

Public Accountability and Works Committee - Western Sydney Science Park and Aerotropolis developments inquiry

Government Response

July 2025

Acknowledgement of Country

The NSW Government acknowledges the Traditional Custodians of the lands where we work and live. We celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of NSW.

We pay our respects to Elders past, present and emerging and acknowledge the Aboriginal and Torres Strait Islander people that contributed to the development of this inquiry response.

We advise this resource may contain images, or names of deceased persons in photographs or historical content.

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Published by Infrastructure NSW

First published: July 2025

Acknowledgements

Infrastructure NSW acknowledges the contributions of the Department of Planning, Housing and Infrastructure, Transport for NSW, NSW Treasury, and Sydney Water in compiling the response to the Legislative Council.

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Recommendation 1

That the NSW Government prioritise the delivery of the extensions of the North-South Rail Link from the Aerotropolis to Leppington and Macarthur.

Response: Supported in principle

The NSW and Australian Governments have jointly committed \$100 million for South West Sydney Rail Planning. This funding allows for the development of a Full Business Case for rail infrastructure and services connecting Bradfield to Leppington, and Bradfield to Campbelltown / Macarthur. The Full Business Case will consider various heavy and metro rail options to investigate the extension of the rail network in South West Sydney, and provide the detailed design, economic assessment and cost estimation to inform government consideration for investment.

In March 2025, the Australian Government announced a \$1 billion commitment towards land preservation for both the Bradfield to Leppington corridor and the Bradfield to Campbelltown / Macarthur corridor.

The NSW Government has also committed \$40 million to complete a business case which will consider a rail connection between St Marys and Tallawong.

Both business cases will consider the optimal typology for each section of the proposed future rail connection. Once the business cases are complete, the NSW Government can consider future rail investment decisions.

Recommendation 2

That the NSW Government ensure a reliable and connected rapid bus service is implemented for commuters to travel between metropolitan areas and the Western Sydney International Airport.

Response: Supported in principle

The NSW Government has invested \$327.1 million to deliver new bus services that will connect Liverpool, Penrith, Mount Druitt, Campbelltown and Leppington to the Aerotropolis. The new services, which will be operating ahead of Western Sydney International Airport opening, will operate seven days per week, every 30 minutes from 5am to 10pm. To ensure that the new services are running as soon as possible, they will mainly make use of existing infrastructure, including the new bus lanes on the recently upgraded The Northern Road. Transport is planning for further improvements to the bus services as the Aerotropolis grows and demand increases.

Recommendation 3

That the NSW Government, in line with the commitments made under the *NSW Freight and Ports Plan 2018-2023*, and in collaboration with other relevant parties, expedite the planning, funding and delivery of a dedicated fuel pipeline to service the Western Sydney International Airport.

Response: Supported in principle

Infrastructure NSW identified in the Aerotropolis Sector Plan, released by the NSW Government in March 2025, that Western Sydney International (WSI) Airport must have an efficient fuel supply, and that a dedicated fuel pipeline will help reduce the volume of trucks on local roads, ease congestion and improve road safety.

Infrastructure NSW is working with Transport for NSW to advance planning work to identify a preferred pipeline corridor. This will leverage the Western Sydney Strategic Fuel Pipeline Study (commissioned by Transport for NSW in 2022) which investigated the provision of pipelines for both aviation and automotive fuels to the Airport, the Western Sydney Aerotropolis and the broader Western Sydney region. The study confirmed the benefits of a future fuel pipeline servicing the airport fuel needs, and was provided to Western Sydney Airport Co.

As outlined in the WSI Airport Review of Aviation Fuel Supply Options¹ (May 2023), Western Sydney Airport Co have engaged in a market engagement process with the fuel supply industry to design, construct and operate one or more fuel pipelines to Airport, as fuel pipelines are typically developed and operated on the basis of commercial decisions by industry.

¹ <https://wsiairport.com.au/sites/default/files/2023-05/WSI%20Review%20of%20Aviation%20Fuel%20Supply%20Options%202023.pdf>

Recommendation 4

That the NSW Government progress plans for freight rail infrastructure in Western Sydney to be developed, to facilitate the transportation of goods to and from the Western Sydney International Airport and surrounding area.

Response: Supported in principle

The Australian and NSW Governments are funding the final business case for the Western Sydney Freight Line and Western Sydney Intermodal Terminal. This would provide a connection between NSW's freight rail network between Port Botany and Western Sydney and provide a dedicated freight rail connection between the container port and the NSW's largest freight and logistics precinct.

