

REPORT ON PROCEEDINGS BEFORE

PUBLIC ACCOUNTABILITY AND WORKS COMMITTEE

**INQUIRY INTO THE WESTERN SYDNEY SCIENCE PARK AND
AEROTROPOLIS DEVELOPMENTS**

CORRECTED

At Preston Stanley Room, Parliament House, Sydney, on Monday 16 September 2024

The Committee met at 9:15.

PRESENT

Ms Abigail Boyd (Chair)
The Hon. Mark Buttigieg
The Hon. Scott Farlow (Deputy Chair)
The Hon. Dr Sarah Kaine
The Hon. Mark Latham
The Hon. Rachel Merton

PRESENT VIA VIDEOCONFERENCE

The Hon. Peter Primrose

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The CHAIR: Welcome to the first hearing of the Public Accountability and Works Committee inquiry into the Western Sydney science park and aerotropolis developments. I acknowledge the Gadigal people of the Eora nation, the traditional custodians of the lands on which we are meeting today. I pay my respects to Elders, past and present, and celebrate the diversity of Aboriginal peoples and their ongoing cultures and connections to the lands and waters of New South Wales. I also acknowledge and pay my respects to any Aboriginal and Torres Strait Islander people joining us today or online.

My name is Abigail Boyd, and I am the Chair of this Committee. I ask everyone in the room to please turn their mobile phones to silent. Parliamentary privilege applies to witnesses in relation to the evidence that they give today. However, it does not apply to what witnesses say outside of the hearing. I urge witnesses to be careful about making comments to the media or to others after completing their evidence. In addition, the Legislative Council has adopted rules to provide procedural fairness for inquiry participants. I encourage Committee members and witnesses to be mindful of these procedures.

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Mr MARK HANNAN, Manager, City Planning, Liverpool City Council, sworn and examined

Mr LUKE OSTE, Coordinator, City Planning, Liverpool City Council, sworn and examined

Mr ANDREW CARFIELD, General Manager, Camden Council, sworn and examined

Mrs NICOLE MAGURREN, Director Planning and Environment, Camden Council, affirmed and examined

The CHAIR: Welcome to our first witnesses, and thank you for making the time to give evidence here today. I'll begin by offering you the chance to give a short opening statement if you would like

MARK HANNAN: It is my privilege to deliver this opening statement on behalf of Liverpool City Council. The Liverpool local government area is home to the future Western Sydney International (Nancy-Bird Walton) Airport and the majority of the Western Sydney Aerotropolis. Planned correctly, it can be argued that our LGA has the most to gain from these catalytic infrastructure initiatives, with the promise of an international gateway and up to 200,000 new jobs right on our doorstep.

On the flipside, should the aerotropolis fail to deliver on the vision, Liverpool LGA has the most to lose. From late 2026 when the new airport opens, our LGA will join Bayside Council as the only two LGAs in Greater Sydney providing direct access to an air-based international gateway. This should be great cause for celebration and deliver wideranging benefits not only for Liverpool but also for the Western Parkland City. Our rapidly developing growth precincts of Austral and Leppington North immediately east of the aerotropolis precinct will eventually be home to a future population of 54,000 residents and should over time evolve into the employment engine room of the aerotropolis, supplying the future workforce for the precinct.

Austral, a mere 10 kilometres as the crow flies from the new terminal at the Western Sydney International Airport, would enable the 30-minute city vision first floated in the Western Sydney City Deal back in March 2018 to become a reality, with future residents living no more than a 30-minute public transport trip from their place of work. The dealbreaker, though, in this scenario unfortunately is a severe lack of transport connectivity and zero realistic alternatives to private vehicle transport. Unfortunately, the focus of successive governments both at a State and Federal level has been on connectivity infrastructure to and from the aerotropolis primarily from the north and north-east of the precinct, with very little investment committed to improving connectivity east to Liverpool, south-east to Leppington and Edmondson Park, and south to Camden, Campbelltown and Wollondilly.

While communities north and north-east of the precinct will be able to access the airport and aerotropolis via the M12 and the Sydney Metro Western Sydney Airport in 2026, the residents of Campbelltown and Liverpool will have a new bus service with anticipated travel times of 66 and 67 minutes respectively. These travel times are hardly rapid and nowhere near the 30-minute city originally envisaged in the Western Sydney City Deal. Furthermore, the fact that the new bus services will operate between 5.00 a.m. and 10.00 p.m. each day to service an airport and surrounding precinct that will operate 24 hours a day, seven days a week, highlights a significant disconnect between aspiration and reality.

Planning for the aerotropolis resulted in approximately 112 square kilometres of land being rezoned. To put that in context, where we sit today, in the City of Sydney LGA, the LGA has a total land size of 26 square kilometres. We're talking about an area 4½ times the size of the LGA we're sitting in at the moment. In terms of timing, the rezoning was undertaken prior to precinct planning, the establishment of detailed development controls and the identification of sufficient funding for critical infrastructure to support to the rezoning. This ad hoc approach has resulted in both local government and New South Wales government agencies having to determine how best to provide detailed controls and infrastructure plans in an atmosphere of significant property speculation, volatile land values, community uncertainty and development pressure.

On the ground, the majority of the aerotropolis is currently serviced by rural roads that generally do not provide road shoulders, kerb and gutter, formal drainage or footpaths for lighting, nor are they suitable for the larger vehicles anticipated to service the future precinct. No lots within the aerotropolis are currently serviced by sewer and many lots are not serviced by potable water supply. This has resulted in, and will continue to result in, development delays as these lots cannot be developed until connectivity to these services is delivered.

The good news is that there are opportunities to learn from these lessons that have played out over the last couple of years and address the opportunities that the aerotropolis will bring to not only Liverpool but the wider precinct. One, rezoning should progress in tandem with the infrastructure rollout rather than being released in totality and waiting for infrastructure to catch up. Two, a dedicated funding source must be in place at the commencement to ensure that the essential services the infrastructure requires—the roads, the water, wastewater utilities, public transport, schools, open space for the precinct—are delivered in advance of the development renewal occurring.

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Three, funding mechanisms to recoup costs for land acquisition and infrastructure provision should form part of the rezoning process in the form of value capture to ensure that the costs and profits involved in growth area development are apportioned equitably. Four, government must lead the acquisition of land required for critical infrastructure and essential infrastructure. Finally, infrastructure funding is committed by government, not just business cases, to improve public transport connectivity to the east, south-east and south of the aerotropolis via heavy rail extensions from Bradfield to Leppington and Macarthur and rapid bus services connecting Liverpool CBD with the aerotropolis by a Fifteenth Avenue transit corridor.

As I stated earlier, the Liverpool LGA has the most to gain from a successful aerotropolis precinct. Our council is committed to working with the New South Wales Government to improve services and infrastructure planning within and beyond the aerotropolis to ensure these rapidly changing precincts are supported with the critical infrastructure required to maximise investment, amenity, sustainability and resilience. We greatly value the opportunity to participate in this parliamentary inquiry and appreciate the collective efforts of the Committee to identify tangible solutions to the many wicked problems facing this precinct both now and into the future.

ANDREW CARFIELD: Camden Council's keen interest in the Western Sydney science park and aerotropolis developments is primarily around access to new employment opportunities for our community. Firstly, for a little context, Camden is the fastest growing local government area in the country. In the five years leading into the 2021 census, Camden's population grew by 49 per cent. By comparison, New South Wales, at the same time, grew by just 4.9 per cent. Camden is growing 10 times faster than New South Wales. Today, Camden's community has approximately 135,000 residents. Over the next 10 to 15 years, the Camden community will again double in size to more than 250,000 residents. Regrettably, our growing community also has the fastest growing jobs deficit in the Western Parkland City and broader region.

When jobs growth is compared to population growth, Camden is lagging at a rate of 12 per cent, which is significantly higher than other local government areas across the Sydney region. In the 2021 census, only 2 per cent of Camden's workforce used public transport for their journey to work. For the aerotropolis and the proposed Western Sydney science park employment opportunities to be accessible to Camden's residents, significant investment in public transport is required. We're seeking commitment from both State and Commonwealth governments to fund and complete the planned metro or rail connections north-south from the airport and Bradfield to Oran Park, Narellan and Macarthur, and east-west from Glenfield and Leppington to Bradfield and the airport. These new rail connections were identified within the Western Sydney City Deal, and the progress that is now being made on stage one, which is the St Marys to airport connection, is welcomed.

The same metro rail connections are also listed as high priorities within the Western Sydney Transport Infrastructure Panel's Independent Panel Report, which was prepared in April of last year. The development of a rapid bus network between Campbelltown, Narellan, Oran Park and the aerotropolis is also a high-priority action, and it's important as an interim service to support the opening of the airport in 2026. So we have a rare opportunity right now to finalise the planning delivery of the north-south and east-west metro rail connections in a coordinated, timely, cost-effective way, which will support the fastest growing region in Sydney. In summary, the Camden LGA, as well as the broader Western Parklands City, need equitable access to the new airport and Sydney's public transport system. Thank you for the opportunity to provide evidence today. We would welcome the Committee's questions.

The CHAIR: Mr Hannan, you were talking about the issues with the water and sewer and, I guess, the sequencing issues we have there, where development is potentially going to be held up because of that. You say that there is currently no sewer in the area?

MARK HANNAN: Sydney Water are rolling out their program, but their program is well and truly behind the development. At the moment their program is scheduled for the next two to three years—they'll start to roll that out and access the sites. But in terms of development applications, we can't determine a development application within the aerotropolis until they have a sewer connection and a potable water connection. At this point in time a lot of those sites don't have that.

The CHAIR: So it's at that level where we've got an application coming in to council, and then you are unable to—

MARK HANNAN: Determine it.

The CHAIR: —approve it. Celestino managed to get water, though, up in the science park, didn't they? To your knowledge, was that sequencing—

MARK HANNAN: The science park is in the Penrith LGA, so that is outside of our site.

The CHAIR: Yes.

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The Hon. MARK LATHAM: Thank you to the witnesses who've appeared today. I should start, having held the office, to congratulate the mayor of Liverpool on his stunning re-election on Saturday. As a very keen user of the Camden town centre, I thank the council for the very fine way in which it looks after that centre. So I'm sort of declaring interest there, at the outset. But, more substantially, could I ask the Liverpool representatives, what were you ever expecting at the aerotropolis, realistically? I know Stuart Ayres went out there with a PR rollout of MOUs that now look like they are not worth the paper they were written on, because nothing is happening. But, realistically, at the airport—a second overflow airport; one runway when it starts operation; nowhere near the volume of air traffic that you'd see at Mascot; and the fact that the Federal Government, north of the airport site, has got a huge landholding that will be the obvious startup business park—logistics, warehousing, manufacturing site. Wasn't it always unrealistic to think that the aerotropolis could have a large take-up rate of businesses, given that, logically, they would want to locate adjacent to the airport site, on that Federal Government land?

MARK HANNAN: It's a great question. I think from a Liverpool perspective, though, the opportunity to be so close to an international gateway has to have an uplift for the precincts that are surrounding there. We have a rapidly growing population just on the outskirts, to the east of the aerotropolis. As I said in my opening statement, that will be the engine room for the employment of that aerotropolis. If those people can't get to the aerotropolis, and the only viable alternative is to travel by private vehicle, our roads are going to be clogged. That will add a lot more stress to the transport network there. We have a really good opportunity to address those issues. But until that connectivity is addressed—and, as our colleagues from Camden also talked about, to the south and the south-east—our communities in the south-west will struggle to be able to participate in the benefits that an aerotropolis will bring.

The Hon. MARK LATHAM: I don't doubt what you're saying; I agree 100 per cent. But my question is: Has the council ever made a realistic assessment of what the aerotropolis would be at the time of the airport opening? Strip aside the fake Ayres PR exercise, the trips to Europe, the MOUs that have resulted in nothing. Realistically, given that large Federal Government landholding north of the airport, isn't that the place that would have the immediate logistics warehousing, manufacturing take-up, the aerotropolis, and then the Sydney Science Park would have to wait perhaps a decade or more before they can attract businesses that, logically, for cost reasons and access reasons, would want to be right next to the airport site?

MARK HANNAN: We do have significant landholdings within our LGA that are progressing development proposals for their sites. Luke might be able to add a bit more in that space.

LUKE OSTE: I think there is sufficient demand for industrial warehousing specifically and logistics to go beyond the Federal landholdings in the airport itself and into the aerotropolis more broadly. As you will have seen in our submission, however, the amount that was rezoned and how early it was rezoned prior to some of the more detailed design work and infrastructure planning is of great concern. But based on developer activity so far, there is sufficient interest and need for the industrial development to occur in the aerotropolis and not just within the Federal airport site itself.

The Hon. MARK LATHAM: On notice, could you give us a list of those development interests? Are they actually rezoning applications or development applications that have come in or just expressions of interest?

LUKE OSTE: So far there have been three master planning applications, which are sort of like rezonings in a way, and we can provide further detail on that. The department has detail of that on their website. There are three very large landholdings over a hundred hectares in size, Bradfield being one of those master planning applications that has now been determined. But we also have, I suppose, other interested parties that are earlier in the process that haven't yet begun formal applications. I'm happy to provide that information on notice.

