

**Submission
No 39**

**CRITICAL TRANSPORT INFRASTRUCTURE SUPPORTING THE WESTERN
SYDNEY INTERNATIONAL AIRPORT AND WESTERN SYDNEY
AEROTROPOLIS**

Organisation: Property Council of Australia

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Friday 5 April 2024

Ms Lynda Voltz MP
Chair, Legislative Assembly Committee on Transport and Infrastructure
Parliament of New South Wales
By email to transportinfrastructure@parliament.nsw.gov.au

Inquiry into critical public transport infrastructure supporting the Western Sydney International Airport and Western Sydney Aerotropolis

Dear Ms Voltz,

The Property Council of Australia is grateful for the opportunity to provide a submission to your Committee's inquiry into transport infrastructure for the NSW Government's signature employment precinct.

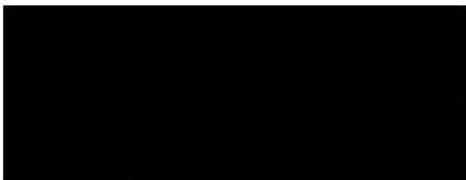
Since 2021, the Property Council has convened an Aerotropolis Working Group consisting of the largest development-capable landowners across the Western Sydney Aerotropolis. The Aerotropolis Working Group has worked collaboratively with government to provide insights into the practical consequences of planning and infrastructure decisions across the precinct.

We are particularly buoyed by recent comments from the Premier regarding the frustrations of our members, and the preparedness of the NSW Government to work with industry to find solutions.

The contents of our submission focus on the need for subarterial roads to be delivered in order to unlock development in the Aerotropolis and improve the productivity of Sydney's supply chain network while providing jobs to Western Sydney residents.

We look forward to any upcoming opportunities to discuss the needs of investors, landowners and industrial tenants within the Western Sydney Aerotropolis.

Yours sincerely,



Ross Grove
Western Sydney Regional Director
Property Council of Australia



Jobs need roads

The Property Council of Australia's submission to the Inquiry into critical transport infrastructure supporting the Western Sydney International Airport and Western Sydney Aerotropolis

April 2024

Table of Contents

Executive Summary	3
Summary of Recommendations	4
Primary recommendations	4
Secondary recommendations	4
Chapter 1: An analysis of options for transport infrastructure	5
Critical infrastructure: Subarterial roads	5
Supporting infrastructure: Public transport	6
Chapter 2: Funding of transport infrastructure	8
Gold-plating vs the silver solution	8
Industry leadership	9
Federal funding	11
State funding	12
Chapter 3: Impacts of employment movements in Western and Southwestern suburbs of Sydney	13
Employment lands are in high demand	13
Turning traffic against the peak	14
Addressing local unemployment and disadvantage	14
Chapter 4: Integration with existing transport infrastructure	16
Roads	16
Rail	16
Chapter 5: Reducing road usage around the new airport and surrounding regions	17
Freight and logistics	17
Commuter traffic	17
Chapter 5: Any other related matters (Governance and co-ordination).....	19
Multiple government stakeholders involved	19
Future governance options	20
For more information.....	21

Executive Summary

- **Sydney is in the midst of an industrial land supply crisis.** With vacancy rates hovering at 0.1% to 1% over the past twelve months, Sydney is missing out on opportunities to attract investment to other centres on the eastern seaboard.
- **Six key subarterial road upgrades are required to unlock development-ready land in the Western Sydney Aerotropolis.**
- **Supplementary funding for infrastructure is critical.** Landowners across Mamre Road and the Aerotropolis already pay the highest government costs to develop industrial land in the country. Their capacity to pay is starting to breach the point of feasibility, and this is recognised in the decision of the NSW Government to cap Sydney Water bonds.
- **The current road network will not enable the delivery of future employment lands.** The existing roads partially close in periods of heavy rain, and the lack of certainty regarding future upgrades is an impediment to attracting commitments from future Aerotropolis tenants.
- **It is the role of the state government to fund and deliver subarterial roads in the Aerotropolis.** As at the time of writing this submission, there is no meaningful delivery timeline or prioritisation of roads to for state government investment. The uncertainty in providing this infrastructure is a handbrake on the release of industrial land in Western Sydney.
- **The \$2.3 billion costing in the Western Sydney Aerotropolis Special Infrastructure Contribution was an estimate and is likely to be higher** in revised costings. Final Business Cases were prepared long-after the preparation of the SIC and are likely to be “gold-plated”. There should be a role for the Department of Planning Housing and Infrastructure to assist in enabling a lower cost outcome which is proportionate to the needs and capacity of both the government and industry alike.
- **The future of the Aerotropolis is evolutionary, not revolutionary.** Much of the precinct planning for the Western Sydney Aerotropolis anticipated a “22nd century city” with fine grain street planning, an emphasis on density and walkability, etc. While the long-term vision is admirable, the reality is the Aerotropolis will be home to large-scale freight and logistics operators, and manufacturing operations supporting Sydney’s population. Our planning for roads and transport infrastructure needs to be proportionate to the immediate needs of the Aerotropolis.