Recommendation 5

That the NSW Government ensure other supporting road infrastructure in the Aerotropolis is upgraded, to ensure greater connectivity and safety when key infrastructure is delivered.

Response: Supported

Since March 2023, the NSW and Australian Governments have allocated over \$3 billion to road-based transport infrastructure in the Aerotropolis. This includes the following:

- \$1 billion to allow the next stage of construction to begin on Mamre Road between Erskine Park and Kemps Creek
- \$1 billion for delivery of the Fifteenth Avenue upgrade between Cowpasture Road and Devonshire Road
- \$800 million for delivery of priority sections of the Elizabeth Drive upgrade and safety improvements
- \$327.1 million for delivery of new Western Sydney bus services connecting Penrith, Liverpool, Mt Druitt, Leppington and Campbelltown with the new Airport and Bradfield city, as well as a new interchange and layover at Bradfield
- \$110.2 million for the M7-M12 Interchange
- \$50 million for critical road upgrades, including new traffic signals at Elizabeth Drive and Luddenham Road and a new turning lane on Mamre Road at Kerrs Road
- \$39 million to plan for key routes including Devonshire Road, Devonshire Link Road and Bradfield Metro Link Road
- \$30 million for more than 1,000 new green directional signs across Sydney directing to the Aerotropolis and Western Sydney Airport
- \$29.6 million for an incident management and response team to deploy rapidly to accidents and traffic delays, supporting key routes to and from the airport along with the broader South Western Sydney road network
- \$25 million for planning towards the Eastern Ring Road and Badgerys Creek Road.

This is in addition to completed upgrades to The Northern Road and Bringelly Road.

Further, construction is underway for the M12 Motorway which will be open to traffic before passenger services commence at the Airport, and the upgrade of Mamre Road between the M4 Motorway and Erskine Park Road, which is expected to be completed by 2028.

The NSW Government released the Aerotropolis Sector Plan in March 2025, which identifies how the above projects and other essential state government transport and water-related infrastructure projects will be prioritised and sequenced to enable development, support job creation, and maximise economic growth in the Western Sydney Aerotropolis.

Recommendation 6

That the NSW Government bring forward the reclassification of relevant local roads to state roads, to align with the development of the Aerotropolis and reduce the financial burden on local councils to develop and maintain the infrastructure.

Response: Supported in principle

The NSW Government is committed to ensuring the NSW road network is fit for purpose and roads are defined and managed appropriately according to their role within the broader network context.

The NSW Government is working towards implementation of a new approach to reviewing and requesting changes to the administrative road categories of State, Regional and Local roads. Consultation on a new, transparent, business as usual approach to road re-categorisation closed on 7 March 2025. Transport for NSW is working through the feedback to determine where the draft guidelines may need revision, with further targeted consultation with local government stakeholders underway.

The new model will ensure that roads are being appropriately managed and funded in line with the role they play in the network. It aims to provide a simplified way for road managers – mainly councils and Transport for NSW – to better understand the criteria and decision-making process to put forward evidence-based submissions to update a road's administrative category.

The approach to road network reviews and change requests will be data-driven with an interactive online portal in place to help merit-based identification of roads for re-categorisation. This approach will replace former periodic reviews and allow for change requests to be made at any time.

Recommendation 7

That the NSW Government, potentially through the role of the Infrastructure Coordinator General, ensure that water infrastructure development is expedited in the Aerotropolis, to minimise further delays and allow for land development to be unlocked.

Response: Supported

The NSW Government is working with Sydney Water, local councils, and the development sector to sequence and prioritise the delivery of water infrastructure, in line with land release and development priorities.

Sydney Water is delivering integrated water infrastructure, including wastewater, drinking water, recycled water and stormwater services across the Aerotropolis, with a focus on resilient services that reduce reliance on rainfall for water supply. Most of the Aerotropolis is anticipated to have drinking water and wastewater servicing by 2030.

As a state-owned corporation, Sydney Water's investment decisions must comply with requirements set by the Independent Pricing and Regulatory Tribunal (IPART). It must show that decisions are financially prudent, and the timing of infrastructure investments is critical.

The Aerotropolis Sector Plan, overseen by the Infrastructure Coordinator General, identifies how essential water infrastructure will be fast-tracked, prioritised and sequenced for delivery in the Western Sydney Aerotropolis. Infrastructure NSW will continue to monitor the roll-out of water infrastructure and servicing of development as part of the ongoing implementation of the Aerotropolis Sector Plan.

Recommendation 8

That the NSW Government consider an approach to better coordinate plans with local councils for infrastructure development, by:

- adopting a centralised government contact for the planning associated within local government areas, including any future land use plans
- facilitating forward funding to allow for the financing of infrastructure prior to its expected delivery, through additional funding sources, contribution planning or other agreements.