The Hon. MARK LATHAM: Has council got a 10-year projection of what it thinks the take-up rate will be in the aerotropolis? You visit there now—I know there are a couple of cranes when you go to Medich Place and those precincts—and really the only evidence of an aerotropolis is that your street signs say "Bradfield City", but it's a semi-rural area like it has always been. Have you got some 10-year projection of what you think is likely to happen?

LUKE OSTE: We have a local contributions plan which has forecasts in it to help us plan for infrastructure and deliver local infrastructure that's in our purview. In terms of a very detailed 10-year plan, we do not have that.

The Hon. MARK LATHAM: Could I ask about the transport issues that Mr Hannan has accurately raised? What was the experience of Liverpool council at the time of the Stuart Ayres/Federal Government cities plan that junked what appeared to be six or seven years of Transport and the planning department in New South Wales working on the logical assumption that the highest benefit-cost ratio and best commuter access with a new

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rail line would be the extension of the Leppington heavy rail line to Badgerys Creek rather than going through cow paddocks, as they're now doing with the metro, to St Marys? What was the Liverpool council experience in the negotiations about where a new rail line would go?

MARK HANNAN: Unfortunately, my involvement with council has only been for over the past nine months, but I did look through the *Western Sydney City Deal*, and I might hand over to Luke after this. Some of the quotes out of that in terms of connectivity state:

The NSW Government will establish rapid bus services from ... Penrith, Liverpool and Campbelltown to the Western Sydney Airport before it opens in 2026.

That was a direct quote from that city deal back in March 2018. As I said in my opening statement, we're talking about bus services that have been committed; Transport are working on them. But we're talking about travel times of 66 and 67 minutes respectively from Liverpool and Campbelltown. That's not rapid as far as I'm concerned. We have been working closely with government on the potential project—the rapid bus transport connectivity along Fifteenth Avenue—which will connect Liverpool CBD with Bradfield and the aerotropolis. But, again, we do get this dragging out of business case after business case after business case. The connectivity for the heavy rail extension, whether it be a metro service or a heavy rail from Bradfield to Leppington or from Bradfield to Macarthur, again, those are essential services that, if delivered, we can really turbocharge the land use around those precincts and again connect the south-west to the aerotropolis.

The Hon. MARK BUTTIGIEG: Mark, can I just jump in on a related point. A main theme seems to be coming out that a lack of connectivity is holding back the mooted progress or the projected progress. To what extent did the previous Government consult with—and I'll ask the same question of Camden—local councils to engage in feedback on these potential problems or requirements vis-a-vis connectivity prior to all this happening?

MARK HANNAN: Great question. Again, I can only put it in the context of my time at Liverpool, and I might hand over to Luke after I answer. I do know that our engagement with the former Western Parkland City Authority was very limited and on an ad hoc basis. We were kept at arm's length. I know my engagement, since coming to Liverpool City Council, with Transport for NSW again has been on an ad hoc and arms-length basis. Our engagement, though, with the department of planning is quite good. That relationship is open and transparent. But, yes, it is hit and miss in terms of the departments that you're dealing with.

LUKE OSTE: I would definitely agree. I think we had quite good involvement with the department of planning in the early development of the planning framework, but when it came to more so the infrastructure agencies, that's where the challenge was. The planning framework identified the infrastructure required, but the actual delivery of it, I think that's where we had struggles.

The Hon. MARK BUTTIGIEG: Was it just this gap in communication was there? Did you reach out to government agencies to say, "Look, we'd better get our act together here and work out how we're going to deliver this"? Or was it kind of like silence at both ends?

MARK HANNAN: No, we're being proactive in trying to force that conversation. Coming back to the Minister's comment before about the lack of connectivity to the east and the south-west, south-eastern and south has been a bugbear. There's obviously been commitments made through the Western Sydney City Deal. Liverpool, unfortunately, seems to have missed out on all of those opportunities, as well as our colleagues in Camden. We have been forcing that conversation for years.

The Hon. MARK BUTTIGIEG: Mr Carfield, have you got a view on this?

ANDREW CARFIELD: If I could respond to some of the communications we're having with other levels of governments about the pace of our growth, about the public transport and other infrastructure that's required to support that growth, today our communications are heavily focused on the tripartite forum, which includes councils across the parkland city region, State Government agencies and Federal Government agencies, to look at the commitments that were listed through the city deal and what progress is being made against those commitments to date. Clearly, from our perspective at Camden—and I should say probably Macarthur and other councils such as Liverpool as well—we're very keenly focused on public transport improvements. If we consider Camden for a moment, I said earlier that at the last census around 2 per cent of our workforce use public transport for the journey to work. More than 66 per cent of our workforce leave the local government area for work each day. That's a really big problem for us, looking forward.

The Hon. MARK LATHAM: What was that percentage on public transport? Did you say two?

ANDREW CARFIELD: It was 2 per cent at the 2021 census. There's a huge equity question there. If you consider the context of Camden and its growth, our community now has 135,000 residents. There are really no rail services. We do have the Leppington station, which is on our local government boundary, which we share

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with Liverpool. That's the only station in our entire 200 square kilometre local government area. If you look at some other comparisons—there are more than 170 train stations across Sydney—in the Sutherland shire I believe there are 13 train stations and a ferry service that runs between Bundeena and Cronulla. In the Wollongong area, there are, I think, more than 23 railway stations for a community of about 220,000 residents. So there's a huge equity question there which is impacting not just the movement of our residents to employment and other key destinations but also impacting the investment of jobs-related development in our local government area. Until we have new metro and rail stations, we are unlikely to get the same scale of jobs generating local investment opportunities. The types of developments that will generate jobs and ongoing jobs will look at other locations that are better serviced by public transport, have better connections into the Sydney labour market—

The Hon. MARK BUTTIGIEG: Is that because business projects the demand is directly proportional to accessibility via public transport?

ANDREW CARFIELD: It's a big factor. From our perspective, it is a big factor.

The Hon. MARK BUTTIGIEG: This sort of detailed dialogue that we're having now, were any of these conversations had back in the day when all the light and colour was—

ANDREW CARFIELD: I've been with the council for just less than two years. There has certainly been a lot of dialogue with the investment in the new airport and the Western Sydney City Deal. The key aspects for our council and other councils were how do we get jobs growth in the south-west and in Western Sydney and how will we be able to access those jobs? If you look at the airport that is under construction today, there are more than 3,000 employees on that construction site. The largest number coming from a single local government area are coming from Camden. More than 600 of those 3,000 employees are coming from Camden.

Our concern, looking forward into the future, is how will our residents access jobs at the airport and these other precincts without public transport services that are reliable and convenient? Today, those people working at the airport construction site are largely going to be driving to work. In the future, the car parking and other things that would support that kind of commuter travel won't be there. There'll be paid parking opportunities but not good parking opportunities for employees. We're very keen to see the work that's being done for the planning and the business case development for the north-south rail extension from Macarthur through to the aerotropolis, as well as that east-west connection from Glenfield and Leppington through to the aerotropolis. Until those things happen, our rapidly growing community is at a significant disadvantage.

The Hon. Dr SARAH KAINE: Mr Carfield, you joined two years ago. What kind of concerns or briefing were you given about the development when you stepped into the role? What was the status of things? What were the things you were told hadn't been done as they should be or could've been done better? Where were the concerns or issues raised with you when you entered your role?

ANDREW CARFIELD: There's a wide range of issues in the space of local government, but in the context of our growth, in the context of major investment in city-shaping infrastructure, I'm left with the documents that were available through the city deal and with the engagement with State and Commonwealth agencies about their commitment to follow through on those things. We certainly welcome the announcements in this year's budget that there is money for business case development for those rail connections, but we'd like to see that moved forward to money for the planning approvals and also the commitment to deliver those new rail connections.

The Hon. Dr SARAH KAINE: None of that was there when you took over?

ANDREW CARFIELD: No.

The Hon. MARK BUTTIGIEG: It seems to me as though there was certainly an awareness from local councils of the requirement to actually materially realise this by putting in the investment in the infrastructure to get the connectivity and then the investment in the industry, the jobs growth and all the rest of it. To what extent do you feel as though this is now on track in terms of government doing what needs to be done? It sounds like previously there were some nice announcements and some grandiose objectives but the detailed work wasn't put in underneath. Are we on track now?

ANDREW CARFIELD: Are you happy if I start the response?

The Hon. MARK BUTTIGIEG: Absolutely.

ANDREW CARFIELD: Again, in the context of Camden, we're welcoming roughly 100 new residents each week. We know this because we're putting on, on average, around 35 new waste collection services every week. In the context of just how fast we're growing, we're working through some greenfields land release areas that have preserved corridors for public transport investment. However, there will be a significant opportunity

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that's lost if the investment decisions are not taken early enough in the development cycle because, without commitment to fund and build the rail connections and the new stations in our local government area, in not too long into our future we'll see those areas already being developed.

If they're developed in advance of the new infrastructure, there'll be a huge opportunity lost in terms of the uplift and the value and what we can deliver in those new precincts. We would like to think that the investment decisions will be made earlier in our development cycle so that we can get the planning for those spaces right, make sure that they will work well as neighbourhoods and new town centres, and make sure that we get the right kind of jobs investment and the long-term benefits that we can derive from that form of transport. In the next decade, Camden's going to change an awful lot. If the commitments aren't there and the locations of those stations aren't designed and committed to, there'll be big lost opportunities.

The CHAIR: Mr Hannan, did you want to respond to that question as well?

MARK HANNAN: Yes. From a Liverpool perspective, I echo Mr Carfield's comments on the public transport connectivity to the south, south-east and to the east. Some statistics that we took in relation to the South West Rail Link extension back in 2015 in terms of journey to work data—our areas, Edmondson Park, for instance, back in 2011, had a percentage of journey to work for trains at 10.5 per cent of the population. In 2016, so a year after opening, it had already jumped to 18.8 per cent. Similarly for Leppington, in 2011 it was 2.7 per cent and in 2016 it had gone up to 9.1 per cent. The furphy that people in the west don't want to use public transport and just want to drive is not correct. If we build the right infrastructure, it's open, people will use that service.

In terms of some of the other challenges we're going to have, particularly at a local level, Liverpool City Council at the moment has a number of roads that have been identified in the precinct plan for the aerotropolis to become State roads in the future: Fifteenth Avenue, Devonshire Road and Badgerys Creek Road. They're currently local roads, so we are currently funding them and dealing with the challenges of construction on those roads. We've been pushing the State—Transport for NSW—for a long time to reclassify those roads as State roads and take over ownership of those roads. We've got some major challenges too in terms of preserving corridors, not only for State road infrastructure and rail corridors, but also local roads that will open up access to these sites.

The other challenge too with our contributions planning that Mr Oste referenced before—the funding through our contributions plan for the aerotropolis precinct, which was approved just recently in July, won't come through for probably a decade, because the funds that were captured through development won't be realised until we receive an occupation certificate. An opportunity needs to be explored with government about funding infrastructure up-front through interest-free loans to councils to acquire the land, deliver the infrastructure and then use the contributions plan to pay back those loans.

That funding is a major issue for us. It's not just an aerotropolis thing; it's a growth precinct. We see, particularly when development is left to the private sector, half-roads being built across not only our LGA but multiple LGAs. We can get this right if we have the funding up-front to buy this, to not only acquire the land but also deliver the infrastructure. One of the biggest challenges that Liverpool City Council has, as well, is land fragmentation. We've got so many small lots, it makes development at a larger scale quite difficult. If government was to have a centralised acquisition authority for land up-front, that again would be another benefit.

The Hon. MARK BUTTIGIEG: There's a body called the Infrastructure NSW Coordinator General, which is in the planning department's submission. Are you aware of that institution that has been set up to refocus—

MARK HANNAN: That's Gellibrand. Infrastructure NSW, yes.

The Hon. MARK BUTTIGIEG: It's only nascent by the looks of it. It says here that they've exhibited the Bradfield city centre master plan, approved on 4 September. Are these the sort of conversations that are being had yet or is it too early for that body to have moved on in this direction? It seems to me like there needs to be a kind of one-stop shop focus on all this rather than dealing with several different departments and the communication not cutting through, so to speak.

MARK HANNAN: We'd be fully supportive of that. Dealing with a front of house would make our lives a lot easier from a local government perspective. In terms of engagement, I think at an executive level there has been initial conversations, as well as the newly formed Bradfield Development Authority. But in terms of filtering down to an officer level, that still hasn't happened yet.

The Hon. SCOTT FARLOW: In terms of the Bradfield Development Authority, how have you found the experience since they've come online?

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MARK HANNAN: As I've said, we've had initial conversations at an executive level. In terms of seeing the difference between the Western Parkland City Authority and the Bradfield Development Authority, we haven't really had those initial conversations yet.

The Hon. SCOTT FARLOW: Mr Carfield, any perspective from Camden?

ANDREW CARFIELD: We've also had an initial visit by the Bradfield Development Authority CEO to the mayor's forum for the Parks councils. We welcome that ongoing dialogue. I think that there's keen interest from all the councils across the Parks to make sure that the right sequencing of infrastructure decisions are happening and that it's supporting our growth and our collective aims. We're welcoming those changes, yes.

