

55-61 Atherton Rd, Oakleigh

Assessment of Economic Impacts
Draft

October 2025

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Executive Summary

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EXECUTIVE SUMMARY

- PPM Group are acting on behalf of DC Atherton Pty Ltd, seeking to develop a mixed-use building **(the Proposal)** at 55-61 Atherton Road, Oakleigh **(the Site)**.
- The Proposal envisages construction of a 15-storey mixed-use building comprising 122 apartments and ~550sqm of retail floorspace.
- Atlas Economics is engaged to assess the economic impacts of the Proposal **(the 'Study')**.
- The purpose of the Study is to estimate the economic impacts (direct and indirect) resulting from the Proposal during construction and those which are ongoing upon project completion.
- Economic impact modelling estimates the overall economic impact within the Monash LGA resulting from the Proposal.

CONSTRUCTION PHASE IMPACTS (total)

\$111.5m in output (including \$68.8m in direct activity).

\$37.7m in contributions to GRP (including \$17.1m in direct activity).

\$23.4m in incomes and salaries paid to households (including \$11.8m in direct income).

266 ongoing FTE jobs (including 135 FTE directly related to activity at the Site).



OPERATIONAL IMPACTS (per year)

\$19.7m in output (including \$11.3m in direct activity).

\$9.9m in contributions to GRP (including \$5.7m in direct activity).

\$5.8m in incomes and salaries paid to households (including \$3.4m in direct income).

68 ongoing FTE jobs (including 41 FTE directly related to activity at the Site).



HOUSEHOLD EXPENDITURE (per year)

\$17.2m in output (including \$10.7m in direct activity).

\$9.9m in contributions to GRP (including \$6.5m in direct activity).

\$4.7m in incomes and salaries paid to households (including \$2.9m in direct income).

70 ongoing FTE jobs (including 49 FTE directly related to activity at the Site).

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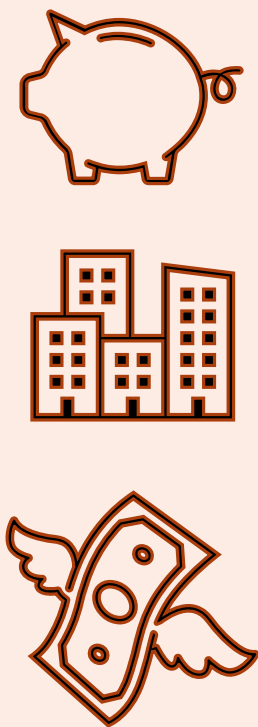


