT City Campus also has operations on Bourke Street, south of Little Collins Street and Lonsdale Street.
6. The Business Impact Assessment and the Annual Report therefore relate to different geographical areas, and the concepts being measured also vary. This Technical Note compares the number of workers, GVA and total revenue contained within the Business Impact Assessment and Annual Report to help clarify the different numbers from the different sources.

Number of Workers

7. The Business Impact Assessment stated that there were 3,701 education workers in the CBD North Precinct. This covered all education businesses in the CBD North Precinct.
8. The number of education workers at RMIT CLUE Blocks was 2,977. This includes both full-time and part-time workers.
9. The Annual Report stated a workforce for RMIT of 4,947 Full-Time Equivalent (“**FTE**”) (e.g. two people working 0.5 time fraction = 1 FTE) in Melbourne. This covers workers at all three campuses in Melbourne: City, Brunswick and Bundoora. No breakdown is provided within the Annual Report on the FTE at each Melbourne campus.
10. The number of education workers presented in the Business Impact Assessment (2,977 workers) and the Annual Report (4,947 FTE) are measuring two different concepts (the number of workers and FTE) and two different areas (CBD North Precinct and all three Melbourne RMIT campuses), and hence are not directly comparable.

Gross Value Added

11. The Business Impact Assessment stated an education industry GVA for the CBD North Precinct of \$416 million. This covered all education businesses in the CBD North Precinct.
12. Isolating the GVA for only the RMIT CLUE Blocks resulted in a GVA estimate of \$334 million. This GVA estimate was based on the number of education workers multiplied by the average GVA (\$75,000 per worker) for a Melbourne education worker. This was sourced from SGS Economics and Planning 2014-15 Australian Cities Accounts.

13. The Annual Report indicated a GVA for RMIT of \$734 million, based on employee related expenses plus net profits before tax. Again, this value covers operations at all of RMIT's various campuses in Melbourne and overseas.
14. Based on SGS's estimate of GVA, this implies that the workers based at the segment of RMIT City Campus contained within the CBD North Precinct generates 46 per cent of RMIT's total GVA.
15. Please note the Business Impact Assessment estimates are in 2014-15 dollars and RMIT are in 2016 dollars. This would not cause a significant difference (perhaps 1-2 per cent) between the estimates.

Revenue

16. Although not contained within the Business Impact Assessment, the revenue of the RMIT CLUE Blocks is estimated at \$453 million. This is based on the estimated GVA and the GVA-to-turnover ratio for the education industry contained with the Australian Bureau of Statistics Australian National Accounts: Input-Output Tables (Cat. No 5209.0.55.001).
17. The Annual Report stated revenue of \$1,163 million for all of RMIT's operation in Melbourne and overseas. This suggests that the workers based at the segment of RMIT contained within the CBD North Precinct generates 39 per cent of RMIT's total revenue.
18. Again, please note the Business Impact Assessment estimates are in 2014-15 dollars and RMIT are in 2016 dollars. This would not cause a significant difference (perhaps 1-2 per cent) between the estimates.

CORRESPONDENCE:

No correspondence.