The Hon. SCOTT FARLOW: Mr Carfield, to pick up on your point from before in terms of decisions being made early and some of the challenges you face, it goes a little bit to what Liverpool talked about when it came to rezoning as well, that when a decision is made in terms of rezoning or the like that then increases the price you need to pay to procure a piece of land. In the experience that you're facing in Camden as well, if you are to have, for instance, a metro corridor come through an area, if you've already had land zoning changes or things actually being built in the way, it's going to change some of those decisions as well. We might need tunnelling, for instance, for a metro or a rail line where we otherwise wouldn't. These are some of the things that can actually be helped in a sense to be able to deliver more infrastructure more quickly if you are making those decisions earlier. Is that the case?

ANDREW CARFIELD: That's certainly our perspective. We think that, particularly the stretch of land between Oran Park and Bradfield and the aerotropolis, which is largely undeveloped, there is a great opportunity now to get the planning right to ensure that we're making good, cost-effective decisions and that we're not having to revisit and retrofit infrastructure into existing areas. In the area that's south of Oran Park, so between Oran Park and Narellan, a lot of that area is now being built and it will require tunnelling and other alternatives that are more expensive to deliver that infrastructure. We would want to ensure that the work that's done now in our fast-growing parts of Camden north of Oran Park are done in a sequenced and well-planned way.

The Hon. SCOTT FARLOW: And rightly so in terms of the connectivity. The consideration is very much the extension to Oran Park and potentially the extension to Campbelltown as well. But in terms of public transport connectivity to Liverpool, you were talking about a 45- to 55-minute bus. What are some of the options for Liverpool and connectivity to the aerotropolis that are on the table?

MARK HANNAN: Other than the buses, as far as I'm aware, that's all that has been committed in terms of connectivity to both Bradfield and to the airport. Liverpool has done a lot of work on the rapid bus corridor that follows Fifteenth Avenue, which will connect Liverpool CBD with the aerotropolis. The challenges with that road, as I mentioned earlier, it's still a local road. We've been pushing for reclassification to a State road. The corridor width is insufficient to be able to accommodate a future rapid bus transport corridor as it currently stands. Land acquisition, again, is going to be a challenge.

The Hon. SCOTT FARLOW: Myself and the Hon. Rachel Merton were out there not so long ago and you've got houses that are being built all along that corridor, effectively.

MARK HANNAN: That's the challenge we've got. We understand that money is tight at the moment. We get that from a council perspective, but we do see the opportunity to preserve that corridor as a future transit corridor. We were very good in the '60s going out and preserving road corridors and rail corridors. The longer we leave it, the price of lands goes up, as you mentioned, and development will jump into that space. We could potentially have a future in the next five to 10 years where we're compulsorily acquiring brand-new properties, which no-one wants to see happen. We see that as quite an easy fix in terms of going out and acquiring that corridor. We don't have to build it straightaway. We understand that the money may not be there for decades. But at least it's there, it's preserved and we can come back and retrofit. Councils have had the burden of maintaining what will be a State road corridor in the future; it has been identified in the master plan for the aerotropolis, but we're carrying this burden until such time as Transport for NSW takes that project on.

The CHAIR: Can I ask you about consideration around freight transport? Obviously it would be preferable if we had a lovely freight train line going straight through, but we don't. What has been done so far in terms of the planning around the impact that transport in freight will have on local roads and that sort of thing? Is there a plan being put in place?

LUKE OSTE: There are some very large major roads that have been identified by Transport and RMS previously to service freight from the airport, and there are already some great roads, including The Northern Road, already built and functioning. Yes, it would be great to have a rail line—that's something that I think we asked for in a submission in 2018—to be joined along with the extension down to Leppington, Edmondson Park and through to Glenfield. Obviously that hasn't eventuated. There have been high-level plans, but it is complicated.

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I think the challenge we're finding at the moment, especially for the rural roads, is this humungous area that is being constructed currently has trucks running up and down local roads that are maintained by council and are not of a standard to withhold the kind of trucks that are using them and the quantity of vehicles that are using them. That's a huge challenge and is not a problem that's going to go away anytime soon. As was already stated, we are only able to upgrade those local roads when we have received the funds from development—after the construction of those developments. It's very much by design. The entire system operates in a way where, for local infrastructure at least, we can only build those local roads after the development is in place, the construction has occurred and the roads have been really badly damaged because of that.

MARK HANNAN: I'll add that, in terms of upgrading what are rural roads to accommodate the future freight vehicles that are going to use the precinct, that's a very different level of pavement and a very different level of design. The cost is a lot more than what would normally be maintained in terms of a basic local road service in a rural property.

The CHAIR: Mr Carfield, did you want to comment on that one?

ANDREW CARFIELD: Yes. The freight transport system is essentially regional roads that will work through and around our local government area; roads like The Northern Road that was just mentioned as well as Appin Road and the Hume Highway. The road pavement is under high demand. While we have commuter and certainly employment-based travel patterns for all of our residents using those same roads, we then have a freight system that's going to be entirely reliant on those same roads. There will be a lot of challenge, particularly on Narellan Road at present. There are other parts of our road network where there just is no spare capacity. Again, making these investments in public transport infrastructure would support freight movement by roads. With the airport opening in 2026, there will certainly be an uptake of demand for those services.

The CHAIR: Forgive my ignorance. I understand that there is no fuel pipeline going directly to the airport and that fuel will also need to be transported by road. Are there additional considerations when you're talking about that highly hazardous type of material being transported as well?

MARK HANNAN: That's correct. There are limitations on the transportation of dangerous goods. Most of the time they can't go in tunnels, so it all has to be above ground. I was just going to add to Mr Carfield, in terms of the impact of freight, we've got to remember, too, that this precinct is being constructed over decades. So we've also got construction traffic on top of local traffic, plus freight operations that are already in play. That construction traffic is also adding another load to the already congested nature. But in terms of the transportation of hazardous goods, that's correct. Most heavy vehicles that are transporting those goods cannot go in tunnels. They've got to stay on above-ground roads.

The CHAIR: So if the airport is opening, what, mid next year—

MARK HANNAN: Late 2026, I think.

The CHAIR: Has there been planning in place already, in terms of how that fuel is going to be transported? Or is that a "not yet" kind of problem?

MARK HANNAN: That would probably be a question for WSA Co and Transport for NSW.

The Hon. MARK LATHAM: Mr Carfield, you've got enormous residential development under your belt and on its way, as you've outlined—the fastest growing in New South Wales—and up and down the spine of Camden Valley Way and The Northern Road there is so much more to come. Through Oran Park, Catherine Fields, Willowdale, Gledswoods Hills, you are literally building a whole new city. How useful is it to those new residents to jump on a metro at the aerotropolis and then get to their place of employment via St Marys?

ANDREW CARFIELD: It will be difficult for those residents to make use of those services.

The Hon. MARK LATHAM: Completely and utterly useless.

ANDREW CARFIELD: I would suggest they would need to drive to another train station—possibly drive to Leppington and catch a bus from Leppington. But they won't access those rail services.

The Hon. MARK LATHAM: No. How useful would it have been if the highest benefit-cost ratio at the time of the cities plan, to extend the heavy rail from Leppington to Badgerys Creek—we were now seeing the construction of the Bringelly, Rossmore and Kelvin Park stations? They would be useful, wouldn't they, in getting to places of employment? Because there is a direct link there to Liverpool and on to the Sydney CBD, where we are right now.

ANDREW CARFIELD: Those investments in that new line and those new stations—we are keenly advocating for that investment, because that would provide direct benefit to our residents today and into the future.

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The Hon. MARK LATHAM: When you are trying to meet those public transport needs and this rapid urban growth—I don't know if you've had a look at the metro under construction at the Sydney Science Park at Luddenham and then further north. When you look at the investment that is being made there—tens of billions of dollars in a metro link through cow paddocks, servicing cows and horses rather than people—what conclusion do you draw about the absolute waste and inappropriate nature of doing that development, that train line?

ANDREW CARFIELD: Our community and the Parks councils have been supportive of that connection between St Marys to the aerotropolis. But we think it's only part of the solution, which also has to continue through to Leppington and through to Oran Park, Narellan and Macarthur. At the moment that investment is not going to support our growing suburbs and residents.

The Hon. MARK LATHAM: Well, why have you supported it? If it's useless to your residents, why have you supported it? What, on the pipedream that sometime in our lifetime it will extend down to Macarthur?

ANDREW CARFIELD: Yes. Our support is that connecting up the west will support access across the west into employment and opportunities. But we do need those investments to come south to Macarthur and to Leppington.

The Hon. MARK LATHAM: The former Government was warned about this. What is the view of the two councils on the opinion, well formed from an international study tour of second airports by the inaugural head of the aerotropolis authority, Sam Sangster, who said that Badgerys Creek would be a white elephant—the airport would be a white elephant—if it didn't have a fast, direct train link to the Sydney CBD, which would have been the extension of Leppington heavy line through Bringelly, Rossmore, Kelvin Park to Badgerys Creek?

ANDREW CARFIELD: We're also very keenly advocating for those connections. Yes.

The Hon. MARK LATHAM: You're of the same opinion?

ANDREW CARFIELD: Yes.

The Hon. MARK LATHAM: Liverpool?

MARK HANNAN: Liverpool is of the same opinion, yes.

The Hon. MARK LATHAM: And have you got the same issues about servicing the public transport needs of that stretch of urban development you've got west of Austral, that those stations I've mentioned on the heavy line extension from Leppington would have been incredibly more useful and that the idea of someone living in Rossmore and accessing their place of employment or recreation via St Marys is a complete fantasy.

MARK HANNAN: One hundred per cent. As I said, the example we talked about previously with the south-west rail link extension, the ability to be able to complement a high-frequency rail corridor or bus corridor—we're mode agnostic—with high-density land-use planning like Edmondson Park and what we'll have at Leppington, we can put a dent in the housing crisis with public transport. Our main concern at the moment is Liverpool has the most to gain from the aerotropolis being successful but we also have the most to lose. If our residents can't participate and can't access that precinct, at the moment the ledger is probably more on the lose than the win. We don't want to see that; we want it to be successful.

The Hon. MARK LATHAM: The former Government's metro business case for this St Marys line said that at peak loadings—this is peak hour—they'll have 880 passengers per hour in one direction, just 11 per cent of the capacity. I suppose for logical reasons they're servicing cow paddocks and horse paddocks. Infrastructure Australia was incredibly scathing in its assessment of the uselessness of the St Marys metro. Have you ever had, as councils, explanations from State Government Ministers or State Government or Federal MPs as to why this misallocation of public transport resources to the massive disadvantage of your LGAs has occurred?

MARK HANNAN: From a Liverpool perspective and from my time at Liverpool council, no, I haven't seen any explanation.

The Hon. MARK LATHAM: No-one explained how this ever happened in the city deal? Mr Carfield?

ANDREW CARFIELD: I would also just say that, no, the priorities and the sequencing of that investment has never been fully explained.

The Hon. MARK LATHAM: The Western Sydney Rail Needs Scoping Study found that the Leppington line extension was less expensive, just a \$6 billion option, and also "the simplest way to provide a train service to the proposed Western Sydney airport". We know it would also quite usefully service all your residential growth areas. This was all overturned at the time of the city deal where the State Government representative was Stuart Ayres. I have been briefed by someone involved in those negotiations to say the misallocation against the benefit-cost ratio and all these scoping studies was purely the priority of Mr Ayres against the evidence. What

CORRECTED

was the experience of your two councils in that city deal? Have you got records of the representations you made about the need for extending the Leppington line and how it was overwhelmed by the St Marys program? What did your councils get out of this city deal other than a bad deal?

ANDREW CARFIELD: If I could start, we're hopeful that the city deal and the commitments there are not finished. Certainly there's unfinished work from our community's perspective.

The Hon. MARK LATHAM: But what did you get at the time in 2016-17?

ANDREW CARFIELD: At that time, our community was advocating for the full length of that north-south rail link, which is from St Marys right through to Macarthur, as well as the east-west from Glenfield and Leppington through to the aerotropolis. There's work underway in terms of business case development for those missing pieces of infrastructure, and we're certainly continuing to advocate for those to be completed.

The Hon. MARK LATHAM: But what did you actually get? Campbelltown got funding for a billabong, a lake, rather than the rail access to Macarthur right there south of Campbelltown CBD. They got a billabong. What did you get?

ANDREW CARFIELD: The liveability fund in our case was used to support projects like the Narellan Sports Hub. That is a massive investment there.

The Hon. MARK LATHAM: The netball courts?

ANDREW CARFIELD: Yes, in the sports hub. Maybe Ms Magurren could add to that as well.

NICOLE MAGURREN: Under the city deal, all the councils that participated had the opportunity to apply for funding through what was known at the time as the liveability fund. Camden was awarded \$15 million. The councils had the opportunity to spend that on projects as they chose. As Mr Carfield said, we allocated some to the sports hub. We also had a synthetic field and also some cricket facilities at Fergusons Land down in Camden.

The Hon. MARK LATHAM: They flooded, though, didn't they? What did Liverpool get?

MARK HANNAN: I'd have to take that on notice.

The Hon. MARK LATHAM: So basically Campbelltown got a billabong, Camden got some netball courts and cricket fields, and Liverpool will take it on notice.