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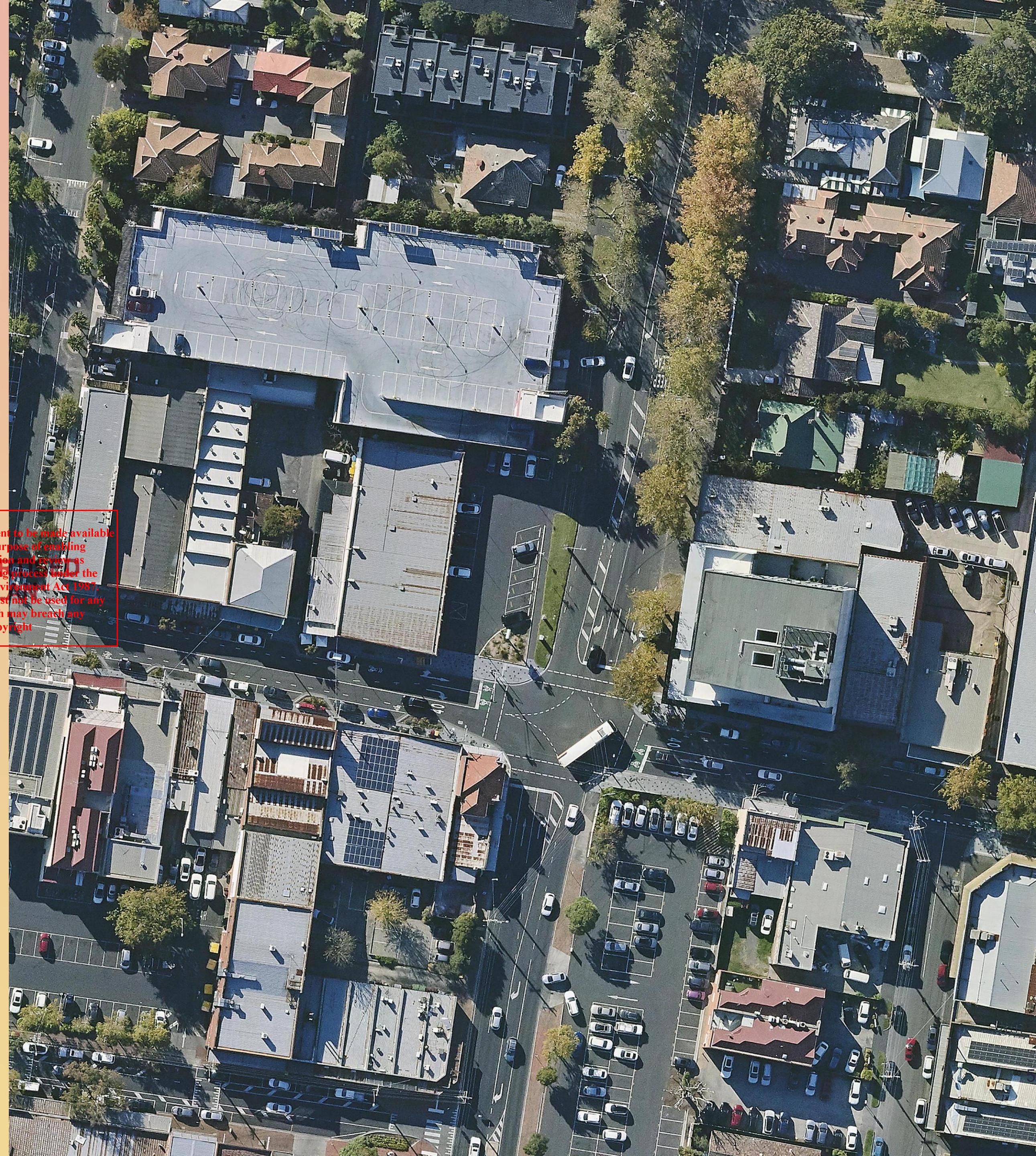
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Schedule 1: Input-Output Methodology

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Introduction

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INTRODUCTION



Background

- PPM Group are acting on behalf of DC Atherton Pty Ltd who is seeking to develop a 15-storey mixed-use building (**the Proposal**) at 55-61 Atherton Road, Oakleigh (**the Site**).
- PPM Group are progressing a planning application to the Department of Transport and Planning (DTP) to facilitate the Proposal.
- To support the application to DTP, Atlas Economics (**Atlas**) is engaged to estimate the economic impacts that could result from the Proposal.

The Site

- The Site is located within the central core of the Oakleigh Activity Centre and falls within the City of Monash local government area (**LGA**). The Site is currently zoned Commercial 1 Zone (**CZ1**).

The Proposal

- The Proposal envisages demolition of existing structures and construction of a 15-storey mixed-use building comprising 122 apartments and ~550sqm of retail floorspace.
- Included in the development will be 10% affordable housing, or the proponent will make a 3% contribution towards social housing.

Scope and Approach

- Atlas is engaged to assess the economic impacts of the Proposal (**the 'Study'**).
- The purpose of the Study is to estimate of the economic impacts (direct and indirect) resulting from the Proposal during construction and those which are ongoing upon completion of the development.