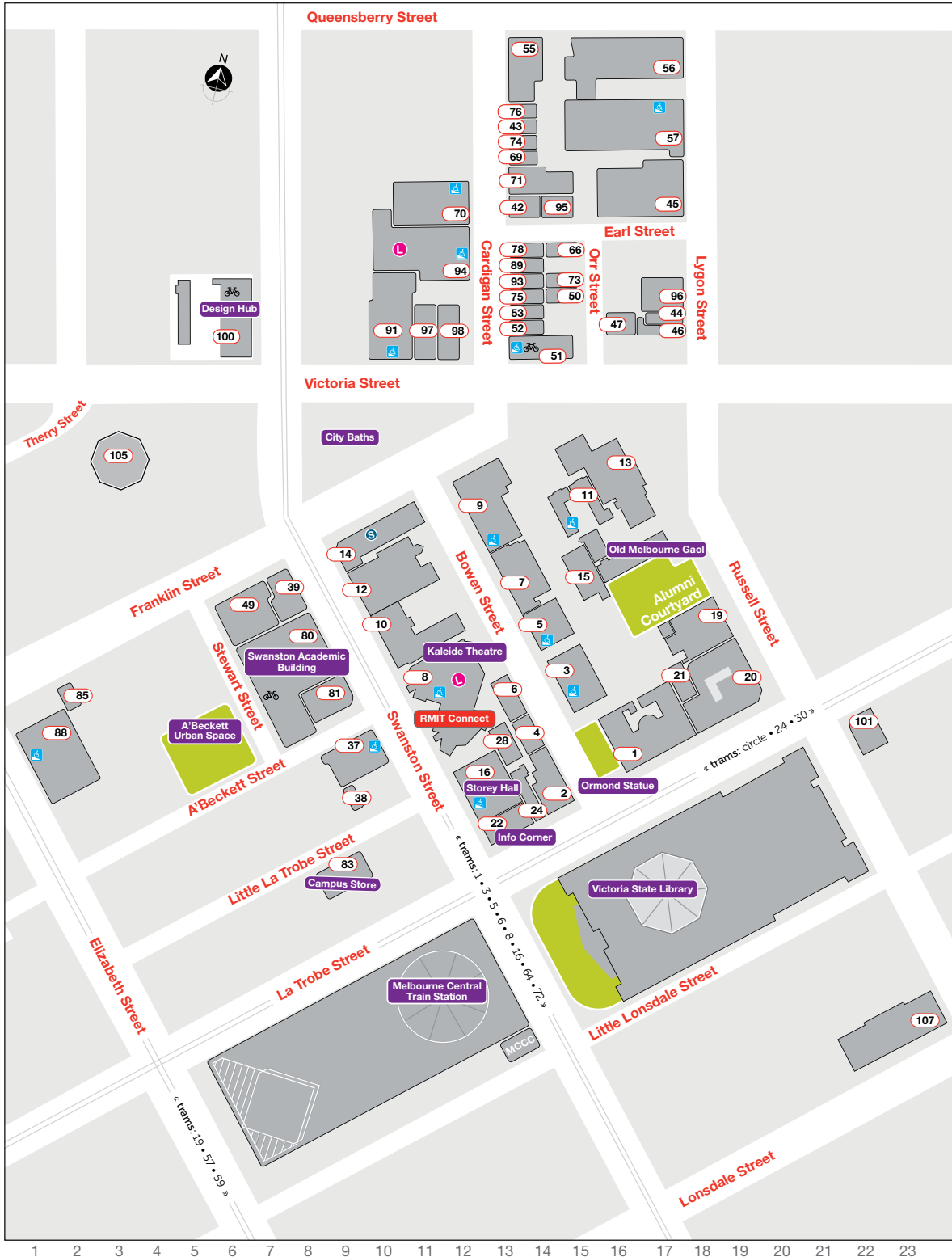
ATTACHMENTS:

- A. RMIT City Campus Map (noting that Building 154 is not shown)

CITY CAMPUS

City campus buildings not on this map:

» Building 154 (Royal Dental Hospital, 720 Swanston Street, Carlton)



LEGEND

	Library
	Wheelchair access
	Building number
	Landmark
	Security
	Parking
	Secure bike parking

RMIT VILLAGE



RMIT BOURKE ST



RMIT Connect: for all your administration and support needs.
www.rmit.edu.au/students/connect

» City – Swanston Street
 Building 8, Level 4
 394 Swanston Street

* RMIT Campus Store
 Building 83
 17–25 Little La Trobe St
 Tel. +61 3 9925 9878
 Email: campusstore@rmit.edu.au
 Opening hours:
 Monday–Friday: 9 am – 5 pm

www.rmit.edu.au/maps

GPO Box 2476, Melbourne 3001
 Tel. +61 3 9925 2000 (switchboard) or +61 3 9925 2260 (program enquiries)
www.rmit.edu.au



Campus Directory

Building.Level Map ref

Building.Level Map ref

VENUES

Alumni Courtyard.....	18.....	M17
The Bean Project.....	80.2 and 80.7.....	N8
Café 57.....	57.4.....	B17
Coffee on Cardigan.....	94.4.....	E12
First Site RMIT Link Student Gallery ..	16.2.....	Q12
Kaki Lima.....	80.1.....	N8
Kaleide Theatre.....	8.2.....	O11
Pearson & Murphy's.....	1.1.....	P17
Project Space Gallery.....	94.2.....	E12
Real Foods.....	8.4.....	O11
RMIT Gallery.....	16.3.....	Q12
Roll'd.....	80.1.....	N8
Spare Room Gallery.....	94.2.....	F13
STA.....	80.7.....	N8
Storey Hall.....	16.2.....	Q12
T-Square Club.....	100.2.....	G6
The Vine.....	80.2.....	N8

COLLEGE OFFICES

College of Business.....	80.7.....	N8
College of Design and Social Context.....	101.10.....	P22
College of Science, Engineering and Health.....	14.12.....	L9

STUDENT ADMINISTRATION OFFICES

RMIT Connect.....	8.4.....	O11
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RESEARCH CENTRES