The Hon. PETER PRIMROSE: You got no roads and no trains.

The Hon. MARK LATHAM: Mr Ayres's friends at Celestino won lotto and got a metro station and Penrith got a line up to St Marys. That was the bottom line of the deal, yes?

The CHAIR: Mr Primrose?

The Hon. PETER PRIMROSE: I was just commenting on the evidence, and it seems as though in addition to some sporting fields, what you're reiterating is that you got no roads and you got no trains.

ANDREW CARFIELD: Yes, that's correct. There was no funding provided to our council for roads or public transport.

The Hon. PETER PRIMROSE: What's telling is what seems to me to be your evidence so far, which is the largely ad hoc nature of the planning that's been done. There's been no mention of regional roads funding at all. You've spoken about the issues of people who will use the airport as passengers move in and out, and the difficulties that will occur there. There are issues about people who will work there moving in and out, and the difficulties there. The Chair's questions highlight one of most significant issues, and that's the total disregard for all of the cargo that will be coming in, plus the services that will be required for the industries that will be created there, and that's the issue of freight, let alone the issue of simple things like fuel to refuel the planes. It seems incredibly ad hoc. Would you agree with that?

MARK HANNAN: From a Liverpool perspective, yes, that's our experience to date.

ANDREW CARFIELD: From Camden's perspective, we would like to see a much more coordinated approach to delivery of all this infrastructure, yes.

The Hon. MARK LATHAM: Can I point out that the M9 corridor—there's been a lot of publicity and controversy about the road—was also a rail freight corridor, wasn't it?

MARK HANNAN: The Outer Sydney Orbital? That's correct. It's road and rail.

The Hon. MARK LATHAM: Yes, the Outer Sydney Orbital that had a rail freight corridor that was adjacent to the airport site planned out, and then was made to be a complete and absolute farce by the way in

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which the former member for Camden, Chris Patterson, said that that corridor will run underground all the way from Cobbitty to Cawdor, which, again, is never going to happen. You've been duded at every turn, haven't you?

The CHAIR: In the Liverpool City Council submission there was mention of the significant decrease in the amount of land now set aside for the environment and restoration of the environment. Can you expand on what has happened there?

LUKE OSTE: Forgive me, I don't have the exact dates on hand. When the original rezoning proposal was put on exhibition for the aerotropolis, there was significant community backlash around the quantity of open space that was perceived as being sterilised from development potential and therefore affecting land value opportunities, I suppose. That was so much so that at the time the department of planning appointed a community commissioner, Roberta Ryan. Through consultation with the community, and engagement, that open space was reduced significantly. A large factor for that was also the impact it was going to have on feasibility. A lot of that land was to be acquired by either a local or State government agency. The way those acquisitions occur is through development contributions, primarily, and there was going to be a large impact on feasibility because of the quantity of those contributions to acquire all that green and open space. As a result, the quantity of those riparian areas around creek lines, primarily, was reduced significantly in the finalised zoning that was locked in by the State environmental planning policy.

The CHAIR: When was that last bit of the zoning—

LUKE OSTE: In 2020. October 2020 is when the land was rezoned and gazetted as such.

The CHAIR: If there was to be a rethink on that, is it too late? Have things already been built across it? Is there an opportunity for us to perhaps, if anyone was willing, redo that zoning?

LUKE OSTE: It's very, very difficult to rezone land that devalues property values after the fact. Nothing is impossible, but very difficult.

The CHAIR: That is all we have time for. Thank you so much for coming and providing evidence to us today. It's been incredibly useful. To the extent that there were questions taken on notice or there are supplementary questions coming, the Committee secretariat will be in touch to discuss the process for that.

(The witnesses withdrew.)

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Mrs CHARLOTTE ALEXANDER, Head of Growth and Development, Sydney Water Corporation, affirmed and examined

Mrs KATE MILES, Head of System Planning and Land Acquisition, Sydney Water Corporation, affirmed and examined

The CHAIR: Let's get started with our next witnesses. Would you like to commence by making a short opening statement?

KATE MILES: Absolutely. I'll share the opening statement with my colleague. I would like to begin by acknowledging the Gadigal people of the Eora nation, the traditional custodians of the land on which we meet today. We extend our deepest respects to Elders past and present, and to all Aboriginal and Torres Strait Islander peoples. Their enduring connection with this land and their rich cultural heritage continue to inspire and guide us as we work together towards a sustainable future. Sydney Water appreciates the opportunity to participate and contribute to this inquiry. We'd like to take the opportunity to provide the Committee with an overview of our operations and our approach to Western Sydney development and the Sydney Science Park.

Western Sydney is an area of immense economic growth within Greater Sydney. As the third largest economy in Australia, contributing to over \$100 billion annually, Western Sydney is already an engine of progress and innovation. Home to a population of about 2.5 million, or about one in every 10 Australians, this region is among the fastest growing in the country. With projections indicating that Greater Sydney's population will reach eight million by 2060, with nearly half of these new residents expected to live in Western Sydney, the need for robust planning and infrastructure is more pressing than ever.

CHARLOTTE ALEXANDER: Sydney Water is at the forefront of this transformative era, playing a pivotal role in shaping the region's future. A prime example of this is our work at the Sydney Science Park. The science park, spanning 287 hectares in Luddenham, is a \$5 billion project which Celestino envisaged to become a global hub for research, development and innovation. The servicing strategy for this precinct reflects our commitment to creating a sustainable and resilient urban environment on behalf of communities. Our project with developer Celestino on the Sydney Science Park involves the development of an integrated water recycling hub, which began construction in August 2021 and is set for completion by late 2024. This facility will produce 1.2 million litres of recycled water per day, with the capacity to expand to 2.4 million litres, supporting the precinct's water needs and contributing to its sustainability. The bespoke water management system at the science park, including a decentralised wastewater treatment facility and smart recycling technologies, is setting a new standard for water-sensitive urban development in Western Sydney.

We'd like to take this opportunity to address prior misunderstandings about this commercial agreement with Celestino. As the servicing has been accelerated ahead of when Sydney Water would otherwise have serviced the precinct, Celestino has taken on development risk by forward funding water and wastewater services. Recycled water services are funded by a combination of recycled water developer charges and recycled water usage charges. The previously reported \$200 million cost is the predicted total level of investment over the full 30-year life of the project. Sydney Water routinely provides pathways to the development industry to accelerate development or achieve specific development outcomes under commercial agreements. This does not extend to financial assistance, and all agreements comply with Sydney Water's policies as well as regulatory and statutory requirements.

Accelerated services constitute those that are ahead of the time frames published in our annual growth servicing plan. This plan provides transparency on the location and timing of new services and aligns with New South Wales and government priorities. The pathway to provide accelerated services with Sydney Water is via a commercial agreement. Developers can negotiate agreements with Sydney Water for accelerated servicing, with the developer taking on the initial financial risk of the development being delayed or not successful in attracting customers. The Sydney Science Park partnership is not unique. Sydney Water has similar partnerships across its area of operation supporting accelerated development in various areas across Western Sydney. Information is available on Sydney Water's website on the frameworks we use to enter into partnerships with developers.

KATE MILES: In close partnership with the New South Wales Government, Sydney Water is dedicated to enhancing liveability across Western Sydney. By integrating smart water management solutions and advanced technologies, we aim to provide sustainable and resilient water services that underpin the region's growth. This includes significant projects like our Upper South Creek Advanced Water Recycling Centre, which represents a \$1.2 billion investment to support the needs of up to 400,000 people and contribute to the region's long-term resilience. Planning for this facility began in 2018, prior to growth forecasts for the region being published.

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Sydney Water understood the ambition and anticipated time frame for growth within the aerotropolis and started planning, despite limited essential information to inform staging, sizing and location of infrastructure. This is because complex infrastructure takes time to plan, design, deliver and commission. Our planning has continued to be refined throughout the development phase of projects and as updated information has been provided. Sydney Water's strategy aligns with the Greater Sydney Water Strategy, which outlines the vision for delivering water services that are resilient to climate variability and independent of traditional rainfall-reliant sources. We embrace innovative approaches to urban planning, such as the new Transport Oriented Development precincts, and increasing infill development.

Sydney Water's long-term capital and operational plan reflects our commitment to supporting the Government's growth objectives while ensuring that infrastructure keeps pace with the needs of communities. Half of our planned investment over the next 10 years is to support growth. As we move forward, Sydney Water remains committed to supporting the Government's vision for a thriving Western Sydney. Our ongoing efforts will continue to focus on providing essential services, supporting economic growth and enhancing the quality of life for all residents, ensuring that Western Sydney remains a dynamic and vibrant place to live, work and play. Thank you for the opportunity to respond to your questions.

The CHAIR: I will ask one or two questions before handing over to my colleagues. On the Celestino issue, because I would like to understand it a bit better, when we're looking at a development like we have around the aerotropolis and the plans and everything that needs to happen, you referenced that you had basically a service delivery timetable or schedule—I forget what you called it. But when Celestino comes in and says, "We'll pay," does that mean that they effectively are leapfrogging? Is there an opportunity cost so that you're then not doing everything else on schedule?

KATE MILES: Do you want to handle that one, or me? Sorry, our roles kind of line-up quite closely, so with some of these questions we'll probably have to confer as to who leads. In terms of resourcing, no, and in this particular example there were no concerns around resourcing this project alongside other projects. We did not defer other work as a result of the Sydney Science Park project. These kinds of arrangements are very common across our area of operations. We've got several other agreements of a similar nature.

CHARLOTTE ALEXANDER: Just in terms of the nature of this agreement, what will happen is Sydney Water publishes its annual Growth Servicing Plan, which details sort of when and where we're expecting development to come. If you look at that plan, on quite a specific area basis we'll say: In Kemps Creek, development is expected; it's under a commercial agreement and we're expecting infrastructure to arrive at X date. I literally just made that up, but we will work with developers in different areas and we're really transparent about that. Any developer can approach us to say, "We would like to have our development serviced ahead of when Sydney Water would otherwise get into that area" and, in that case, that's when we would enter into a commercial agreement with them that would set out the nature of services that each party will provide and when they'll be delivered.

The CHAIR: But we're still getting a situation where we have priority being given to people who can pay for it versus what you might do if you were to sit back and say, "Where is the greatest need?"

KATE MILES: That is to support growth, obviously. We're not the determining authority when it comes to the actual planning and the rezonings and development approvals. We will work on a commercial basis with developers if they would like to go ahead of the schedule that we have published. But, ultimately, the decision around whether a development proceeds is not our decision to make. That is a government decision to make.

The CHAIR: Does this happen in other jurisdictions with something as basic as utilities where you can kind of pay to get ahead of what would otherwise—

CHARLOTTE ALEXANDER: I can't comment on other jurisdictions. I would add that we do plan in accordance with the Government's land release schedules. We will work closely with the Government and with councils about where they see development coming. That's our standard approach. But, yes, if a developer comes to us and says, "We know that you're going to develop that" or "You're going to put in infrastructure for that area in five years time and we want our development in three years time", they can go ahead and essentially deliver infrastructure themselves that we would otherwise be delivering in five years time. In most circumstances, they will deliver that infrastructure for us. It's not taking away us delivering anything that we wouldn't otherwise be doing.

The CHAIR: They put in place their own water system. I don't know what the terminology is.

CHARLOTTE ALEXANDER: Pipes.

The CHAIR: Right. They put in their own pipes.

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CHARLOTTE ALEXANDER: Which is often similar what to happens for in-sequence development as well, where developers will often, if they're capable—and most of them are—lay the reticulation mains in the street but often they'll also deliver the pipeline to connect into our larger system as well.

The CHAIR: Do they also pay you some sort of early access fee or something? No? It's just that they've agreed to do that?

CHARLOTTE ALEXANDER: No.

KATE MILES: They take on the development risk.

CHARLOTTE ALEXANDER: That's a good point. They're taking on the development risk. Because we don't want to put in assets if we're not sure whether development will come, because obviously you might end up with something that no-one wants to connect into. Then IPART won't deem that an efficient and prudent investment. Where developers are delivering assets for us—and then we will reimburse them when the development actually arrives—we will still own and operate that asset. But we won't take a risk on whether development will arrive.

The CHAIR: Does it always end up that you're purchasing those assets at a fair price based on what you would have been building them at? Is that the idea?

CHARLOTTE ALEXANDER: Yes, that's right. Developers will still have to go through a procurement process to deliver trunk assets. We will make them go out and take three tenders so that we know that the price that they're paying to put that infrastructure in the ground that we will reimburse them for is a fair price

The CHAIR: In terms of the money that is being spent on that particular project, presuming you don't have unlimited amounts of money, is there, again, this opportunity cost, where you're paying for this particular set of pipes over here and that has prevented you from doing that somewhere else?

CHARLOTTE ALEXANDER: If it's their standard servicing that is going into service growth, then IPART will say that that's an efficient investment and over time we'll be able to recoup the cost of that investment from our customer base.

The Hon. MARK LATHAM: On 17 December 2020 the Western Sydney Minister and your former water Minister went to the Sydney Science Park site and announced what they called a "landmark partnership" to build this water treatment facility. At budget estimates on 10 March 2021, the Western Sydney Minister, when asked who was paying for the water deal that had been announced just before Christmas the year earlier, said:

Sydney Water will pay for that. Celestino will, probably, make a contribution. Then there would be user charges ...

