

**Submission
No 11**

INQUIRY INTO WESTERN SYDNEY SCIENCE PARK AND AEROTROPOLIS DEVELOPMENTS

Organisation: Property Council of Australia

Date Received: 8 August 2024

Hon. Abigail Boyd MLC
Chair, Public Accountability and Works Committee
NSW Legislative Council
Parliament House
Macquarie St
Sydney NSW 2000

Inquiry into the Western Sydney Science Park and Aerotropolis developments

Dear Ms Boyd,

The Property Council of Australia appreciates the opportunity to provide a submission to the Legislative Council's Inquiry into the Western Sydney Science Park and Aerotropolis developments.

As Australia's leading peak body representing the property industry, the Property Council's members encompass builders, owners, managers, and developers of property assets across a wide range of asset classes. Within the Western Sydney Aerotropolis, the Property Council facilitates a working group comprised of nine of the largest landowners who are both development-ready and development-capable.

For the purposes of this inquiry, we interpret the Western Sydney Science Park as referring to Celestino's Sydney Science Park Development, which has been under consideration since before the decision to build a Western Sydney Airport at Badgerys Creek was made in 2014. Given the Science Park is a centre-based development with its focal point the metro stop on the supporting airport rail link, we interpret the reference to "Aerotropolis development" as referring to the nearby Bradfield City Centre, which is currently overseen by the Bradfield Delivery Authority.

The Property Council supports the development of both these centres and the enabling infrastructure programs necessary for their success. However, we recognize that further investments in infrastructure will be required to support investment across the Western Sydney Aerotropolis, particularly in the employment lands surrounding these Sydney Science Park and Bradfield City Centre.

To support any of the Committee's discussions around the transport infrastructure required to unlock employment lands across the Aerotropolis, we are enclosing a copy of Jobs Need Roads, our submission to the Legislative Assembly's Inquiry into transport infrastructure supporting the Western Sydney Airport and Aerotropolis. We are particularly pleased with the steps taken by the federal and state governments following the release of Jobs Need Roads, which include a \$2 billion investment in the Mamre Road Stage 2 Upgrade, the upgrade of portions of Elizabeth Drive, and planning funding for the Eastern Ring Road and Badgerys Creek Road South.

The restructure of governance arrangements, including the new role for Infrastructure NSW in the Western Sydney Aerotropolis and the refined responsibilities of a rebadged Bradfield Development Authority under the leadership of Ken Morrison are also welcome announcements, and as our discussions with these arms of government continue, we will be better positioned to provide comment on how these changes are performing.

Our advocacy within the Western Sydney Aerotropolis has primarily focused on unlocking the capacity of the industrial precincts surrounding the airport, rather than on centre-based developments led by Celestino and the Bradfield Development Authority. Nonetheless, we do

support centres-based developments, particularly when they are underpinned by substantial investment in metro rail infrastructure.

Established centres

In reviewing the terms of reference for this inquiry and consulting with our membership across the Western Sydney Aerotropolis and the broader region, it has become evident that a centres strategy for Western Sydney does not exist.

The centres that span Western Sydney enjoy a variety of strengths and weaknesses and have tended to evolve either in direct competition to, or without regard for, the attributes of nearby locations. The region is home to many established centres, a number of which have claimed “CBD” status over time including Parramatta, Blacktown, Liverpool, Penrith, Campbelltown, Oran Park and Narellan.

The largest of these centres is Parramatta, which has seen an unprecedented growth in its office market over the past four years with the completion of 6 Hassall Street by Charter Hall, 6 & 8 Parramatta Square by Walker Corporation and 32 Smith Street by GPT. In an office market which once boasted the lowest commercial office vacancy rates in NSW, the introduction of this additional A-Grade stock onto the Parramatta market, particularly in the context of post-COVID workplace trends, has led to surge in the city’s vacancy rate to 19.4% (43% for B-Grade office stock).

While there are long-term trends that support the future of Parramatta’s office market, the clarity of vision and purpose for each of Western Sydney’s centres is critical to the region’s success.

Emerging centres

It should also be noted that there are a number of emerging centres that are either planned-on-paper or are reasonable to anticipate in the future. Celestino’s Sydney Science Park and the Bradfield City Centre fit into these categories.

In addition to these two centres within the Western Sydney Aerotropolis, a further centre of commercial activity is anticipated on the site of the Western Sydney Airport, with provision for a second metro rail stop to support its growth. In April 2024, Charter Hall was announced as the Airport’s delivery partner for the business park.

The announcement reads:

“Upon completion, the 20-hectare mixed-use development will include up to 40,000 square metres of modern warehouse space, ancillary offices, a 150-room hotel that will service flight crews, a service station and convenience retail, including food and beverage outlets, as well as gym and conference facilities. Construction of the first stage of the Business Precinct also includes internal and external roads, connections to arterial roads and landscaping.”

This is a wise approach which provides economic activity in the short to medium term but reasonably anticipates that as the region grows, the land uses within this precinct will evolve in a manner that responds to the demands of the surrounding market.

Beyond the Aerotropolis, it is also reasonable to anticipate a future centre at Rossmore, following the route of the extension of the rail line from the Bradfield City Centre to Leppington. Leppington is already the subject of planning proposals authored by Liverpool and Camden Councils, seeking to provide for a mixed-use residential precinct.

Economic catalysts for future development

When looking at future centres-based development, consideration needs to be given to which industries are likely to be the “first movers” in these precincts and the capacity for these industries to generate flow-on economic activity.

Data from the Commonwealth Government’s Bureau of Infrastructure, Transport and Regional Economics shows that a plurality of the residents living in “outer ring” suburbs (i.e. all of the Aerotropolis and surrounding local government areas) commute to a workplace that is also located in an outer-ring suburb. While governments should continue to invest in infrastructure that improves commutes across Sydney’s metropolitan basin, a similar focus needs to be placed on drawing a diversity of jobs closer to where people in the outer suburbs live.

Our members have noted that the Liverpool, Camden, Campbelltown and Wollondilly LGAs have limited access to nearby university institutions, with the noteworthy exceptions being the University of Wollongong presence in Liverpool and Western Sydney University’s Campbelltown and Liverpool campuses. The Western Sydney City Deal signed in 2018 has flagged the creation of a “STEM university” however this commitment is yet to translate into bricks and mortar. The opportunity certainly exists for similar university investments in the region’s emerging centres.

We were also pleased to note the NSW Government has committed \$15 million in the recent State Budget to the planning of a new public hospital within the Western Parkland City. The role of our health precincts, and future health precincts needs to be considered in the context of providing specialist clusters and economic catalysts for these future centres.

Future infrastructure

The Property Council supports the ongoing work toward the development of business cases for the extension of the rail line supporting these Aerotropolis centres to Campbelltown and Glenfield. These communities in many cases will provide the workforces necessary to make the Western Sydney Aerotropolis a success and providing the additional rail infrastructure is a critical step toward unlocking future centres of housing and economic activity in southwestern Sydney.

In conclusion, we strongly encourage the Committee to consider the activities within the Western Sydney Aerotropolis in the context of what can be achieved for the surrounding population.

I wish the committee the best in its further endeavours.

Yours sincerely,

Ross Grove
Western Sydney Regional Director
Property Council of Australia