Summary of Recommendations

Primary recommendations

1. The Committee prioritise the delivery of the Aerotropolis Roads Package as the key transport infrastructure required for initial development in the Western Sydney Aerotropolis.
2. The NSW Government pursue an affordable “silver solution” approach to state road delivery in the short to medium term, while future-proofing corridors to expand capacity as demand picks up.
3. Enable Special Infrastructure Contributions to be used to bring forward subarterial state road projects in the Western Sydney Aerotropolis, including through the use of Works-In-Kind Agreements. Lift caps on forward funding roads from contributions.
4. Empower the Department of Planning, Housing and Infrastructure have a stronger say in the delivery of subarterial roads within the Western Sydney Aerotropolis.
5. Supplement developer funding for roads with a “Western Sydney Employment Lands Delivery Fund” to be administered by the Department of Planning Housing and Infrastructure. The allocation of this funding should be allocated by DPHI on a competitive basis, responding to the needs of industry and opportunities to stretch the taxpayer’s dollar further with non-government funding sources. Recurrent funding for this program will need to start at \$150 million per annum, escalating to \$250 million per annum over a five-to-seven-year period, subject to industry take-up.
6. The NSW Government consider options for improving governance and coordination outcomes across the Western Sydney Aerotropolis, in consultation with industry representatives and peak bodies.

Secondary recommendations

1. The NSW Government provide an update on progress being made toward the Fifteenth Avenue Smart Transit Corridor.
2. The NSW Government provide advice on the prioritisation of rapid bus connections to Penrith and Campbelltown, including the merits of any other alternative routes that may need to take precedence.
3. That active transit be promoted initially around the metro stations areas within the Aerotropolis, with outer connections to be provided as the precinct matures.
4. That The NSW Government give careful consideration to the location and number of interchange points between heavy and metro rail ensure the optimal passenger experience and performance of rail as an efficient transport option.

Chapter 1: An analysis of options for transport infrastructure

Critical infrastructure: Subarterial roads

The primary role of the Western Sydney Aerotropolis in its first decades will be to serve the warehousing, supply chain and logistics needs of the Western Sydney International Airport and Sydney's growing population.

The heavy vehicular movements associated with freight and logistics require well-designed subarterial roads as the anchor point for any private sector investment in the Aerotropolis.

In order to unlock the opportunities for investment in the Aerotropolis, development-ready landowners have been advocating for the upgrade of key subarterial roads identified within the *Environmental Planning and Assessment (Special Infrastructure Contribution – Western Sydney Aerotropolis) Determination 2022*¹:

- Badgerys Creek Road upgrade
- Luddenham Road upgrade
- New Regional Road, Badgerys Creek Road to Eastern Ring Road
- A new Eastern Ring Road
- Elizabeth Drive upgrade (Northern Road to M7)
- Mamre Road upgrade

This list of projects has been referred to as the “Aerotropolis Roads Package” when advocating to government. Many of these roads are listed as priorities within the Western Parkland City Authority's Economic Blueprint for the region². In the last 12 months business case preparation for delivering roads within the package was referred to inside of state and federal government agencies government as *Western City Road Transport Development – Planning*³.

Upgrades to the subarterial road network are required to guarantee a level of flood resilience that is responsive to the needs of prospective tenants, while also ensuring network has capacity to justify the intensification of land use.

Without the subarterial road upgrades, the Western Sydney Aerotropolis is not capable of accommodating the employment generating activity that active and public transport options can support as the precinct evolves over time.

Recommendation: The Committee prioritise the delivery of the Aerotropolis Roads Package as the key transport infrastructure required for initial development in the Western Sydney Aerotropolis.

¹ [Environmental Planning and Assessment \(Special Infrastructure Contribution – Western Sydney Aerotropolis\) Determination 2022](#)

² [Priority C7 \(p38\) Western Parkland City Blueprint – Western Parkland City Authority – September 2022](#)

³ [Independent Strategic Review of the IIP - Project changes summary](#)

Supporting infrastructure: Public transport

As mentioned previously, subarterial roads are the first category of infrastructure needed to deliver employment generating land uses. This development is required to generate the future demand for other types of transport as the Aerotropolis evolves.

This submission acknowledges the Sydney Metro Western Sydney Airport connecting St Marys to the Bradfield City Centre (via Orchard Hills, Luddenham, Airport Business Park and the Airport Terminal) is under construction and makes the assumption that the project is progressed to the point where significant changes are unlikely to occur.

Instead, the submission makes brief commentary on the medium and long-term future public transport opportunities within the Western Sydney Aerotropolis.

Buses

Bus services remain the most efficient way of moving the workforce to and from the Western Sydney Aerotropolis and Airport. Ongoing route planning, contracting and recontracting will be essential to ensuring service levels are sufficient and are targeted to the right non-Aerotropolis destination as the precinct grows.

The Western Sydney City Deal signed by federal, state and council representatives in makes the following commitment:

“The NSW Government will establish rapid bus services from the metropolitan centres of Penrith, Liverpool and Campbelltown to the Western Sydney Airport before it opens in 2026, and to the Badgerys Creek Aerotropolis.”

While aspects of The Northern Road Upgrade would seem to make the delivery of rapid bus services to Penrith possible prior to the opening of the airport, the same cannot be said for rapid bus connections to Campbelltown and Liverpool.