Is it your evidence today that that was incorrect?

CHARLOTTE ALEXANDER: It's not correct that Sydney Water is investing \$200 million or the amounts that were—

The Hon. MARK LATHAM: No, he didn't say that. He said, "Sydney Water will pay for that. Celestino will, probably, make a contribution."

CHARLOTTE ALEXANDER: The agreement was entered into on the basis that it would be no cost to government. What that means in this case is that Celestino was funding the integrated water recycling hub, which is regarded as an enhanced service.

The Hon. MARK LATHAM: How much have they paid?

CHARLOTTE ALEXANDER: I'm not going to go into the costing under the agreement because it's commercial in confidence to that party.

The Hon. MARK LATHAM: How much have you paid?

CHARLOTTE ALEXANDER: Likewise, the costing under that agreement is—but I can talk in broad terms, Mr Latham.

The Hon. MARK LATHAM: What sort of partnership agreement was it?

CHARLOTTE ALEXANDER: The agreement is that we will deliver on their behalf an integrated water recycling hub, which is an enhanced service above what we would otherwise deliver, and they will deliver the rest of the infrastructure for us. Some of it will be reimbursed and some of which will just be handed over to Sydney Water free of charge.

The Hon. MARK LATHAM: What's the financial contribution to all of this that Sydney Water makes?

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CHARLOTTE ALEXANDER: Sydney Water is delivering the integrated water recycling hub on behalf of Celestino and they're paying us an agreed price under a contract for that.

The Hon. MARK LATHAM: Full cost price?

CHARLOTTE ALEXANDER: They're paying their price that was agreed under the contract.

The Hon. MARK LATHAM: But is that a full cost price? Is there a cost to Sydney Water in any of this, as the Minister indicated at estimates in March 2021?

CHARLOTTE ALEXANDER: I don't know the basis that the Minister made those comments on then, but the nature of the agreement was that the agreement would be entered into on a no cost to government basis. The cost of the enhanced servicing would be covered by Celestino, and Sydney Water would reimburse for standard servicing.

The Hon. MARK LATHAM: Have you incurred any costs so far in this project that haven't been recovered?

CHARLOTTE ALEXANDER: Sydney Water is delivering the infrastructure and Celestino is paying the fixed milestone payments when they are due.

The Hon. MARK LATHAM: Does that include staff and planning costs for Sydney Water?

KATE MILES: Yes.

CHARLOTTE ALEXANDER: It does.

The Hon. MARK LATHAM: In 2019 Sydney Water set up a new business development unit and appointed a new head of city growth and development. Is that the position you now hold, Mrs Alexander?

CHARLOTTE ALEXANDER: It was. My new title is head of growth and development.

The Hon. MARK LATHAM: What happened to the head of city growth and development?

CHARLOTTE ALEXANDER: Mr Gantt left the organisation in 2023.

The Hon. MARK LATHAM: Mr Gantt previously was employed as Celestino's development manager, yes?

CHARLOTTE ALEXANDER: He was employed at Celestino. I'm not aware of his title.

The Hon. MARK LATHAM: He was their development manager.

CHARLOTTE ALEXANDER: I don't know.

The Hon. MARK LATHAM: Do you think it's curious for particularly those at Kelvin Park and Bringelly, who haven't got reticulated services from Sydney Water, that your facility is sitting in the middle of the Sydney Science Park surrounded by cows and horses and there is no sign of any development 11 years after the Sydney Science Park said it would create over 12,000 jobs? How would those residents go and look at the Sydney Science Park, understanding that Celestino's development manager had been employed from 2019 to 2023?

CHARLOTTE ALEXANDER: In relation to Mr Gantt, when he joined, he declared his conflict with having worked at Celestino previously. He had no involvement in the transaction, and a probity plan was put in place to keep him away from that transaction, specifically to ensure that high levels of probity were maintained on that transaction.

The Hon. MARK LATHAM: Are you confident that that probity plan was acted out in full?

CHARLOTTE ALEXANDER: I am.

KATE MILES: I would like to re-emphasise that this kind of arrangement isn't an unusual arrangement. The rules around entering into a commercial agreement with Sydney Water, for either accelerated services or some kind of bespoke servicing that is tailored towards the development requirements, are on our website. It's available to everybody. There was no special treatment that could be read into having been provided to Celestino. This is something that is par for the course as to what we do.

The Hon. MARK LATHAM: What is the development you can see at Sydney Science Park that your water treatment plant is servicing? Did you, as an organisation, do any due diligence about the likelihood that Celestino would deliver anything—one job, one home, one business, one retail centre or anything on that site other than horses and cows?

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KATE MILES: That is where this kind of agreement has its benefits. Celestino has taken on that development risk. The fact that the development has not emerged has meant that we haven't funded infrastructure that our customer is then going to be on the hook for when there are no—our broader customer base is not on the hook for a development where there are no customers connected or limited customers connected. That is the benefit of this kind of arrangement. Where there's less confidence in terms of the growth program, the developer can take on that growth risk. They've done that at their risk. The fact that they haven't delivered the homes as was originally expected back when the agreement was entered into is the risk that they will wear.

The Hon. MARK LATHAM: It was science manufacturing and research. It was jobs. It was high tech. It was Silicon Valley comes to Western Sydney. Did you do any due diligence about their likelihood to act on the development promise that they made over an 11-year period?

KATE MILES: I think the confidence in the growth forecast is a side issue that wasn't—at the time, there was a lot of energy around the science park.

The Hon. MARK LATHAM: A lot of energy.

KATE MILES: If you spoke to people, it was more likely than not that it was going to progress. There was quite a lot of energy across the industry being put into it.

The Hon. MARK LATHAM: Are the rules such that, if you have enough money and energy for a greenfields development anywhere in New South Wales and you say you are going to enter a commercial development agreement and pay for it all, Sydney Water will agree to that and go and build the outpost? Is that how it works, without due diligence about the likelihood of the developer to act and produce research, science, manufacturing and over 12,000 jobs to turn the energy into an actual outcome? Is there any due diligence undertaken on that?

CHARLOTTE ALEXANDER: If they are paying for it, then it is their risk as to whether or not development takes place.

The Hon. MARK LATHAM: I'm just trying to clarify. Sydney Water won't do any assessment of whether or not the development is likely to be delivered on? It's just totally their business, because they are paying you?

CHARLOTTE ALEXANDER: In many cases, and this is not specific to that development, there can be a very long lag between when something is rezoned, when they get a DA, and when they actually build. We don't have control over what a developer does.

The Hon. MARK LATHAM: Clearly.

CHARLOTTE ALEXANDER: We will deliver the infrastructure that has been asked for by the Government and by developers to accelerate that development.

The Hon. MARK LATHAM: At the time you weren't worried about this being a repeat of what, unfortunately, has been one of the most unhappy aspects of land development in Western Sydney: the developer promises lots of jobs and employment opportunities, gets their rezoning through council and State Government, gets a water treatment plant constructed there and says, "Oops. We can't produce any manufacturing, science or research jobs, but we can do you a new housing estate. And, look, we've got a water development treatment plant there to service more urban sprawl"? Did Sydney Water give any consideration to that scam being run through you?

CHARLOTTE ALEXANDER: We can take any specific questions on what due diligence was done on notice, but neither of us were involved.

The Hon. MARK LATHAM: If you can, thank you.

KATE MILES: There certainly was economic assessments and so forth that were undertaken by independent consultants at the time. This went through the decision—

The Hon. MARK LATHAM: Who paid for those, please?

KATE MILES: I would take that on notice. I expect it was the developer who would have paid for any studies that were undertaken as part of—

The Hon. MARK LATHAM: They produced their own consultants to tell you that it will all go ahead?

KATE MILES: No. As part of any investment process—even though it's not necessarily our money that is being invested, it was infrastructure that was ultimately going to be owned by Sydney Water. So the decision-making processes for this kind of scale of investment, even though it was not our money that was being

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invested into it, would still go through our internal governance processes, which would require economic assessment and so forth.

The Hon. MARK LATHAM: Does Sydney Water now have any input into an attempt by Celestino, as they have made through the former Government, to turn this employment, high-tech centre into just another housing estate, given the role that you've played already? And what do we say to them, given that there is a new metro station being built on their land that is surrounded by horses and cows? There is a water treatment plant surrounded by horses and cows. The Government wants housing supply. Do we feel like we are being tricked?

CHARLOTTE ALEXANDER: I think these are questions for Celestino.

The Hon. MARK LATHAM: Okay. Finally, when Sydney Water first commented on the Sydney Science Park rezoning proposal in 2015, it described the subject site as a proponent-led, out of sequence at no cost to government planning proposal. That was your letter to Penrith council. Sydney Water advised that it had no servicing strategy for the area, and it would not be funding trunk or lead-in infrastructure for the proposed Sydney Science Park development. Is that still your position? You've built this little orbiting outpost of a water treatment plant, but you'll never build, at any public cost, a trunk or lead-in infrastructure for bigger water capacity?

CHARLOTTE ALEXANDER: The infrastructure to service the Sydney Science Park will be delivered by Celestino, the trunk infrastructure.

The Hon. MARK LATHAM: So there will be no public contribution to any trunk or lead-in infrastructure to the site?

CHARLOTTE ALEXANDER: We will reimburse them for some of that infrastructure.

KATE MILES: Because it's used in the longer term to service our customer base, but we will only reimburse, once the customer has—there are rules around how many customers need to have connected to that infrastructure before we will start to reimburse. That then removes that development risk from our customer base.

The Hon. MARK LATHAM: So, if it became a housing estate, you would do the trunk development that you normally do?

CHARLOTTE ALEXANDER: Yes. They would deliver it and we would reimburse them.

The Hon. MARK LATHAM: Poor old Western Sydney.

KATE MILES: My understanding of what happened after that statement was that then Celestino had to go and commission their own studies, under Sydney Water's instructions, because we didn't have plans for the area, which were then reviewed by Sydney Water.

The CHAIR: Can I just clarify, in the questions I was asking at the beginning, and now listening to the answers you've given to Mr Latham, it makes it sound like this is a risk-free, cost-free transaction for Sydney Water. Presumably, you've had to pay something out because of this already? What has been outlaid?

CHARLOTTE ALEXANDER: Because we are building the integrated water recycling hub, we have delivered that plant. It is nearly complete.

The CHAIR: How much did that cost?

CHARLOTTE ALEXANDER: I can't go into those details, because they are under the contract with Celestino. So they are commercial in confidence. I can take it on notice and see if there is an answer that we can provide.

KATE MILES: But there is milestone payments that they are making. There is milestone payments throughout that contract that they then pay on completion of that.

The CHAIR: What are the milestones? Are they timed milestones, or are they based on them doing a thing?

CHARLOTTE ALEXANDER: One was starting work and another is finishing work, and I don't know what the ones in between were but we can take those on notice.

The CHAIR: So they're paying some part of that?

KATE MILES: They're paying for it.

CHARLOTTE ALEXANDER: They are paying the agreed price under the contract.

The CHAIR: Getting back to what you're laying out, though, what is Sydney Water paying as part of that? Are you paying half of it?

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CHARLOTTE ALEXANDER: There was a price agreed for what the delivery of that integrated water recycling hub would cost, and they're paying the entire price.

The CHAIR: Is there any cost to Sydney Water from this deal with Celestino?

CHARLOTTE ALEXANDER: There may be. There have been overruns on the cost of delivering that infrastructure, and we will need to work through with Celestino who bears what cost for those overruns. But the overruns are caused by the same types of things that are hitting the industry more generally—inflationary pressure, delays et cetera.

The CHAIR: So there is some risk and some cost to Sydney Water from having done a deal with Celestino that gives them advanced access to basically the pipes that you would otherwise be putting in in a sequenced order?

CHARLOTTE ALEXANDER: There is some risk to Sydney Water that there will be some cost, but I don't know that it's related to the pipes. It's related to the integrated water recycling hub.

The CHAIR: Right, but you wouldn't have built had they not said they were going to actually have people connected to it?

CHARLOTTE ALEXANDER: Yes. We built the plant because we entered into a contract with them that we said we would deliver.

The CHAIR: But you don't take on risk unless you've done due diligence, so at some point you must have had a discussion with Celestino where it said, "We're going to do x, y and z," in terms of what they're going to build and by when. That presumably has not been met.

CHARLOTTE ALEXANDER: It's correct that the timeline that we expected development to arrive in Sydney Science Park has not been met. We obviously expected development to come a lot earlier than it has.

The CHAIR: That then comes back to Mr Latham's questions about what was happening at the time of that deal, that you would do a deal based on what? On some reports that they were asked to go and get? Was this a bad deal?

CHARLOTTE ALEXANDER: We entered into a commercial transaction with them to deliver the infrastructure that they asked for. They were very proactive about the servicing of the water infrastructure within their development, and we've met our obligations under the contract to deliver that infrastructure.

KATE MILES: And all of it was done under our regulatory model as well. It all complies with our regulatory model.

The CHAIR: But it's not fair to say that the commercial agreement has had no impact on the amount of risk and cost that Sydney Water has borne as a result of it.