Response: Supported in principle

The Urban Development Program (UDP), established by the Department of Planning, Housing and Infrastructure, is a mechanism to identify and sequence infrastructure priorities to support the delivery of housing supply.

It provides a collaborative forum for local councils, state agencies, utility providers and development industry peak bodies to align housing plans, identify infrastructure requirements and resolve roadblocks.

The UDP is creating an annual Infrastructure Opportunities Plan (IOP) which will outline infrastructure priorities and delivery status of projects. The IOP will be informed by existing work such as the Aerotropolis Sector Plan as well as a robust evidence base gathered and verified by state agencies and councils.

As published in the 2024-25 NSW Budget Paper No. 03 *Infrastructure Statement*, the current State funded infrastructure program is forecast to be \$106.3 billion over the four years to 2027-28. The NSW Government is continually focused on the efficient financing and delivery infrastructure. State sources are predominantly comprised of borrowings with a much smaller contribution being made from a range of sources including developer contributions and own source revenue.

Recommendation 9

That the NSW Government ensure that the eventual industry mix of the Aerotropolis aligns closely to the *NSW Industry Policy*, with a diversity of job opportunities for local communities.

Response: Supported in principle

The NSW Government ensures alignment and diversity of industry mix and job opportunities through strategic planning, infrastructure investment, and policy support, guided by the NSW Industry Policy.

Flexible planning controls, streamlined assessment pathways, and masterplans support diverse employment and industrial uses, with local and state employment strategies monitoring and facilitating emerging industries.

While the NSW Industry Policy (March 2025) provides an overarching framework for the economic future of NSW, the NSW Government is ensuring alignment and diversity of industry mix and job opportunities through the Strategic Planning Framework, coordination of infrastructure investment, and other policies to support different industries and monitor economic conditions at the Aerotropolis.

The Western Sydney Aerotropolis, and Bradfield City Centre specifically, anchored by the Advanced Manufacturing Readiness Facility (AMRF), is creating high-value jobs and new advanced industries, delivering new economic opportunities Western Sydney residents. The Bradfield Development Authority's strategy is an integrated mix of core economic infrastructure, land release, investment attraction and partnership development opportunities.

Future-focused industries will drive innovation across the region, creating better quality, higher-paying jobs closer to home. Bradfield City Centre embodies the NSW Government's commitment to job creation, and industry transformation, playing a critical role in supporting the three connected missions identified in the NSW Industry Policy, most notably the Local Manufacturing Mission, which aims to build a dynamic and resilient economy, and sovereign capability.

With more than half the world's population just 14 hours away by air, Bradfield City Centre will become a key destination for tourism and entertainment. Spanning 114 hectares, it is one of Australia's largest urban development projects and the first major city built in over a century, providing at least 10,000 homes, and 20,000 jobs. 2025 marks Bradfield's go-to-market year, with land and tenancy opportunities being released alongside a strong value proposition for investors in Bradfield and the Aerotropolis.

Recommendation 10

That the NSW Government implement a mechanism to ensure greater industry involvement in the planning and construction of the Aerotropolis, to address safety, working conditions and other concerns in a timely manner.

Response: Supported in principle

Collaboration with all members of the construction industry – including contractors, sub-contractors, consultants, unions and workers – is essential to delivering high quality infrastructure for the people of NSW.

Construction industry matters in NSW are coordinated through the Construction Leadership Group (CLG), which is chaired by Infrastructure NSW with representation from key infrastructure delivery agencies, Treasury, SafeWork NSW and the NSW Building Commission. The role of the CLG is to ensure a consistent approach to whole-of-government infrastructure and construction industry matters, and to provide strategy and leadership in priority areas. Accordingly, the CLG provides an effective mechanism to ensure greater industry involvement in the planning and construction of the Aerotropolis.

Underpinning the efforts of the CLG are the NSW Government Principles for Partnership with the Construction Industry, which seek to address current sector challenges while encouraging improved collaboration between government and the construction industry. Key principles include 'Ensure worker safety and wellbeing, and 'Enhance industry culture and diversity', with joint actions between government and industry set out to promote good practice and positive change.

Noting this recommendation, the NSW Government, through the CLG led by Infrastructure NSW will undertake to discuss project planning and delivery in the Aerotropolis - noting the significant level of activity in this area, and the need to ensure effective coordination between government and industry.