While the NSW Government did confirm its intentions to upgrade Hoxton Park Road to include dedicated lanes for rapid transit in September 2019⁴ and more funding has been confirmed by the NSW Government in the 2023/24 Budget, engagement with landowners regarding planning and acquisition of corridors for the Fifteenth Avenue Smart Transit (FAST) Corridor has been minimal. Without significant intervention, it is difficult to expect the FAST Corridor being operational when the new airport opens.

The Property Council is unaware of any progress to provide a rapid bus connection to Campbelltown.

Recommendation: The NSW Government provide an update on progress being made toward the Fifteenth Avenue Smart Transit Corridor.

Recommendation: The NSW Government provide advice on the prioritisation of rapid bus connections to Penrith and Campbelltown, including the merits of any other alternative routes that may need to take precedence.

⁴ Liverpool City Council Media Release – 4 October 2019 – offline copy

Active transport

Precinct wide planning efforts for the Western Sydney Aerotropolis envision future active transport corridors providing opportunities for the movement of pedestrians and cyclists across wide swathes of the precinct.

While this aspiration is admirable, the inclusion of completed corridors into the project specifications for the final business cases of road upgrades contributes to the “gold-plating” of infrastructure projects to the point where funding projects becomes cost-prohibitive for government and industry alike.

As the Aerotropolis takes shape over the course of decades (particularly as the density of jobs increases) investments in the active transit network should be considered as demand for this infrastructure increases.

Recommendation: That active transit be promoted initially around the metro stations areas within the Aerotropolis, with outer connections to be provided as the precinct matures.

Rail

When the federal government finalised its decision to locate a Western Sydney Airport at Badgerys Creek, the approach would be “roads first; rail second”⁵ with work to proceed on corridor identification for rail and an on-site “station box” for a future rail link⁶. This approach recognised that demand for the airport would grow over time, and was consistent with the approach taken to equivalent airports such as Coolangatta, Qld.

With this in mind, it is important to consider that future rail investment achieves positive outcomes both within and outside the Aerotropolis as it provides for the intensification of growth and development.

The Future Transport Strategy identifies rail connections connecting the Aerotropolis to Leppington and Macarthur (via Narellan)⁷. Opportunities exist for Transit-Oriented Development sites along this corridor, with the delivery of new housing supply at higher density. As job creation in the Aerotropolis picks up over the long term, these opportunities for housing will be critical to supporting the employment needs of the region.

Our advice to the Committee when considering options for future rail investment is to give careful consideration to interchange points between metro rail and the existing heavy rail network. Minimising the number of these interchange points is critical to ensuring the effectiveness of the network in transporting people (including passengers) as quickly as possible.

Recommendation: That The NSW Government give careful consideration to the location and number of interchange points between heavy and metro rail ensure the optimal passenger experience and performance of rail as an efficient transport option.

⁵ [Joint Abbott/Truss med rel Western Sydney Airport to deliver jobs and infrastructure](#) – 15 April 2024

⁶ [Joint Abbott/Truss med rel Western Sydney Infrastructure Plan: More jobs, better roads](#) – 16 April 2014

⁷ [NSW Future Transport Strategy](#) – page 28

Chapter 2: Funding of transport infrastructure

Gold-plating vs the silver solution

The “Aerotropolis Roads Package” identified earlier in this submission has a sticker price of \$2.3 billion under the Special Infrastructure Contribution (SIC) for the Western Sydney Aerotropolis.

In addition to providing an estimate of the project cost, the SIC apportions the amount of the total cost to be paid for by industry, taking into account industry capacity to pay and the “nexus principle” that developers should pay the proportion of the total cost associated with enabling growth within a particular precinct:

Road project	Estimated cost	SIC allocation
Badgerys Creek Road Upgrade including Footpaths and Cycleways	\$43,000,000	\$11,280,093
Luddenham Road Upgrade	\$137,000,000	\$15,116,928
New Regional Road, Badgerys Creek Road to Eastern Ring Road including Footpaths and Cycleways	\$94,000,000	\$24,940,500
Eastern Ring Road Upgrade including Footpaths and Cycleways	\$517,000,000	\$82,251,725
Elizabeth Drive Upgrade (TNR to M7) including Footpaths and Cycleways	\$1,226,000,000	\$266,954,709
Mamre Road Upgrade including Footpaths and Cycleway	\$317,000,000	\$52,270,108
TOTAL	\$2,334,000,000	\$452,814,063

The SIC estimates were prepared prior to the development of Final Business Cases for each of the road projects and the industry anticipates the final cost estimates to be substantially higher.

With each increase in cost, the capacity of government or industry to fund an upgrade is placed further from reach.

This submission discusses pathways to enable industry to work with government on bringing forward enabling roads infrastructure, but for this to happen, the industry needs to have a seat at the table when determining project specifications so that infrastructure is affordable, while also providing capacity to enable future expansions and upgrades as demand increases.