CHARLOTTE ALEXANDER: There is a level of risk and cost to Sydney Water.

The Hon. MARK LATHAM: Overrun costs and the Chair's point about opportunity cost of all the staff time that could have been used elsewhere.

The Hon. Dr SARAH KAINE: Big opportunity costs.

KATE MILES: I don't think the opportunity cost issue is really an issue. We had resources to contribute to the project. A lot of the resourcing—with these kinds of arrangements, there are consultants in the market who understand Sydney Water's requirements very well—water servicing coordinators and others—that developers can then go and utilise themselves to do a lot of the groundwork so then Sydney Water isn't dedicating all of our resources to that groundwork. But we oversee it and provide them instructions and make sure it's done in accordance with our requirements, in accordance with our guidelines, our standards et cetera. It reduces the workload from the Sydney Water technical staff to more of an oversight and a review role as opposed to having to do all of the detailed work. That doesn't mean that the work that has been done does not meet our requirements and is not vigorous, because a lot of those consultants out in the market understand what we do very well and our planning teams review their work with a fine toothcomb. It's like a sport for them to try and find things that are wrong sometimes with a consultant report.

The Hon. Dr SARAH KAINE: I just want to explore a little bit more this idea of no opportunity cost because we've just heard from Mrs Alexander that the project has fallen victim to what is happening in all kinds of projects in terms of supply chain difficulties, I presume workforce and construction difficulties, so that in itself is an opportunity cost. If you're engaged in that space, building that facility, then that means that's not available

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to other projects that would be facing the same kinds of pressures. I don't think it's fair to say there's no opportunity cost, is it?

KATE MILES: I think I would say that it would be a limited opportunity cost because the nature of that project, particularly that integrated water hub, is we don't do a lot of those all over the place. It's not like we were planning to build one over here and we've taken resources and worked on the Celestino one instead. I also think a lot of the work that requires Sydney Water staff effort was already done prior to the last couple of years, when supply chain issues have really become more of an issue and our capital program has ramped up. So, yes, maybe there's some opportunity cost, but I wouldn't say that it's substantial.

The CHAIR: In a limited market for labour and construction materials, they're being used in a place they otherwise wouldn't be used because you've entered into this deal with Celestino. You would otherwise be able to use those somewhere else. It would take a bit of pressure off the labour and construction material scarcity elsewhere, so that's an obvious opportunity cost.

CHARLOTTE ALEXANDER: I guess you could take that very broadly at a whole-market level, as opposed to our particular program of moving resources from project A to project B.

KATE MILES: Because the developer is delivering the network infrastructure, so the pipeline. Sydney Water is not delivering the pipelines; they'll be delivering the pipelines. We're delivering the small treatment plant, which, as I mentioned, that's not something that we do all over the place all the time. Usually there are specific companies that deliver those kinds of infrastructure. It might be that they're delivering that piece of infrastructure rather than delivering something in another region.

The CHAIR: What pipelines have they built so far?

CHARLOTTE ALEXANDER: None.

The Hon. MARK LATHAM: Under your charter at Sydney Water, is it possible for a water Minister to make representations to you to say, "Celestino came to see me. It's a great idea. Let's do a commercial partnership with them"? Is that possible?

KATE MILES: No. It would be under a direction, which would then be a very formal process to go through. It would need to be under a ministerial direction, I would understand.

The Hon. MARK LATHAM: What was the involvement of water Ministers at the time?

CHARLOTTE ALEXANDER: I'd have to take that on notice.

KATE MILES: We'd have to take that on notice. I'm not sure.

The Hon. MARK LATHAM: How often do water Ministers go to a completely vacant horse and cow paddock—as these two did, Pavey and Ayres, on 17 December 2020—and have a sod turning ceremony?

CHARLOTTE ALEXANDER: Mr Latham, you'll have to ask them. It's not a question for us to answer.

The Hon. MARK LATHAM: But how often does that happen for Sydney Water?

KATE MILES: I couldn't say how often it happens, but it happens.

The Hon. MARK LATHAM: It happens.

KATE MILES: Yes, but I couldn't say how often. Certainly we had one for the Upper South Creek Advanced Water Recycling Centre; there was a sod turning.

The Hon. MARK LATHAM: I'm asking it because as part of the energy about the Western Sydney science park, clearly one of the Celestino strategy was to form commercial arrangements with this State Government on transport hub research. CSIRO was going to be there, and disability services. There was an agreement for a Catholic STEM school to be built. There was an agreement for health research with the Westmead hub. Celestino's marketing strategy was to say to anyone who wanted to invest, "Look at the all of these agreements that we have with the State Government. Plenty of things are happening—sod turning ceremony, water's coming, train's coming. You must put your money in." Do you feel like you're being conned?

KATE MILES: No, I think—

The Hon. MARK LATHAM: That's not a question for you really, but that's how it looks. They were doing this as a marketing strategy that's produced nothing other than horses and cows grazing on the site. When is the plant going to be finished?

CHARLOTTE ALEXANDER: It should be finished by the end of this year.

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The Hon. MARK LATHAM: What water do you plan to recycle there?

CHARLOTTE ALEXANDER: When flows arrive we'll recycle the water in—

The Hon. MARK LATHAM: Where are those flows coming from?

CHARLOTTE ALEXANDER: They'll come from development when it arrives.

The Hon. MARK LATHAM: But they don't come from a little dam sitting there that the horses and cows drink from?

CHARLOTTE ALEXANDER: No.

KATE MILES: The plant will go into maintenance mode so that we minimise any kind of costs.

The Hon. MARK LATHAM: It's like the desal plant: It just sits there waiting for something to happen.

KATE MILES: Desal is operating at full capacity at the moment.

The Hon. MARK LATHAM: Well, for some time—what sort of maintenance do these plants need when they're inactive because there's no water to recycle? Who pays for that?

CHARLOTTE ALEXANDER: We'll have to work out those details with Celestino.

The Hon. MARK LATHAM: That's not part of the commercial arrangement—you build it, there's no water to recycle, someone's got to maintain it and now we'll work out the cost.

CHARLOTTE ALEXANDER: Correct.

The CHAIR: At the beginning of this session your responses were very much telling us about how this was a risk borne by the developer and these are quite normal things because the developer builds it and you don't have to pay for it until later et cetera. But we've now got to this understanding of this deal that nothing has been built by Celestino, there seem to be very little risk to them, and they don't appear to have taken on a great deal of cost. Yet Sydney Water has taken on the cost of building this plant, or some of it.

CHARLOTTE ALEXANDER: No, they have paid the vast majority of the cost of delivering the plant and they'll complete those milestone payments when we finish the plant by the end of this year.

The CHAIR: That's what I asked you before.

CHARLOTTE ALEXANDER: I'm sorry if I misunderstood the question.

The CHAIR: I asked is there a cost to—

CHARLOTTE ALEXANDER: As we have gone into, the cost is to the extent that there are overruns or to the extent that there is care and maintenance to keep that plant—

The CHAIR: Which there are.

CHARLOTTE ALEXANDER: Which there are.

KATE MILES: Which we will then negotiate with Celestino around compensation for any overruns.

The CHAIR: But you're not going to be covered. You're not going to be completely—

KATE MILES: That's yet to be determined.

CHARLOTTE ALEXANDER: That depends on how well we negotiate.

The CHAIR: It's a very strange situation. Does anyone else have any questions?

The Hon. SCOTT FARLOW: We have heard Liverpool council say previously, with respect to the outlay of water infrastructure around the aerotropolis, that Sydney Water is behind its schedule. Is that the case? If it is, how far behind schedule is Water Sydney?

KATE MILES: Servicing Western Sydney is complex, as I alluded to earlier. We started on our servicing strategy prior to having growth forecasts for the region. We work very closely with the department of planning, with all the various councils and with developers to gather information around priorities and also to understand market intelligence—so the certainty of development et cetera. We tailor the timing of our services in accordance with that intelligence that we get, which is predominantly informed by council and New South Wales government forecasts and targets that are provided to us. Infrastructure does take time to build. Sometimes the time between a rezoning and a DA approval and then a house being on the ground is less than it takes to build complex

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infrastructure. A brand-new treatment plant, like the Upper South Creek plant that we're building now—that will be commissioned in 2026. That is a treatment plant that will service all of Western Sydney.

There is very little infrastructure, from a water and wastewater perspective, across Western Sydney. I should probably backtrack and mention that as well. It is a greenfield area. There were no wastewater services and very limited water services, and it's a very large area that is being redeveloped. The extent of infrastructure that we need to deliver across that region is quite large, hence why we have worked so closely with government around what are the priorities and how we time our infrastructure to achieve those priorities. Sometimes it doesn't work out as well as we would all like, because we need to go through the planning work, we need to design infrastructure, we need to get environmental approvals and we need to then procure contracts to deliver the infrastructure and commission the infrastructure before it's then ready for people to connect. Sometimes the timelines don't line up as well as what we would all like.

The Hon. RACHEL MERTON: Thank you very much for being here. If I could follow that one up, I join with the Hon. Scott Farlow in terms of the land release. I'm really making reference to east of the aerotropolis in terms of Austral and Edmondson Park. We're seeing vacant land out there. You walk onto the site. We're told, "It's being rezoned. It has got a DA. Some houses are up and some aren't." It's as if the land is sitting idle because they can't get water to the blocks. And then they talk about Sydney Water. There is no timetable. There is no consultation. We know nothing. How is it actually working?

KATE MILES: I'm surprised to hear that people would say that there's no consultation, because Sydney Water is generally highly consultative with all of our stakeholders. When we're embarking upon delivering infrastructure within communities, we're also consultative with those communities to try to minimise impacts to those communities. I'm disappointed that people would reflect that we're not consultative. I think that there are areas across Sydney where our servicing is still on its way. I alluded to some of the challenges earlier in terms of the time frames between rezoning, DA approvals and houses being on the ground. Often, if it's a development where everything else is lined up and the funding is there from the developer to get things moving, then they will get things moving quite quickly. But, at the same time, the vast majority of the inquiries that we receive are approved very, very quickly. I don't know if you want to go into the statistics on that, Charlotte?

CHARLOTTE ALEXANDER: I was going to add that for Austral, in particular, we've tried to be very consultative with the landowners in that area around when services would be coming, because there have been delays in servicing that area.

The Hon. RACHEL MERTON: Is there a time frame in terms of the Austral development?

CHARLOTTE ALEXANDER: It would depend on the particular part of the network. It's quite a large region, I think.

KATE MILES: We've spent hundreds of millions of dollars on wastewater services into that area and so there is now some servicing available, but it's now a matter of extending that servicing into other areas to then open up services to additional growth.

CHARLOTTE ALEXANDER: We can take it on notice and provide some additional information on Austral servicing in particular, if that's the region you're interested in. Would that be helpful?

The Hon. RACHEL MERTON: Yes, thank you. I also noticed in your submission in terms of Sydney Water responsibility for major stormwater infrastructure—would you be able to elaborate on what that might mean in terms of the new housing estates?

CHARLOTTE ALEXANDER: Sydney Water was appointed regional stormwater manager and trunk drainage authority for the aerotropolis initial precincts and Mamre Road in 2022. What that means is that we take over from council planning trunk drainage for those regions. The real opportunity of us being the stormwater manager for such large areas is that we can have a range of outcomes that would exceed what would happen if council was just doing it under a normal basis. For example, we can capture that water and use it for greening and create stormwater basins or wetland areas that can be used for recycled water. That would create better liveability in those cities because we can water trees and all that sort of thing.

Particularly, what the Government has been focused on is waterway health in those regions. You can imagine when pastures with cows in them, as Mr Latham said, are paved in concrete for construction, that's a lot more impervious surface and we expect that runoff will increase by about six times into those waterways. With Sydney Water managing that on a precinct basis, we'll be able to better manage those flows to divert flows into stormwater wetlands and basins, and reduce flow into those waterways to preserve those sensitive ecosystems in that area, and use the recycled water for non-potable reuse within those communities. The idea is that it will create much enhanced liveability outcomes for people that end up in those regions because they'll be greener and cooler

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than they otherwise would be if we didn't harvest and reuse that water. Plus there's other benefits. Just capturing for reuse will reduce the impact on—and other rainfall-independent supply for water in that region, which reduces pressure on the rest of our water systems.

The CHAIR: This water recycling facility, is it novel? Is this a world first or is there something about it that is new technology?

KATE MILES: The Advanced Water Recycling Centre at Upper South Creek that services all of Western Sydney?

The CHAIR: Sorry, the Celestino one.

CHARLOTTE ALEXANDER: It does have enhanced services above what a usual wastewater treatment facility would have, so it's regarded as having some level of innovative and smart technology, which will be smarter about recycled water and how it's used, but I can't go into the technical detail.

KATE MILES: One of the other aspects of it that was different to what we have done in the past was around how the wastewater is collected from the properties. It's a pressure sewer system that has telemetry to help manage the wastewater within the system. The reason that it's done that way is to also help to manage and reduce stormwater ingress into the system, which then enables us to reduce the size of the treatment plant that is treating the water, which then reduces the cost and reduces the amount of excess flows that potentially need to be then piped to other systems as well. It was quite novel in terms of looking at how the wastewater system works and minimising costs in the wastewater system to then minimise the recycled water costs et cetera, which keeps the costs low for those customers that then move into that region in the future.