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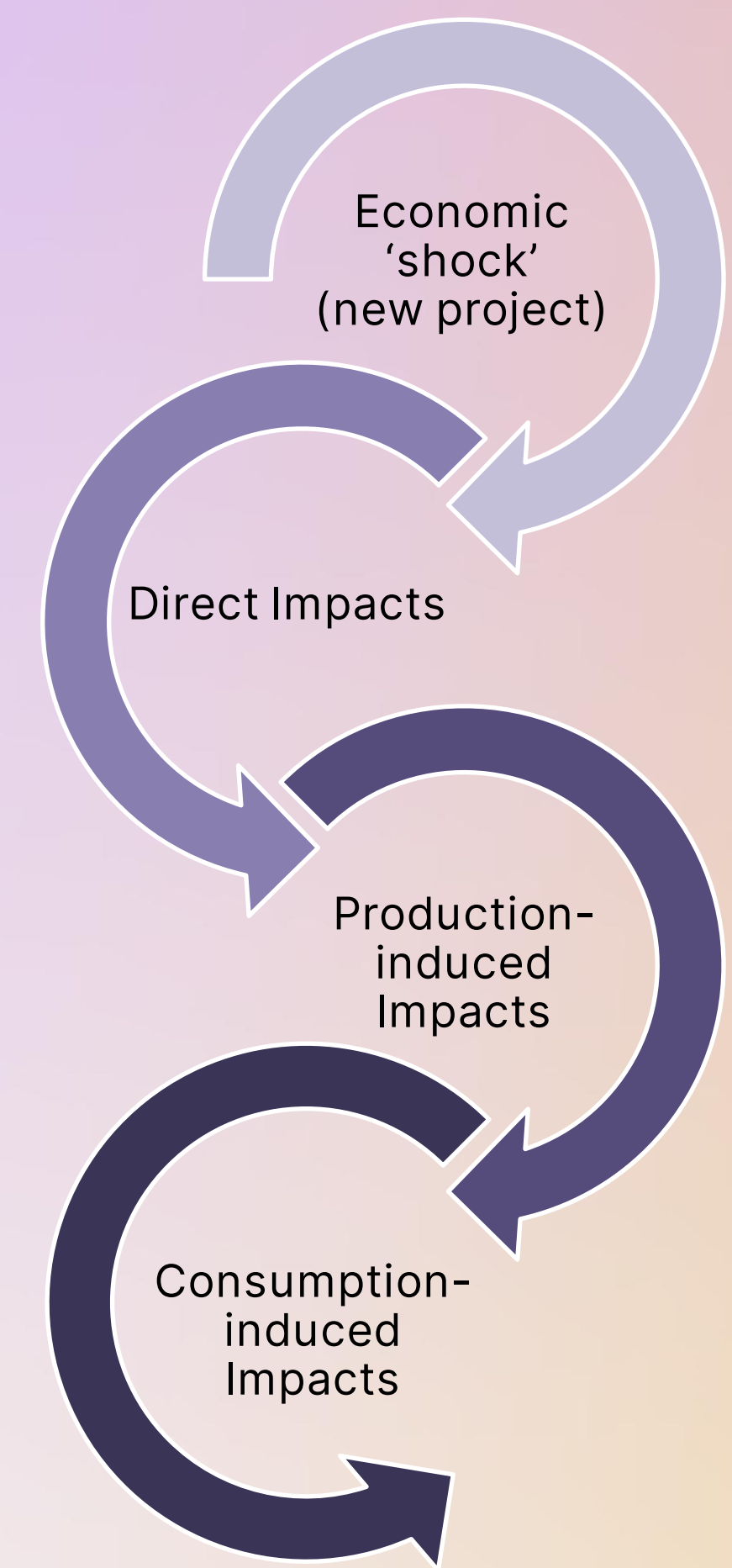


Assessment of Economic Impacts

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METHODOLOGY AND APPROACH



Overview

- The Study examines the economic activity and impacts that could be facilitated by the Proposal during construction and upon completion.

Methodology

- Economic impact modelling (using models known as Input-Output models) is a method to estimate the overall economic impact within a certain area resulting from a stimulus to the economy.
- The economic impacts are assessed at the Monash LGA level. Output models (including the development of specific regional Input-Output transaction tables) have been developed to reflect the economic structure.
- To understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those that will be more permanent in nature upon completion.
- Input-Output modelling considers economic activity through examining impacts as described below:

TABLE 1: Economic Impact Indicators

INDICATOR	DESCRIPTION
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Regional Product	The value of output after deducting the cost of goods and services inputs in the production process (including the impact of net taxes on final production). GRP defines a net contribution to economic activity.
Income	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment accommodated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Source: Atlas Economics

CONSTRUCTION PHASE IMPACTS



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Construction Phase

- Construction impacts are expected to be short-term in nature (occurring as the Site is redeveloped) and will conclude when development activity is completed.
- Through construction activity, the Proposal is estimated to generate the following economic impacts across Monash LGA:
 - **\$111.5 million in output** (including \$68.8 million in direct activity).
 - **\$37.7 million in contributions to GRP** (including \$17.1 million in direct activity).
 - **\$23.4 million in incomes and salaries** paid to households (includes \$11.8 million in direct income).
 - **266 ongoing FTE jobs** (including 135 FTE directly related to activity at the Site).