Options for “silver solution” infrastructure need to be tailored to each project, but initial feedback from industry nominates a range of options:

- Providing driveway access to subarterial roads as an interim measure, deferring the need to complete secondary roads until demand picks up (developments will need to be designed to provide dual entrances to enable this to occur)
- Deferring expenditure on cycleway and footpath expenditure
- Revisions to road widths, while leaving corridor for further expansion

Whether its government delivering a project according to a forecast schedule, or the private sector seeking to bring forward a road to unlock new opportunities, the tailoring of these project specifications is critical to ensuring future road infrastructure and growth isn't unnecessarily consigned to the "too costly" basket at a time where access to funds is constrained.

Recommendation: The NSW Government pursue an affordable "silver solution" approach to state road delivery in the short to medium term, while future-proofing corridors to expand capacity as demand picks up.

Industry leadership

Works-In-Kind

Across the state, developers propose Works In Kind (WIK) Agreements to deliver infrastructure in lieu of paying cash contributions. These agreements occur at the state and local levels and have delivered a wide range of community centres, sporting fields, roads and stormwater infrastructure across emerging local communities.

Within the Aerotropolis, landowners are seeking to bring forward road projects identified by government (with "silver solution" modifications) to unlock growth on development-ready land. These proposals have to date been resisted by aspects of the government, with Transport for NSW taking a position that while additional funding from industry is welcome, the funds could not be offset against the Special Infrastructure Contribution.

It is pleasing to note that the NSW Government is exploring options to resolve this impasse, with NSW Premier Chris Minns reported in the Daily Telegraph the government is be open to letting developers pay for infrastructure – such as roads – around the aerotropolis, in lieu of contributions paid to the government⁸. This approach is a positive step forward to ensuring road funding is responsive to the appetite for investment in the Western Sydney Aerotropolis.

Additionally, industry participants are advising that their capacity to dedicate the fullness of their SIC contribution to roads is limited to a proportion of the total SIC liability. This will need to be lifted if the Aerotropolis is to have the road network required to deliver jobs.

Recommendation: Enable Special Infrastructure Contributions to be used to bring forward subarterial state road projects in the Western Sydney Aerotropolis, including through the use of Works-In-Kind Agreements. Lift caps on forward funding roads from contributions.

Future of the Special Infrastructure Contribution

As part of a wider package of reforms to the way development contributions are collected in New South Wales, the introduction of a new Housing and Productivity Contribution is expected to supersede the current Special Infrastructure Contribution. The NSW Government will need to consider exactly how it proceeds in transitioning to this framework if it is to ensure the capacity to offset contributions against Works In Kind Agreements is maintained.

⁸ [Daily Telegraph – Chris Minns admits planning system is "too complicated" amid Western Sydney Aerotropolis Malaise – 2 April 2024](#)

Recommendation: The NSW Government have regard to the critical role of Works In Kind in delivering key infrastructure when transitioning the Special Infrastructure Contribution to the Housing and Productivity Contribution.

Supplementary funding: Addressing the shortfall

The Special Infrastructure Contribution intends to make a contribution toward the total cost of infrastructure listed in the Schedule of Works⁹ – it does not pay the total cost.

This is due to the need for the SIC to be affordable (in the context of all other charges) while also limiting contributions to the nexus principle – which ensures contributions limited to the proportion of additional growth burden on infrastructure.

Across the Aerotropolis Roads Package, contributions are earmarked to raise \$452.8 million of road works conservatively estimated to cost \$2.3 billion. To deliver the roads, supplementary state funding will be critical.

We are proposing the state government administer a grants fund similar to the previous Local Infrastructure Growth Scheme and the previous Accelerated Infrastructure Fund. The purpose of the fund should be to partner with industry in bringing forward enabling road infrastructure upgrades. This fund would ideally be administered by a team within the Department of Planning, Housing and Infrastructure (DPHI) to supplement funding from industry on practical and moderate road upgrades.

For this to be meaningful and effective, the Department will need the support of the NSW Government to work with Transport for NSW (TfNSW) and landowners to revise project specifications and where appropriate commission TfNSW to undertake roadworks.

Such a fund is likely to require an investment from the NSW Government of \$150 million to \$250 million per year subject to industry takeup.

Recommendation: The NSW Government to supplement developer funding for roads with a “Western Sydney Employment Lands Delivery Fund” to be administered by the Department of Planning Housing and Infrastructure. The allocation of this funding should be allocated on a competitive basis, responding to the needs of industry and opportunities to stretch the taxpayer’s dollar further with non-government funding sources.

Capacity to pay

It is important to stress the capacity of industry to pay contributions is finite. In addition to the Special Infrastructure Contribution for the Western Sydney Aerotropolis, developers are likely to also be paying local contributions to Penrith or Liverpool City Councils, the (draft) Western Sydney Regional Affordable Housing Contribution Scheme, and Sydney Water’s Development Servicing Plan charges to recover the cost of additional water, stormwater and sewer infrastructure.

At this stage the affordable housing contributions are not proceeding in the Liverpool LGA and it is unclear what the final Sydney Water charges will be across the Aerotropolis.

⁹ [Environmental Planning and Assessment \(Special Infrastructure Contribution – Western Sydney Aerotropolis\) Determination 2022](#) Schedule 3 List of Infrastructure p34

What we do know is that the initial charges proposed for the adjacent Mamre Road Employment Lands were high to the point where they made development unfeasible. Sydney Water's initial draft stormwater charge sought to levy stormwater management charges at \$1.3 million per hectare. Landowner modelling showed this charge would have prevented further development from occurring.