The CHAIR: Is Sydney Water a party to any agreements or memorandums of understanding with other countries in relation to the sharing of water recycling technology?

KATE MILES: In terms of MOUs with other countries, I'd have to take that on notice. But certainly we work with peers and industry. The Water Services Association of Australia is the Australian peak body for water utilities. I would guess that almost every larger water utility in the country is signed up to be a member of WSAA, and WSAA is extremely good at sharing information. They've also got connections into other countries. A number of our technical experts also keep in touch with the research that is happening around other parts of the world as well.

The CHAIR: Are you aware, as part of Sydney Water, of the department having signed an agreement of any kind in relation to water resources management and development cooperation with other countries that is relevant?

KATE MILES: The Department of Climate Change, Energy, the Environment and Water?

The CHAIR: The Government at all.

KATE MILES: I'm not aware, sorry.

CHARLOTTE ALEXANDER: We'll take it on notice and ask more broadly.

The CHAIR: I've just been made aware of a memorandum of understanding between Melinda Pavey when she was Minister for Water, Property and Housing, strangely, signed with the energy Minister of the State of Israel in relation to development of recycling of water.

KATE MILES: I do know that Israel are at the forefront of recycled water technology. They are mentioned a bit but as are other parts of the world. The US has also got a lot of quite advanced water technologies in place.

The CHAIR: It is just interesting. If you could perhaps take on notice if that sort of sharing of technology was a part of the reasons for maybe being more interested in this sort of a project—if there was any background, any mentions of the benefits of that in terms of sharing our technologies across.

CHARLOTTE ALEXANDER: Yes, happy to do so.

The Hon. MARK LATHAM: Has Celestino given you an indication of how long the water treatment plant will remain idle, requiring your maintenance?

CHARLOTTE ALEXANDER: We'll have to ask Celestino questions about the development.

The Hon. MARK LATHAM: Can you take that on notice?

CHARLOTTE ALEXANDER: I can take it on notice but I think that question is for Celestino.

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The Hon. MARK LATHAM: But you'd want an answer, wouldn't you? Because you're going to have to maintain it and you said you'll have an agreement with them about the maintenance. So it's good to know if it's one year, 10 years, 20 years.

CHARLOTTE ALEXANDER: We'll discuss it with them.

The Hon. MARK LATHAM: Thank you, and get back to us.

CHARLOTTE ALEXANDER: Sure.

The CHAIR: Thank you. We're out of time. It's been an informative and interesting session. To the extent that questions were taken on notice or there will be supplementary questions, the Committee secretariat will be in touch. That concludes our session for now.

(The witnesses withdrew.)

(Short adjournment)

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Mr ROSS GROVE, Western Sydney Regional Director, Property Council of Australia, sworn and examined

Ms ESTHER CHEONG, Director, Atlas Economics, sworn and examined

The CHAIR: Welcome back. I welcome our next witnesses. Would you like to begin by making a short opening statement?

ROSS GROVE: We have come to the inquiry from the perspective of what should the Government be doing to provide as many jobs in Western Sydney as possible? Local government in Western Sydney often talks in terms of a Western Sydney employment deficit. How can we provide more jobs for the people who live there in order to reduce commute times and improve their overall quality of life? We note that the title of the inquiry refers to two future centres identified within the Western Sydney aerotropolis, being Bradfield and Celestino's Sydney Science Park. We have made some initial comments around the broad almost hierarchy of centres in Western Sydney—and that includes both the central and western cities, in planner speak—from Parramatta to Penrith, Blacktown, Liverpool, and even Oran Park and Narellan. All of these centres are in competition at the moment for investment.

For any of these centres to grow, particularly in terms of jobs, the fastest way to do that is by de-risking those centres by providing anchor tenants and effectively pre-committing into future development. Parramatta has just been through its decade of decentralisation. It has seen its office market expand by a third. However, at the same time, we have also been through that COVID and post-COVID work from home, work from the office transition. What were once the tightest office vacancy rates in the State is now an office market with a 20 per cent overall office vacancy rate and 40 per cent B grade office vacancy rate. I think the questions around the future health of all centres in Western Sydney relate to who is going to move into these centres to provide the jobs. That is our initial comment. There does appear to be a bit of an absence of a centre strategy in Western Sydney. I think it is something planners should think about into the future as centres are developed—what are their unique offerings?—and seek to evolve those centres around that principle.

But to that first question of what should government be doing to provide as many jobs in Western Sydney as possible, particularly in the broader aerotropolis precinct, the fastest way to provide jobs to Western Sydney is through unlocking employment lands—that is code for industrial property—starting with the Mamre Road precinct, then moving out to the initial precincts of the Western Sydney Aerotropolis. What are the problems right now with doing that? The first problem is a lack of road capacity to provide for B-doubles, trucks, the necessary freight movements of warehousing and logistics, to those employment lands. It's pleasing to see the Government has taken steps with respect to Badgerys Creek Road and Elizabeth Drive and Mamre Road stage two upgrades in the recent budget.

We also have a problem with water infrastructure, which we've really only started to hear the beginning of. There are some highly ambitious water targets for the Mamre Road precinct, which we are likely to see translated over to the wider aerotropolis, which are driving up costs for developers to the point where delivering that industrial land is becoming unviable. That's why I'm accompanied today by Esther Cheong of Atlas Economics to speak to the feasibility and the raw economic challenge with delivering future warehouses to provide jobs in the short to medium term for residents of Western Sydney. In the interests of containing my presentation, I'll hand over to Esther Cheong.

ESTHER CHEONG: At Atlas Economics, we are a land economics and economics consultancy. We provide advice to the public sector and private sector. Atlas Economics was engaged by the Mamre Road Landowners Group to look at the feasibility issues in the precinct, following Sydney Water's announcement that a \$1.3 million stormwater charge would be applicable—\$1.3 million per hectare. Just a bit of background very quickly to set the scene. In 2020 the Mamre Road precinct was rezoned. That covers about 800 hectares of industrial land. At the time, the rezoning was thought to be needed because it was ready to develop industrial land. It was going to run out in about four to five years. So that was in 2020.

In 2023, following Sydney Water's appointment as stormwater authority, stormwater manager, it announced a stormwater charge. Now this was in response to new waterway targets. After the stormwater charge added to everything else, it meant that development number one had to pay more than \$2 million per hectare in contributions. This was more than five times anything that has ever been required. Development was also required to set aside land onsite for interim waterway measures until such time Sydney Water's regional waterway system was up. So that meant a sterilisation of land, and only about 40 per cent of the site could be developed for a period of time until such time that the regional system was up. So we were engaged to look at this issue, and our work found that feasibility was fatally compromised, with development margins well below what was needed for commercial investment.

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We say this is a serious issue, not just for the aerotropolis but for Sydney more broadly. It is a little known fact that Sydney has run out of serviced industrial land. We have a lot of zoned industrial land, but we have less than one year of serviced industrial land left. Now, in contrast to metro Melbourne and south-east Queensland, they have got more than 10 years of serviced industrial land left. This obviously has severe consequences for Sydney's competitiveness and productivity. Businesses, as part of our work, have told us that they have put a line through Sydney for any expansion plans. There's no room to grow and it's too expensive. This is what we say is Sydney's industrial land crisis.

There are obvious impacts in the costs of doing business which have implications for the cost of living. This also undermines Sydney's ability to build homes in response to the housing crisis. This lack of integration between land use and infrastructure planning has resulted in unexpected stormwater charges—not marginally more but significantly more—which obviously is thwarting investment and movement at the Mamre Road precinct. Given the industrial lands crisis in Sydney—we have run out of serviced industrial land—Mamre Road, and not just Mamre Road but the land at the aerotropolis, we say is a flashpoint issue, not just for the aerotropolis but for the billions of dollars of investment already committed and also for Sydney's economic sustainability more broadly.

The CHAIR: That was a very comprehensive opening statement. It covered a lot of what was in your submission, but one thing I don't think you mentioned and I would like to pick up on is this limited access to university institutions. There is talk here about how in 2018 there was going to be creation of this STEM university, but nothing has happened in relation to that. Can you just take us a little bit more through that and what you have heard is the current status of that project?

ROSS GROVE: We hear murmurings all over the place. I don't think I have anything definitive to say about what the next step is, which is concerning. I think the general observation is this is a part of south-west Sydney where if you have the Western Sydney University campus at Liverpool and you have both a larger campus at Campbelltown, the Camden LGA now has 160,000 people living in it, and you have another Western Sydney University campus up at Werrington and Kingswood but you have this huge mass. In the Parramatta office market, the Western Sydney University has had a significant role as an anchor tenant. Its pre-commit has allowed buildings to get out of the ground, and there could, or at least should, be a role for the university sector in one, if not more than one, of those centres to provide, number one, a service to the existing population and the future population but also to provide an economic catalyst that enables more commercial space to be delivered.

The Hon. SCOTT FARLOW: Thank you very much for your attendance here today. When you are talking about the additional charges, you're talking about the development service plans. Is that correct?

ROSS GROVE: There are stormwater-related charges, yes.

The Hon. SCOTT FARLOW: When you're going through and looking at the feasibility of some of these sites, we've heard Sydney Water here already say that effectively it's a just-in-time delivery program. But what we have seen with the Celestino science park is effectively that developer underwriting the risk, so to speak. What is your experience with the people that you're working with or representing in terms of their opportunity for similar underwriting of the risk, so to speak?

ROSS GROVE: I don't have a specific answer with respect to underwriting the risk, but our conversations, particularly with the Mamre Road landowners, which will be the first mover for industrial in the aerotropolis, started out as quite frustrating. We heard in the previous presentation that Sydney Water was designated as the stormwater authority in 2022. The industry knew that designation was coming for the 18 months beforehand, and so it was the expectation of industry that the day that we had a ministerial signature on the designation of Sydney Water as the authority that Sydney Water would start consultation and have a pre-packaged stormwater plan to effectively pull out of their hat and start conversations with government.

It is now late 2024 and we are currently in an IPART process discussing a stormwater plan which is too expensive and one which, if adopted, will prohibit the delivery of those employment lands. I think the conversation has been quite frustrated. We haven't had a lot of certainty. The market has moved on price assumptions which don't exist, so our capacity to deliver industrial land in that precinct—but we're expecting a similar pricing plan now that we've seen this signal across the aerotropolis—will be frustrated by that arrangement.

The Hon. SCOTT FARLOW: When you look at opportunities in Western Sydney, as you quite rightly say, we think a lot about housing, which is fundamentally important. But we also need to think about where people are going to work. We've already heard that in areas like Camden, who gave evidence before, more than 60 per cent of people leave that LGA for work. The whole idea of 30-minute cities, so to speak, under the three cities plan is that people can live and work in the same geographic area. Beyond the Mamre Road precinct and

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the like, what do you think is the next area that the Government should be focusing on for development of industrial lands and doing so as quickly as possible?

ROSS GROVE: There's already a number of State significant development applications that are in the system. I can get you the exact number of SSDs that are in the system for the initial precincts of the aerotropolis.

The Hon. SCOTT FARLOW: On notice, thank you.

ROSS GROVE: There are two private sector master plans. One is adjacent to Bradfield, which will focus on warehousing and logistics. There's also one which is adjacent to the airport on The Northern Road, which is also focusing—they call it agribusiness, but there will be a logistics angle to that. I think those are the next focus. They have motivated landowners that are prepared to look to solutions in that space. They have the scale and capacity to deliver, so I suspect the applications that are already in the system, whether it's master planning or SSD, are probably the next cabs off the rank.

The Hon. SCOTT FARLOW: With focus on the Celestino science park somewhat, why is it that an area like that hasn't been taken up, from your perspective?

ROSS GROVE: It's a really interesting history, and I don't know all of it, the Celestino science park. We don't advocate for any one of our members. My understanding is Celestino is an idea, a concept, which in many ways predated "the decision", the Abbott-Truss decision to designate Badgerys Creek as the airport site in April. I've got documentation—I did a quick Google search for it—Celestino science park proposal, which was four weeks after. I think it was discussed prior to that decision. I'm certainly happy to dig up the paper trail for that. I think it was quite a seductive proposal because at the time, without a decision for the airport as the jobs catalyst, the people in the Penrith LGA were looking at, "Where are our next jobs coming from?" I think the people in the Penrith LGA also understood that they couldn't just have rolling hills of housing estates without a jobs centre.

So when the idea of an employment centre, which effectively its genesis is in the vacuum of an airport decision—it was a very attractive concept. Now we're in a context where it's supported by a rail line, so a lot of that is baked in. To your question around what are its jobs capacity in the short to medium term looking like, I think a lot of that investment attraction discussion was interrupted in part by the Western Sydney City Deal because the Government had its own land holding at Bradfield, an old telegraph station, that it also wanted to deliver a significant centre at. So Celestino had their own MOU signed with, I think, UNSW and a cast of others for a science park. The Bradfield centre has its—yes, they were called MOUs and there were upwards of 20 of them.