AFI Research Collection.....	8.6.....	O11
Architects without Frontiers.....	100.9.....	G6
Centre for Animation and Interactive Media.....	7.3.....	M13
Centre for Applied Social Research ..	15.4.....	M15
Centre for Urban Research.....	15.2 and 15.4.....	M15
Co-operative Research Centre for Polymers.....	7.2.....	M14
Co-operative Research Centre for Water Quality and Treatment.....	7.2.....	M14
Exergames: Games Research Centre.....	100.4.....	G6
Design for Social Innovation and Sustainability (DESIS) Australia.....	100.9.....	G6
e-Research Office.....	96.1.....	F17
EU Centre.....	5.2.....	N14
Frances Burke Textile Resource Centre.....	15.2.....	M15
Games and Experimental Entertainment Laboratory (GEElab): Games Research Centre.....	100.4.....	G6
Global Cities Research Institute.....	96.2.....	F17
Microelectronics and Materials Technology Centre (MMTC).....	12.7.....	M10
Office of Urban Transformations Research (OUTR) Group.....	100.5.....	G6
Platform Technologies Research Institute (PTRI)/SportzEdge.....	100.4.....	G6
Rheology and Materials Process Centre.....	7.2.....	M14
RMIT Geospatial Science Initiative.....	12.11.....	M10
Spatial Information Architecture Laboratory (SIAL).....	100.4.....	G6
Urban Architecture Laboratory (UAL) ..	100.5.....	G6

ACADEMIC SCHOOLS

Accounting.....	80.7.....	N8
Aerospace, Mechanical and Manufacturing Engineering.....	57.3.....	B17
Applied Science.....	3.1.....	O15
Architecture and Design – HE.....	8.12.....	O11
– VE.....	94.4.....	E12
Art.....	24.2.....	R14
Civil and Chemical Engineering.....	10.12.....	N10
Computer Science and Information Technology.....	14.8.....	L9
Economics, Finance and Marketing ..	80.7.....	N8
Electrical and Computer Engineering.....	10.9.....	N10

Graduate School of Business and Law.....	13.2.....	J16
Management.....	80.7.....	N8
Mathematical and Geospatial Science.....	8.9.....	O11
Media and Communication.....	9.4.....	K12
.....	36.3, 2, H, B.....	R11
Property Construction and Project Management.....	8.8.....	O11
RMIT International College.....	97.1.....	G11
School of Vocational Business.....	80.7.....	N8
School of Vocational Engineering.....	57.5.....	B17
School of Global, Urban and Social Studies (GUSS).....	37.2.....	P10
School of Vocational Health Sciences ..	51.6.....	G14
School of Graduate Research.....	81.3.....	O9

SERVICES AND FACILITIES

Admissions—Prospective Students ..	22.1.....	R13
Alumni Relations.....	1.2.....	P17
Campus Store.....	83.1.....	S9
Centre for international Students and Scholars (CISS).....	15.1.....	M16
Chancellery.....	1.3B.....	P17
Chaplaincy.....	46.....	G17
Child Care Centre 97-105 Franklin St.....	85.2.....	O2
Commonwealth Bank (Swanston Street).....	8.2.....	O11
Design Archives.....	100.1 to 3.....	G6
Education Aboard Unit.....	22.1.....	R13
IELTS Test Centre.....	108.10.....	P27
Info Corner.....	22.1.....	R13
Library—Carlton.....	94.3.....	E12
Library—Swanston.....	8.5.....	O12
Mail Room.....	66.1.....	E15
Multifaith Prayer Rooms.....	46.....	G17
New Enterprise Incentive Scheme (NEIS).....	80.4.....	N8
Ngarara William Indigenous Centre	5.1.....	N14
Old Chapel.....	11.3.....	K15
Property Services.....	107.27.....	W23
Queer Lounge.....	54.4.91.....	A17
RMIT City Fitness.....	8.3.....	O11
RMIT Counselling Service.....	43.1.....	B13
RMIT English Worldwide.....	108.10.....	P27
RMIT International Services.....	22.4.....	R13
RMIT Publishing.....	105.11.....	J3
RMIT Training Pty Ltd.....	108.6,8,9.....	P27
Security Reception.....	14.3.....	L9
Student Union.....	57.4.....	B17
24-Hour Computer Lab.....	28.3.....	P13
University Secretariat.....	20.1.....	O19
Virtual Room (VRoom) Games Research Centre.....	91.1.....	G10
Womyns Room.....	56.4.92.....	A17
Workshop/Future Spatial Information Architecture Laboratory (SIAL) Sound Laboratory.....	100.1.....	G6