To the NSW Government's credit, the Minister for Water Rose Jackson intervened to cap initial charges at \$800,000 per hectare. This is still too high, and the Property Council and Urban Development Institute of Australia NSW are working with the NSW Government and our members to explore options to find efficiencies in the system to reduce costs for industry and government alike.

Federal funding

Federal funding should not be seen as an easy fix for the shortfall in funding for subarterial roads in the Western Sydney Aerotropolis. While federal funds have flown to the state in Western Sydney previously, the overwhelming majority of these commitments had a direct nexus to enabling a high-functioning Western Sydney Airport, and meeting its traditional responsibilities to interstate and international movements of people.

Western Sydney Infrastructure Plan

In May 2014, following confirmation from the Abbott Government that it would proceed with construction of a Western Sydney Airport at Badgerys Creek, the Minister for Infrastructure Warren Truss announced a "Western Sydney Infrastructure Plan" earmarking \$2.9 billion for the delivery of road upgrades supporting the new airport.

These roads include:

- upgrading The Northern Road to a minimum of four lanes from Narellan to the M4 Motorway
- constructing a new four-lane motorway between the M7 Motorway and The Northern Road (now known as the M12)
- upgrading Bringelly Road to a minimum of four lanes from Camden Valley Way to The Northern Road
- improving interchanges that connect The Northern Road and the new motorway with arterial roads
- a \$200 million local roads package.

With the exception of the M12 Motorway, (currently under construction) these roads have been delivered.

Western Sydney City Deal

On 4 March 2018, the Prime Minister of Australia Malcolm Turnbull, NSW Premier Gladys Berejiklian and the Mayors of the eight councils making up the Western Parkland City co-signed the Western Sydney City Deal.

The City Deal identifies 38 actions spanning infrastructure investment, planning reform, and liveability to be delivered as part of a holistic vision for the region's future. Importantly, federal

funding for the North South–Rail Line (now known as Sydney Metro Western Sydney Airport) between St Marys and the Airport was announced – along with the transfer of Commonwealth land to the state government to enable the delivery of the Bradfield City Centre.

While many of the milestones identified in the City Deal have been reached, the 30 year strategy has not produced an annual report since 2021 and there have been no new City Deals or similar partnerships announced since 2022.

Revision of strategic infrastructure priorities

In November 2023, Minister Catherine King announced the outcomes the incoming federal government's 90-day review of the federal infrastructure priorities.

As a result, federal funding for the M7/M12 Interchange and the “Western City Road Transport Development – Planning” (development of final business cases for subarterial roads in the Aerotropolis), which was announced in the final budget of the previous government, was withdrawn¹⁰.

While M7/M12 interchange and preparation of final business cases appears to have continued with state funding support, it is important to consider the efficacy of requesting federal support for further infrastructure investment in this fiscal context.

Future federal funding opportunities

Although the appetite for federal funding businesses cases for subarterial roads is limited at the present time, the NSW Government may want evaluate how some of the rail connections and infrastructure megaprojects align with the federal government's infrastructure agenda once business cases have been prepared.

State funding

The Property Council sees the subarterial road network as the primary responsibility of the state government, with opportunities for industry to support their delivery in partnerships to be offset against contributions.

All of the roads on the list are classified as either state or regional roads. Funding to upgrade these roads is identified within the states Special infrastructure Contribution and any attempt to blur responsibilities with local government will result in additional deferrals, complexity and cost-shifting which local councils are likely to resist.

In addition to the supplementary funding referred to in the “Industry leadership” section of this chapter, the NSW government will need to identify funds to deliver larger schale subarterial road projects across the Aerotropolis, such as the upgrade of Elizabeth Drive.

¹⁰ <https://www.infrastructure.gov.au/departments/media/publications/independent-strategic-review-iip-project-changes-summary>