Additionally, Transport for NSW also has several mechanisms in place to engage with industry to support the delivery of transport infrastructure priorities. This includes:

- regular regional industry forums, including for Western Sydney, which provide industry with an opportunity to provide direct feedback on opportunities to better package and deliver projects for this region, as well as opportunities to upskill the local supply chain
- quarterly meetings with the development industry, at which Transport for NSW provides updates on its plans for the Aerotropolis precinct and seek feedback on issues affecting developers.

Recommendation 11

That the NSW Government expedite its review of the *Land Acquisition (Just Terms Compensation) Act 1991*, ensuring consideration of:

- constraints caused by 'public purpose' requirements and undervaluation being eliminated, resulting from specifications within the Cumberland Plain Conservation Plan, and
- having a centralised approach to land acquisitions, potentially through the Office of Strategic Lands, providing landowners with a 'front door' to the government and improved agency co-ordination and communication.

Response: Supported in principle

The *Land Acquisition (Just Terms Compensation) Act 1991* (**Just Terms Act**) sets out the processes by which the NSW Government may acquire land from a landowner for a public purpose, whether through compulsory acquisition or by agreement.

The NSW Government is conducting a review of the Just Terms Act which is being led by the Department of Planning, Housing and Infrastructure. This review will consider the current whole-of-government approach to property acquisitions as well as concerns raised in the inquiry relating to the acquisition of land in relation to major transport projects.

Recommendation 12

That the NSW Government ensure more funding is provided to agencies for hardship acquisitions related to the development of the Aerotropolis.

Response: Noted

The NSW Government is committed to ensuring the process for land acquisitions, including hardship acquisitions, is equitable, easy and transparent for landowners. This process must balance the rights of landowners with the delivery of essential public infrastructure.

If a hardship application is received and hardship is demonstrated, an acquiring authority has 90 days to acquire land after accepting the hardship application under the *Land Acquisition (Just Terms Compensation) Act 1991*.

Recommendation 13

That the NSW Government, upon noise contour identifications being identified for the Western Sydney International Airport, expedite its planning opportunities for Luddenham village, ensuring residents have clarity about the impacts of the Aerotropolis on their land.

Response: Supported

The NSW Government is committed to providing certainty to the community of Luddenham Village. The Department of Planning, Housing and Infrastructure will continue working with the Australian Government to understand any implications for the State Environmental Planning Policy (Precincts — Western Parkland City) 2021 which safeguards full operation of the dual runway, and to confirm timing on runway 2. This will inform timing and next steps, including landowner and community consultation on the planning for Luddenham Village.

The NSW Government will also continue to work closely with the Australian Government as it progresses the Western Sydney International Airport Master Plan 2025–45.

Recommendation 14

That, in the interests of full transparency in government decision making, the NSW Government publicly release the Sydney Metro Western Sydney Airport (SM-WSA) Final Business Case.

Response: Not Supported

The business case for Sydney Metro – Western Sydney Airport was developed by Sydney Metro in 2019/2020, in conjunction with the Australian Government's Department of Infrastructure, Transport, Regional Development, Communications, Sports and the Arts.

The business case is an official Cabinet record, and subject to Cabinet confidentiality.

A Business Case Evaluation Summary, which reflects the state of the project as included in the Business Case, is available on the Infrastructure NSW website.²

² https://www.infrastructure.nsw.gov.au/media/fcgpdzcr/insw-business-case-evaluation-summary_sydney-metro-western-sydney-airport.pdf

Recommendation 15

That the NSW Government, through its relevant planning authorities, continues to ensure all planning instruments, controls and approvals for Sydney Science Park support the overarching objective of delivering well-paid, knowledge-based jobs for the communities of Greater Western Sydney.

Response: Supported

The NSW Government will continue to ensure all planning instruments, controls, and approvals for Sydney Science Park support the overarching objective of delivering well-paid, knowledge-based jobs for the communities of Greater Western Sydney.

The planning controls of the Sydney Science Park are guided by the Aerotropolis planning framework, which includes the State Environmental Planning Policy (Precincts – Western Parkland City) 2021 (**Western Parkland City SEPP**), Aerotropolis Precinct Plan and Aerotropolis Phase 2 Development Control Plan (**DCP**). Each of these supports the overarching objective of delivering well-paid, knowledge-based jobs. For example, the Aerotropolis Precinct Plan identifies the Sydney Science Park as a ‘specialised centre’, a strategic innovation hub focused on employment generation.

The specialised centre is supported by other land uses, such as residential zoning, but such land uses are appropriately restricted by current planning controls. For example, the Western Parkland City SEPP includes a residential dwelling cap of 3,400 and a limit on retail floor space of 30,000m².