The total economic impacts during construction are summarised in **TABLE 2**.

TABLE 2: Construction Phase Impacts, Monash LGA

IMPACT	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$68.8	\$17.1	\$11.8	135
Flow-on Type I	\$26.8	\$12.0	\$7.0	70
Flow-on Type II	\$15.9	\$8.7	\$4.6	61
Total	\$111.5	\$37.7	\$23.4	266

Totals may not sum due to rounding.
Source: Atlas Economics

OPERATIONAL IMPACTS



Operational Phase

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- Ongoing economic activity will be generated from the mix of retail businesses which would operate at the Site following completion of construction and upon commencement of business operations.
- The Proposal is estimated to support the following **annual** economic activity across Monash LGA, through direct and indirect (flow-on) impacts associated with operations on Site:
 - **\$19.7 million in output** (including \$11.3 million in direct activity).
 - **\$9.9 million in contributions to GRP** (including \$5.7 million in direct activity).
 - **\$5.8 million in incomes and salaries** paid to households (including \$3.4 million in direct income).
 - **68 ongoing FTE jobs** (including 41 FTE directly related to activity at the Site).

TABLE 3 summarises the ongoing operational economic impacts associated with the Proposal.

TABLE 3: Operational Impacts, Monash LGA

IMPACT	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$11.3	\$5.7	\$3.4	41
Flow-on Type I	\$4.3	\$2.0	\$1.2	11
Flow-on Type II	\$4.2	\$2.3	\$1.2	16
Total	\$19.7	\$9.9	\$5.8	68

Totals may not sum due to rounding.
Source: Atlas Economics

HOUSEHOLD EXPENDITURE



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Household Expenditure

- Additional local household expenditure is expected to be generated by the Proposal through residents occupying the 122 proposed apartments.
- Household expenditure impacts are reported separately in order to avoid double counting of direct and flow on impacts (e.g. retail expenditure by households occurring at the Site).
- This activity is estimated to support on an ongoing annual basis (once fully developed occupied):
 - **\$17.2 million in output** (including \$10.7 million in direct activity).
 - **\$9.9 million in contributions to GRP** (including \$6.5 million in direct activity).
 - **\$4.7 million in incomes and salaries** paid to households (including \$2.9 million in direct income).
 - **70 ongoing FTE jobs** (including 49 FTE directly related to activity at the Site).

The estimated household expenditure generated is detailed in **TABLE 4**.

TABLE 4: Household Expenditure Impacts, Monash LGA

IMPACT	OUTPUT (\$M)	GRP (\$M)	INCOMES (\$M)	EMPLOYMENT (FTE)
Direct	\$10.7	\$6.5	\$2.9	49
Flow-on Type I	\$3.1	\$1.5	\$0.8	98
Flow-on Type II	\$3.4	\$1.9	\$1.0	13
Total	\$17.2	\$9.9	\$4.7	70

Totals may not sum due to rounding.
Source: Atlas Economics



References

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SCHEDULE 1

Input-Output Methodology

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SCHEDULE 1: INPUT-OUTPUT MODELLING METHODOLOGY

Input-Output models are a method to describe and analyse forward and backward economic linkages between industries based on a matrix of monetary transactions. The model estimates how products sold (outputs) from one industry are purchased (inputs) in the production process by other industries.

The analysis of these industry linkages enables estimation of the overall economic impact within a catchment area due to a change in demand levels within specific sectors.

Impacts are traced through the economy via:

- **Direct impacts**, which are the first round of effects from direct operational expenditure on goods and services.
- **Flow-on impacts (indirect impacts)**, which comprise the second and subsequent round effects of increased purchases by suppliers in response to increased sales. Flow-on impacts can be disaggregated to:
 - **Industry Support Effects (Type I)** derived from open Input-Output models. Type I impacts represent the production induced support activity as a result of additional expenditure by the industry experiencing the stimulus on goods and services, and subsequent round effects of increased purchases by suppliers in response to increased sales.
 - **Household Consumption Effects (Type II)** derived from closed Input-Output Models. Type II impacts represent the consumption induced activity from additional household expenditure on goods and services resulting from additional wages and salaries being paid within the catchment economy.