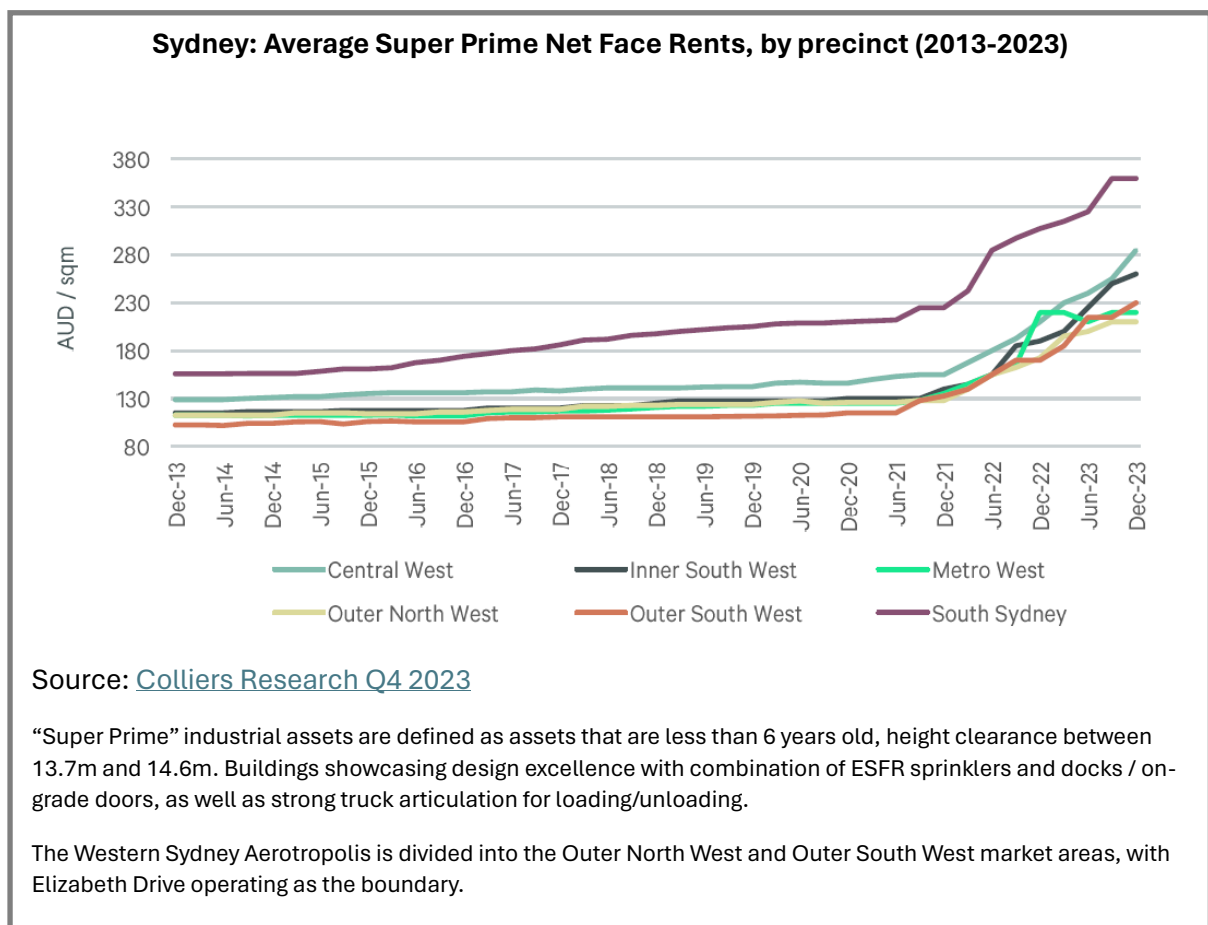
Chapter 3: Impacts of employment movements in Western and Southwestern suburbs of Sydney

Employment lands are in high demand

Hovering at around 1%, Sydney’s vacancy rates for industrial land are the lowest of any capital city in Australia, and second only to Toronto among equivalent global cities.

The chronic shortage of industrial land has resulted in a situation where industrial tenants have experienced rent increases far beyond those of any capital centre in Australia. Uncompetitive tenancies, costs of development and a lack serviced land is resulting in companies making decisions to locate their operations away from Sydney in favour of other industrial centres across the Eastern Seaboard.

In recent months, a decision by Amazon to withdraw from plans to construct a second logistics and distribution centre in Kemps Creek¹¹ gathered attention in the public arena. The lack of certainty around the delivery of enabling infrastructure is leading significant investors to explore take their capital outside of NSW.



¹¹ [Amazon pulls out of western Sydney warehouse plans due to aerotropolis go-slow | Daily Telegraph](#) 12 Jan 2024

Turning traffic against the peak

Part of the value proposition of building a new Airport at Badgerys Creek was the opportunity to create jobs closer to where people in Western Sydney live. It was discussed in both economic and life style terms: Western Sydney has a jobs deficit with people leaving the region to work – while longer commutes also take their toll on time with family and quality of life.

Every job delivered at the Western Sydney Airport and Aerotropolis provides an someone in Western Sydney to consider either shortening their commute or travelling against the peak flow of traffic. The first step in making the Aerotropolis contribute to this vision is to deliver a development-enabling subarterial road network.

Electorate data: Unemployment estimates (September 2023)

Electorate	Unemployed	Unemployment rate	Electorate Rank
Badgerys Creek	939	1.80%	86
Blacktown	2,449	4.40%	16
Cabramatta	2,524	6.00%	6
Camden	994	1.70%	87
Campbelltown	2,746	6.00%	7
Fairfield	3,864	9.80%	1
Granville	3,986	7.30%	3
Leppington	1,552	2.80%	49
Liverpool	3,120	7.00%	5
Londonderry	2,495	4.60%	11
Macquarie Fields	2,084	4.10%	18
Mount Druitt	4,109	8.00%	2
Penrith	1,843	3.50%	33
Prospect	1,923	3.70%	25
Wollondilly	734	1.60%	89

Table: NSW Parliamentary Research Service Source: [Jobs and Skills Australia Small Area Labour Markets, corresponded to NSW state electorates by the NSW Parliamentary Research Service Data Brief 1, 2024 \(nsw.gov.au\)](#)

Addressing local unemployment and disadvantage

Six of the ten electorates with the highest levels of unemployment are either adjacent to or nearby the Mamre Road and Western Sydney Employment Lands.