Meanwhile, the Aerotropolis Precinct Plan stipulates that, in the Sydney Science Park, the combined number of residential dwellings that can be dwelling houses, semi-detached dwellings or dual occupancy homes is limited to 750, in certain areas where lower density residential uses are permitted in the SEPP, outside a 1.2-kilometre radius of the Luddenham Metro Station.

Recommendation 16

That the NSW Government ensure the integrity of the Celestino Sydney Science Park development approval is maintained for science and industry-related employment purposes, rather than a new large housing estate, by the consideration of legislating the current approvals (meaning only the Parliament can alter then in future), that is, for:

- a 3,400 dwellings cap
- gross floor area limits corresponding to certain dwelling numbers (as per the Planning Minister's answer to Question No. 2892 on the Legislative Council Notice Paper), and
- a retail gross floor area limit of 30,000 m².

Response: Supported in principle

The NSW Government supports an employment focused use at Sydney Science Park, which is reflected under the current planning framework and controls.

The current planning controls for the Sydney Science Park sit in the Western Parkland City SEPP, which enforces the 3,400-dwelling cap, as prescribed by clause 4.28A(3) and contains a provision for a 30,000m² limit on retail floor space, as per clause 4.28A(4).

As a State Environment Planning Policy, the Western Parkland City SEPP is the strongest environmental planning instrument under planning legislation.

There are planning agreements (with both state and local governments) that are specifically tied to the delivery of 3,400 dwellings on the Sydney Science Park site. Any changes to the number of dwellings would require an amendment to these agreements.

The NSW Government has considered legislating the dwelling cap through alternate legal instruments and is currently satisfied that retaining the provisions in the Western Parkland City SEPP is appropriate for planning controls and provides sufficient safeguarding.

If a request were received by the NSW Government to update or increase the dwelling cap, it would be considered through a comprehensive merit-based planning assessment process. This would include an assessment of the public benefit offering and availability of servicing to support additional development. If a proposal were assessed and supported, clause 4.28A(2)(b) of the Western Parkland City SEPP would either remain or be extended to ensure continued priority delivery of jobs before dwellings in any future development scenario.

Recommendation 17

That the NSW Government commission an independent review of Sydney Water's accelerated servicing model for private developers, with a view to:

- evaluating whether it delivers value to the public
- evaluating the impact of accelerated services on Sydney Water's ability to deliver priorities identified through its Annual Growth Servicing Plan
- weighing up risks and liabilities to the NSW Government arising from accelerated service agreements.

Response: Noted

As a state-owned corporation, Sydney Water's investment decisions must comply with requirements set by the Independent Pricing and Regulatory Tribunal (**IPART**). It must show that decisions are financially prudent, so the timing of infrastructure investments is critical.

IPART regulates the prices and performance of Sydney Water, ensuring customers pay only what's needed for efficient service delivery. This includes setting a pricing methodology for connecting to Sydney Water's systems, particularly for new developments, and managing infrastructure contributions.

Any landowner or developer can apply to the NSW Government to bring forward the rezoning of their land ahead of schedule. Where the land rezoning is approved by government, the developer may seek to enter into a commercial agreement with Sydney Water to accelerate servicing.

Under these negotiated agreements, the developer takes the risk that the development is delayed or not successful in attracting customers by funding and delivering the infrastructure itself, which will then be reimbursed by Sydney Water when customers connect. Sydney Water does not extend any financial assistance to developers, and all agreements comply with Sydney Water's policies as well as regulatory and statutory requirements.

In rare circumstances where a developer seeks enhanced servicing, or the services required are particularly complex, the developer may ask Sydney Water to deliver the required infrastructure. The developer continues to take the financial and development risk under the commercial agreement with Sydney Water. In these circumstances, Sydney Water engages with the market to ensure capacity to deliver these projects concurrently with its existing program of work.

As water and wastewater services are catchment based, Sydney Water's principles for accelerated services provide a mechanism to support the NSW Government's housing and job supply targets. While a developer is accelerating major infrastructure to service their development, this infrastructure often forms part of the servicing for the broader region enabling earlier servicing of other developable land.

Recommendation 18

That the NSW Government publicly release:

- the commercial agreement between Celestino and Sydney Water for all water servicing works at Sydney Science Park, including the Integrated Water Recycling Hub
- any subsequent agreements, variations, extensions or negotiations concerning cost overruns in its delivery, initial and ongoing maintenance costs, and any other relevant expenses for the Integrated Water Recycling Hub at Sydney Science Park.

Response: Not Supported

The commercial agreement between Sydney Water and Celestino and specific costs are commercial in confidence.