Economic analysis considers the following four types of impacts:

TABLE S1-1: Economic Activity Indicators

Indicator	Description
Output	The gross value of goods and services transacted, including the cost of goods and services used in the development and provision of the final product. Care should be taken when using output as an indicator of economic activity as it counts all goods and services used in one stage of production as an input to later stages of production, thus overstating economic activity.
Gross Regional Product	The value of output after deducting the cost of goods and services inputs in the production process (including the impact of net taxes on final production). GRP defines a net contribution to economic activity.
Income	The wages and salaries paid to employees as a result of the Project either directly or indirectly.
Employment	Employment accommodated by the Project or Proposal (either full time or part time, directly or indirectly). Employment is reported in terms of Full-time Equivalent (FTE) positions or person-years.

Totals may not sum due to rounding.
Source: Atlas Economics



SCHEDULE 1: INPUT-OUTPUT MODELLING METHODOLOGY (CONT.)

Regional Model Development

Multipliers used in this assessment have been created using a regionalised Input-Output model derived from the 2020-2021 Australian transaction table (ABS, 2023a).

Estimates of gross industry production in the catchment area were developed based on the share of employment (by place of work) of the catchment area within the Australian economy (ABS, 2022) using the Flegg Location Quotient and Cross Hauling Adjusted Regionalisation Method (CHARM). See Norbert (2015) and Kronenberg (2009) for further details. Where required, values were indexed to current dollar values using CPI (ABS, 2023b).

Modelling Limitations and Assumptions

Input-Output modelling is subject to a number of key assumptions and limitations (ABS, 2023a):

Lack of supply-side constraints: The most significant limitation of economic impact analysis using multipliers is the implicit assumption that the economy has no supply-side constraints. That is, it is assumed that extra output can be produced in one area without taking resources away from other activities, thus overstating economic impacts. The actual impact is likely to be dependent on the extent to which the economy is operating at or near capacity.

- **Fixed prices:** Constraints on the availability of inputs (e.g. skilled labour) require prices to act as a rationing device. In assessments using multipliers, where factors of production are assumed to be limitless, this rationing response is assumed not to occur. Prices are assumed to be unaffected by policy and any crowding out effects are not captured.
- **Fixed ratios for intermediate inputs and production:** Economic impact analysis using multipliers implicitly assumes that there is a fixed input structure in each industry and fixed ratios for production. As such, impact analysis using multipliers can be seen to describe average effects, not marginal effects. For example, increased demand for a product is assumed to imply an equal increase in production for that product. In reality, however, it may be more efficient to increase imports or divert some exports to local consumption rather than increasing local production by the full amount.
- **No allowance for purchasers' marginal responses to change:** Economic impact analysis using multipliers assumes that households consume goods and services in exact proportions to their initial budget shares. For example, the household budget share of some goods might increase as household income increases. This equally applies to industrial consumption of intermediate inputs and factors of production.
- **Absence of budget constraints:** Assessments of economic impacts using multipliers that consider consumption induced effects (type two multipliers) implicitly assume household and government consumption is not subject to budget constraints.

Despite these notable limitations, Input-Output techniques provide a solid approach for assessing the direct and flow-on economic impacts of a project or policy that does not result in a significant change in the overall economic structure.



SCHEDULE 1: INPUT-OUTPUT MODELLING METHODOLOGY (CONT.)

Drivers of Economic Impact

In order to understand the economic impacts likely to result from the Proposal, it is necessary to distinguish economic impacts during the construction phase and those economic impacts that will be more permanent following construction completion.

CONSTRUCTION PHASE

- For modelling purposes, construction costs (including contingency) for the Proposal were broken down into their respective Australia and New Zealand Standard Industrial Classification (**ANZSIC**) industries.
- The breakdowns were developed based on the following assumptions by Atlas regarding the most appropriate ANZSIC industries for each activity and estimated average square metre construction costs for occupying businesses.
- Construction costs have been estimated based on industry benchmarks from sources such as RLB and from Atlas industry knowledge.