Additionally, significant portions of electorates such as Granville and Prospect, while appearing more remote to the Western Sydney Aerotropolis, could enjoy easier public transport to the Aerotropolis when the Fifteenth Avenue Smart Transit Corridor and the Parramatta-Liverpool T-Way intersect.

Jobs in logistics and warehousing offer an expansive career development pipeline spanning unskilled and semi-skilled work to highly skilled employment in technology fields as warehouses increase their take-up of automation, strategic planning and AI-driven operations.

When Mamre Road was re-zoned in 2020, the NSW Government confirmed the precinct had the potential to provide 17,000 jobs across 850 hectares of freshly zoned land. Given the strong uptake already within this precinct, unlocking further development with the appropriate investment in roads and stormwater infrastructure has the potential to make a significant contribution to addressing areas of higher unemployment in Western Sydney.

Chapter 4: Integration with existing transport infrastructure

Roads

The Property Council's recommended priority areas for investment (the Aerotropolis Roads Package) all interface well with completed roadworks associated with the federal government's investment in the Western Sydney Infrastructure Plan i.e. Bringelly Road, The Northern Road and the M12 Motorway to promote efficient movement of freight in and out of the Airport and Aerotropolis, and across Greater Sydney.

Rail

The Property Council looks forward to seeing the details of future plans to connect industrial lands not serviced by the proposed rapid bus corridors with secondary bus services as these details become available. These routes will be an important part of moving workforces across the precinct and to key transport nodes as the Aerotropolis takes shape.

Earlier in this submission, the Property Council raised the issue of the interchange points between the heavy and metro rail networks. These interchange points need to be well thought-out and ideally minimised in order to promote utilisation of the future public transport network.

Chapter 5: Reducing road usage around the new airport and surrounding regions

Freight and logistics

The key message of this submission is that the subarterial road network is required in order to seek the Western Sydney Aerotropolis develop into a future employment precinct catering to the regions freight and logistics needs.

This means that at the very minimum, we will see a positive increase in road freight movements in and around the Aerotropolis. Across Greater Sydney, the unlocking of additional industrial land supply will mean that logistics providers will be able to more efficiently organise their supply chains, resulting in LESS road freight movements across the city.

Beyond road freight it should also be noted there is a long-term plan for a Western Sydney Freight Line stretching from the current Yennora Intermodal through to the northern border of the Mamre Road Precinct. This line is a long-term aspiration for the Aerotropolis, and has the potential to shift long-haul domestic freight of Sydney's roads and onto rail.

Commuter traffic

Industrial precincts are naturally sparse and not given to easy public transport solutions – even by bus. To promote an increased acceptance of public transport, the Western Sydney Aerotropolis Development Control Plan (DCP) Phase 2 introduces maximum parking ratios for industrial and other forms of development in the Aerotropolis¹².

Below is a table from the DCP detailing the minimum and maximum parking ratios for non-residential development:

¹² [Western Sydney Aerotropolis Development Control Plan \(DCP\) Phase 2](#) (pages 63-64)

Activity	Rate		
	Within 800m walking distance of a metro station	Greater than 800m walking distance of a metro station	
	Maximum parking rate	Minimum parking rate	Maximum parking rate
Industry	1 space / 200 sqm	1 space / 200 sqm	1 space / 100 sqm
Warehouses or distribution centres	1 space / 250 sqm	1 space / 300 sqm	1 space / 100 sqm
Freight Transport Facilities	1 per transport vehicle present at peak vehicle accumulation plus 1 per 2 employees, or to be determined by a car parking survey of a comparable facility.		
Vehicle Body Repair Workshops/ Vehicle Repair Stations	3 spaces per 100m ² of gross floor area or 6 per work bay, whichever is greater		
Ancillary office space	1 space per 40 sqm of gross floor area		
Neighbourhood shops	1 space per 40 sqm of gross leasable area		
Other Uses	In accordance with TfNSW Guidelines or if there are no parking guidelines for a specific use, then a site specific car parking analysis will be required. This may require the applicant to submit a car parking report from a suitably qualified traffic consultant.		
Accessible Parking	Accessible car spaces should be in accordance with the <i>Access to Premises Standards, Building Code of Australia</i> and AS2890.		
Bicycle Parking	1 space per 600 sqm of gross floor area of office and retail space (over 1200m ² gross floor area) 1 space per 1,000 sqm of gross floor area of industrial activities (over 2000m ² gross floor area)		

The take-up of bus transport across the Aerotropolis is likely to be evolutionary and as more development comes online, demand for these services will lift. Transport planners would do well to consider which public transport notes these bus routes connect to, as the closest node might not be the most efficient way to promote the take-up of public transport.

Chapter 5: Any other related matters (Governance and co-ordination)

Among the top frustrations of Aerotropolis landowners is a lack of governance and coordination across government agencies. This frustration has appeared to operate as a handbrake on progressing development across the precinct.

Multiple government stakeholders involved

The industry is no stranger to dealing with multiple government agencies as part of the development approval process, however the “blank canvas” nature of Aerotropolis farmland has meant that investors as recently as 2018 looked at an area with no relevant zoning or planning controls, no developer contribution framework, no trunk drainage, no sewer, limited water, no roads, no rail, no future infrastructure corridor identification – and to top it off there was no clear plan or timetable to bring all these elements together.

It was a shemozzle. And while many of these issues have progressed it is worth taking count of the number of government stakeholders that have taken interests in the precinct at various times:

- Western City and Aerotropolis Authority¹³
- Western Parkland City Authority¹⁴
- Sydney Water
- Penrith City Council
- Liverpool City Council
- Greater Sydney Commission¹⁵
- Greater Cities Commission
- Department of Planning, Housing and Infrastructure
- Western Sydney Planning Partnership¹⁶
- Western Sydney Airport
- Western Parkland Councils
- Commonwealth Government¹⁷
- Transport for NSW
- Western Sydney City Deal¹⁸

¹³ Replaced by the Western Parkland City Authority

¹⁴ Retains coordinating role in its Charter, in practice its activities are now limited to investment attraction, the development of Bradfield, and sitting on the Technical Advisory Group for Master Plan applications

¹⁵ Replaced by Greater Cities Commission

¹⁶ Has concluded its planning role in the Aerotropolis, drafts local policies for adoption by local government such as the Draft Western Sydney Regional Affordable Housing Contribution Scheme, which will cover development in the Aerotropolis

¹⁷ For development referrals that potentially impact on aviation.

¹⁸ While not a government body, provisions in the City Deal provided limited guidance to the government activity in its first years of operation

Frustratingly, this list is not exhaustive, and the experience with the two “co-ordinating authorities” were frustrated by a lack of capacity by these bodies to take on a directive role with respect to the activities of several of these government agencies.

The two authorities created to oversee progress in the Aerotropolis: the Western City and Aerotropolis Authority and the Western Parkland City Authority from the outside would appear to have similar responsibilities for planning, development and infrastructure coordination as previous agencies in Sydney’s history such as the Homebush Bay Development Corporation in the lead-up to the Sydney Olympics or the Growth Centres Commission for the North West and South West Growth Centres – however this was not the case.

The legislation that created the Aerotropolis authorities was more cosmetic by nature, providing these bodies with responsibilities for promoting investment attraction, industry dialogue, collaboration across government – but lacking decisive and directive power over land use planning, planning approvals, budget allocations and infrastructure sequencing.

Future governance options

It is pleasing to see the NSW Government acknowledge that the planning system is not in sync with the (lack of) coordination of infrastructure – and that the situation needs to change.

Changes to governance are risky due to the changes in personell and establishment times associated with creating new bodies or shuffling roles, budgets and responsibilities across various government entities. With Western Sydney Airport set to open in 2026, a reange of industry stakeholders take the view that “yet another new entity” will cause further disruption.

While the Property Council is prepared to work with the NSW Government on any and all governance solutions, we also note that the key to enabling development in the Aerotropolis at this present juncture is provide funding pathways that enable roads to be funded in an affordable manner.

The balance of this Chapter unpacks options for future Aerotropolis governance. These models were discussed by members of the Property Council’s Aerotropolis Working Group in the months following the election of the Minns Government in March 2023.

Option 1: A stronger infrastructure role for the Department of Planning Housing and Infrastructure

Description: Contained within the Department of Planning, brings infrastructure coordination sequencing and timing responsibilities alongside planning. Operates with some degree of government oversight. Applies independent oversight and dialogue with other government agencies – and if the recommendations of this submission are adopted – provides funding to secure outcome.

Strengths: Speed and flexibility. Does not create another agency. Can be created without legislation, faster to set up, amend or disband. Aligns with NSW Government plan to bring planning and infrastructure roles together.

Weaknesses: Competition for resources from within the Department.

Option 2: Create a new delivery authority for the Western Sydney Aerotropolis.

Description: Similar to the Growth Centres Commission model, create a delivery authority empowered to coordinate with other government agencies on the delivery of planning and infrastructure outcomes to maximise development outcomes across a stated precinct.

Strengths: Previous track record in Olympic Park and South West Growth Centre.

Weaknesses: Slow to establish and effectively resource. Adds another government agency to the government stakeholder mix. Requires substantial legislative change.

Option 3: Expand the role of the existing Western Parkland City Authority.

Description: Similar to Option 2, with a change to the Western Parkland City Authority Act to provide a stronger role for the existing authority.

Strengths: Faster and moderately less resource intensive than Option 2. Does not increase the number of government stakeholders.

Weaknesses: Conflict of interest. If the Authority's Act were to include stronger planning, resourcing or coordination roles the industry would have concerns about its dual role as a land developer within the same precinct.

Option 4: A strong investment concierge within the Department of Premier and Cabinet

Description: Exists to some degree in Queensland, a direct concierge within the Premier's Department to facilitate large scale state development opportunities and bring other government agencies into the conversation in a development enabling manner.

Strengths: Provides a reputable starting point for industry with strategically significant opportunities for the state. Benefits from central departmental location.

Weaknesses: Not Aerotropolis specific.

Recommendation: The NSW Government consider options for improving governance and coordination outcomes across the Western Sydney Aerotropolis, in consultation with industry representatives and peak bodies.

For more information

For more information on any aspect of this submission, please contact the Property Council of Australia's Western Sydney Regional Director, Ross Grove on [REDACTED] or by email to [REDACTED]