TABLE S1-2: Construction Cost Allocation (including Contingency), the Proposal

Item	ANZSIC	Cost (\$M)
Construction Services and Site Preparation	Construction Services	\$7.8
Residential Construction	Residential Building Construction	\$63.7
Retail Construction	Non-Residential Building Construction	\$3.4
Lift and Internal Construction	Heavy and Civil Engineering Construction	\$1.7
Demolition Works	Heavy and Civil Engineering Construction	\$0.1
External Works	Heavy and Civil Engineering Construction	\$1.5
Professional fees allowance	Professional, Scientific and Technical Services	\$7.8
Total		\$86

Totals may not sum due to rounding.
Source: Atlas Economics



SCHEDULE 1: INPUT-OUTPUT MODELLING METHODOLOGY (CONT.)

CONSTRUCTION PHASE (Cont.)

Of the capital outlay for construction, not all activity will be undertaken within the Monash LGA economy. It was assumed:

- 75% of the direct expenditure on construction-related (i.e. Non-residential Building Construction and Construction Services) activity would be sourced from local businesses and labour. Of this:
 - Approximately 25% of purchases on goods and services (supply chain related activity) made by construction-related businesses sourced from outside the Monash LGA would be spent within the local economy (i.e., 25% of the Type I flow on activity associated with non-local construction companies is assumed to represent additional local activity in the Monash LGA).
 - Approximately 5% of wages and salaries paid to construction-related workers sourced from outside the region would be spent on local goods and services, such as food and beverages (i.e. 5% of the Type II).
 - Only flow-on activity of locally sourced professional, scientific and technical services activity (75%) is included, as it is not anticipated professional, scientific and technical services businesses located outside of Victoria would purchase goods/ services locally.

OPERATIONAL PHASE

- Employment by industry estimates for committed and future developments were converted to a direct output value using a multiplier based on the national transaction table (ABS, 2023a). The resultant estimates of output were modelled as the direct activity associated with the Site remaining ‘as is’.
- The estimated employment that could be accommodated at the Site is detailed in **TABLE S1-3**.

TABLE S1-3: Operation Drivers, the Proposal

Work Type	ANZSIC	Floorspace Allocation	Estimated jobs (FTE)	Direct Output (\$M)
Retail Trade	Retail Trade	541sqm	17	\$2.6
Dispersed Employment	Dispersed Employment as per the Monash LGA Place of Usual Residence mix (ABS, 2022)	122 apartments	24	\$8.7
Total				\$11.3

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SCHEDULE 1: INPUT-OUTPUT MODELLING METHODOLOGY (CONT.)

OPERATIONAL PHASE (Cont.)

- The estimated household expenditure that could be generated at the Site is detailed in **TABLE S1-3**.

TABLE S1-4: Household Expenditure, the Proposal

ANZSIC	Total Spend (\$M)	% Local Spend	Local Spend (\$M)
Ownership of Dwellings	\$2.7	100%	\$2.7
Retail Trade	\$2.6	80%	\$2.1
Food and Beverage Services	\$1.4	80%	\$1.1
Personal Services	\$0.8	75%	\$0.6
Other Services	\$0.8	70%	\$0.6
Telecommunication Services	\$0.4	60%	\$0.3
Road Transport	\$1.3	80%	\$1.0
Rail Transport	\$0.6	50%	\$0.3
Air and Space Transport	\$0.2	20%	\$0.0
Sports and Recreation	\$1.1	75%	\$0.8
Primary and Secondary Education Services (including Pre-Schools and Special Schools)	\$0.1	75%	\$0.1
Technical, Vocational and Tertiary Education Services (including Undergraduate & Postgraduate)	\$0.1	75%	\$0.1
Arts, Sports, Adult and Other Education Services (including Community Education)	\$0.0	75%	\$0.0
Health Care Services	\$0.7	80%	\$0.6
Heritage, Creative and Performing Arts	\$0.5	80%	\$0.4
Electricity Transmission, Distribution, On Selling and Electricity Market Operation	\$0.2	60%	\$0.1
Total	\$13.5	79%	\$10.7

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