Looking at the raw evidence that we have today, I think there is a hard commitment for the relocation of CSIRO. There's the AMRF. There are seeds of growth there. A lot of the comments in my submissions to two parliamentary inquiries are that the aerotropolis is an evolutionary precinct; it's not a revolutionary one. We're looking at a size of land that is the Sydney Opera House to Botany Bay and Bondi through to Marrickville. This is one that's going to evolve over generations. We shouldn't expect glistening cities dotted across it within the next 10 years.

The Hon. MARK LATHAM: Thank you to the witnesses. Can I just say that in an adult lifetime of watching development in Western Sydney, my basic conclusion is that you need to be realistic. Do you think there has been a cargo cult element of what the single-runway overflow airport at Badgerys Creek can achieve in terms of economic benefits in the immediate term, particularly with very poor transport links to the rest of Sydney? Ms Cheong, in your economic forecast, what will such an airport realistically achieve in terms of the development of warehousing, logistics, manufacturing and other economic investment in the immediate vicinity of outer Western Sydney?

ESTHER CHEONG: We haven't done an economic forecast as such for the take-up of the airport services. However, in terms of land use take-up, we always say that the logistics and industrial users will be the first movers. Your office-based type of jobs will come later. It's a much longer horizon.

The Hon. MARK LATHAM: Your submission outlines the need for a centres strategy in Western Sydney. That's fair enough. But can we realistically sustain the hope and promise of the five centres that you've listed—Bradfield, the Sydney Science Park, the Charter Hall business park next to the airport on Federal government land, Rossmore, and Leppington? At Leppington, there has been a 15-year town planning mess where basically nothing has happened. Realistically, this single-runway overflow airport with poor transport links to the rest of Sydney will probably just fill the Charter Hall business park, won't it, over the next decade, and the hype and energy around these other projects has been a mirage for Western Sydney? I suppose, in the case of the former State Government and Minister Stuart Ayres, it was a PR exercise with an endless rollout of MOUs signed in Europe. For Sydney Science Park, it's much the same from a commercial sense.

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ROSS GROVE: I think we've judged the tree by its fruit. For Superlot 1 in Bradfield, the EOIs have closed. I imagine we'll hear from that quite shortly. There will be risk attached to those EOIs. I imagine those EOIs will have priced that risk in. There is certainly something to see as to how Bradfield takes off. As you're aware, Leppington has a number of feasibility challenges that are driven up through some overplanning of that precinct, which needs to be resolved. With respect to the Western Sydney airport, I think it was initially planned to be an overflow airport. I think its 24/7 operation gives it a significant competitive moat, particularly with respect to freight and logistics.

I know that in a role prior to joining the Property Council, I attended a briefing with infrastructure Minister Jamie Briggs shortly after the decision was made. The advice provided to me and a group of Western Sydney stakeholders was, "You're getting a one-runway airport. It will be about the size of Coolangatta airport. There will be no train line. It doesn't need a train line. It does need a roads package. We're not delivering an aerotropolis authority for this." That was his message to us. There was a lot of logic to what he was saying. This is going to be evolutionary.

Since then, we've obviously seen further roads packages come along. We've seen the delivery of a spur rail line which very much locks in the next 100 years of rail decisions in Western Sydney, albeit of limited utility in the short term. I think what's happened is those decisions have changed the way that people think about centres. A lot of those decisions are still half pregnant. We've got to work out what becomes of rail beyond Bradfield in order to answer some of those questions about those centres for you.

The Hon. MARK LATHAM: Fair enough. But building it doesn't necessarily mean that they come. In your studies of these types of second, overflow airports in cities comparable to Sydney, what sort of economic development do you get over what time span?

ROSS GROVE: I'm happy to take that on notice.

The Hon. MARK LATHAM: The former head of the aerotropolis authority, Sam Sangster, said, "Look, if you haven't got a fast, direct train route into the centre of Sydney, you're building a white elephant." I suppose his argument is that, away from freight—there is a bit of freight potential because it's 24/7, but a lot of freight is also carried in the bodies of passenger planes now, so it's a bit limited—in terms of the tourism market, it will inevitably, for a fair period of time, be the case that people travelling to Sydney will want to see the harbour. While I can advocate very beautiful things to see in Camden, Campbelltown, Liverpool, Penrith and the like, the reality will be, if visiting, they'll want to come to the precinct we sit in now. Without a direct train link, a passenger arriving at 2.00 a.m. at Badgerys Creek to get on the metro for 25 minutes to St Marys and change there at 2.30 a.m. onto a heavy rail line to come in to Sydney is not very enticing, is it?

ROSS GROVE: No, but it is the only airport where you can arrive at 2.00 a.m., which I think is its competitive moat. I think, too, I had a former CEO—it was while Sydney airport was publicly—

The Hon. MARK LATHAM: I should correct myself because I think there was evidence at estimates that the metro won't run at two o'clock in the morning.

The CHAIR: No, it won't.

The Hon. MARK LATHAM: Sorry. Hypothetically, even if it did run, that's the scenario—but it turns out you're on the bus, Gus.

ROSS GROVE: I think you'd be wanting an Uber at 2.30 a.m., that's for sure.

The Hon. MARK LATHAM: An Uber? Okay. The passenger flights inevitably, notwithstanding the curfew at Mascot, will want to go there, won't they?

ROSS GROVE: I think, yes, it will be a freight-led airport—freight-led and supported by the changing aircraft needs of the Western Sydney region. More people in Western Sydney are taking flights than ever before and certainly there is an alignment with the changing population there and its desire to take those flights. I had a former CEO of Sydney airport—it was back when it was publicly owned—and he made the comment that a lot of the freight carriers are aligned to discount airfares and so there is a consumer benefit, which potentially lines up with Western Sydney's price appetite for airfares that comes together quite well. I'd be quite confident. Going back to the Jamie Briggs conversation, he was talking in terms of an airport the size of Coolangatta airport, which isn't supported by a rail line. The latest conversations are, you know, demand is anticipating an airport the size of Adelaide airport, which in Sydney terms is not a large airport, but certainly it's not Camden airport by any stretch.

The Hon. MARK LATHAM: No, it's not. But can I also say, in terms of the passenger catchment for Badgerys Creek airport—the great population expanse of south-west Sydney—it will still be easier to get on a train at Campbelltown, Ingleburn or Glenfield and get your direct link straight in to the international terminal at

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Mascot. It is by far the most convenient and accessible public transport route to an airport. So don't think for a moment, just because you live in the western portion of Sydney, that Badgerys Creek is your most accessible airport under the rail strategy adopted by the former Government.

ROSS GROVE: No, I think you're right. I live in Westmead and the WestConnex tunnel will get me very quickly to Sydney airport. But it's a question of the additional capacity. At the time the Gillard Government released the joint study into aviation capacity, the findings of that report were that the road network was going to jam up before Sydney airport ran out of aviation capacity, but aviation capacity at Sydney airport was finite anyway, particularly when you've got surrounding communities that were going to put pressure on curfew. I think it does have a good growth trajectory.

The Hon. MARK BUTTIGIEG: In terms of the economic modelling and what is required to get the growth and development out there and what is lacking, to what degree has the current Government refocused on achieving those aims? We heard a lot this morning about infrastructure, particularly transport connectivity, as the key driver. There would be one view, I'd imagine, which might say, "Look, you'll get all the development out there and then that will create the demand and then everything else will follow", but from what we heard this morning we actually need to reverse that. We need up-front commitments to create the connectivity so that there is the confidence to invest. I want to get your views on that and how far off we are. Is there a view that we're now heading in the right direction with the advent of this Bradfield authority and the commissioner and all that sort of thing?

ROSS GROVE: I'll start with the governance changes because I think the Government has, in delegating the new roles to Tom Gellibrand—the coming months will see how effective that is. But it at least correctly diagnoses that there is a problem in the responsiveness of government agencies outside the planning system.

The Hon. MARK BUTTIGIEG: Is that because of the multiplicity of agencies and the lack of any one person calling the shots, to put it frankly?

ROSS GROVE: Correct. There's a Bermuda Triangle that exists between Sydney Water, Transport for NSW and the department of planning. If you can line all of those stakeholders up, you're much more likely to get the serviced industrial land that Esther was talking about, rather than just the zoned industrial land, which is what we have right now.

The Hon. MARK BUTTIGIEG: I know it's only just a recent creature, but has there been any initial conversations with people like yourselves? To what degree are they leaning on people like yourselves to do that forward planning and pull it all together?

ROSS GROVE: Certainly. Mr Gellibrand has had meetings with the Property Council and a number of the other development peaks. He's met one to one with a lot of the large landowners in the aerotropolis and I've had two conversations. You can actually hear and watch the evolution of his thought when you hear him speak weeks apart, so that has been quite welcome. I think we've just secured a time in the last week for Mr Gellibrand to collectively meet with all of the large landowners in the aerotropolis. There is certainly progress and I understand he's also had those conversations with government agencies as well. Mr Gellibrand has had a background with the north-west and south-west growth centres before, so he understands how large-scale greenfields work and some of the challenges.

I think it's fair to say the other game-changing decision which has been made by this Government in its last budget was the combined State and Federal \$2 billion in enabling roads funding for Elizabeth Drive and Mamre Road and some exploratory work on the Badgerys Creek Road south. You really can't have an effective Bradfield development or an effective master plan development, which is currently under consideration, without having an idea of what the future of Bradfield road south is. These enabling roads, for people who aren't familiar with the road network in the aerotropolis right now—the roads lack kerb and guttering. They're not designed for regular B-double movements and they need to be upgraded, if not to support the industrial development—if only to support the trucked sewage that will be a first-stage requirement of a lot of the development around the aerotropolis because the water infrastructure hasn't kept pace.

The Hon. MARK BUTTIGIEG: Has it got to the point where there is a view amongst the development community that "The Government seems to have got this by the throat now and at least there is a will to whip this into shape, so let's start getting serious about investing here"? Or is that too premature a statement?

ROSS GROVE: I don't think it's necessarily driving—so Mamre Road has a lot of investment interest right now. There are some obstacles, including stormwater to Mamre Road. It is really the capacity to resolve the stormwater issue which will drive the confidence not only in Mamre Road but the signal that Mamre Road will give the rest of the market and aerotropolis. That's contingent on whether or not we can come to a stormwater solution which balances the need for stormwater management with economic feasibility for investors.

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The Hon. MARK LATHAM: Can I jump in and ask I know that, of the other five centres you have listed, Mamre Road is not one of them in your submission. What is at Mamre Road? It's a long road, isn't it, going up to St Clair?

ROSS GROVE: If you are familiar with the water pipeline that runs across Mamre Road, from Mamre Road down to I think it is called Aldington Road was re-zoned in 2020 for industrial development to support the industrial land shortage that we have.

The Hon. MARK LATHAM: South of the water pipe?

ROSS GROVE: Yes, almost all the way down to the M12.

The CHAIR: Can I ask about the new housing and productivity contributions that replace the special infrastructure contributions scheme. Given that the SIC scheme is not being replaced until 2026, what is the impact on the market of that? Are people trying to get in before it or delaying until after it? What is the dynamic there?

ROSS GROVE: That is a question I will answer now but I will also take on notice because there is a lot to that question. The HPC is a broad-based charge. In general terms, across Sydney it will be lower than your average special infrastructure contribution. On the surface, it looks like something we would welcome. There are unanswered questions, though, around the capacity of developers to deliver works in kind, enabling roads and State infrastructure to unlock development. Without the clarity around the capacity to deliver works in kind and offset those works in kind against your State contribution, there is a problem.

If you are a developer and you are approaching a bank and you say, "Banker, I want \$10 million and I want to borrow that \$10 million from you to pay a State contribution—an HPC. We don't know where the HPC is going to be allocated, but I need to borrow \$10 million to pay this bill", that is seen by the finance industry in different terms to, "I need \$10 million to pay this special infrastructure contribution, which will help us deliver the road to unlock the rest of the development." There is a problem in the transition of special infrastructure contribution to housing and productivity contribution, which will have an impact in the aerotropolis and it will have an impact on housing, particularly greenfield housing in Western Sydney. I am very keen to take that on notice as well because it is something that government needs to be across. There are potentially some unintended consequences attached to the changing contributions.

The CHAIR: Do you think it is having—or is this the bit you need to take on notice?—some sort of slowing impact or inertia for developers who would otherwise be developing around the aerotropolis? Do you think it has led to any kind of slow down?

ROSS GROVE: The unanswered question around the capacity for what you can use that HPC for is the big question. If developers can put forward proposals to deploy that State contribution to immediate infrastructure needs for their precinct, that is a completely different proposition to just a flat tax.

The CHAIR: That was really informative and useful. To the extent that there were questions taken on notice or supplementary questions, the Committee secretariat will be in touch. That concludes our panel for now.

(The witnesses withdrew.)

(Luncheon adjournment)

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Mr DANIEL PERIC, Research and Policy Officer, Transport Workers' Union of NSW, affirmed and examined

Mr CON TSIAKOULAS, Compliance Officer, Plumbing and Pipe Trades Employees Union, sworn and examined

The CHAIR: Welcome back, and welcome to our next witnesses. Would you like to make a short opening statement?

DANIEL PERIC: Yes, please. Good afternoon. My name is Daniel Peric. I am the research and policy official at the Transport Workers' Union of NSW. I would like to begin by thanking the Committee for the opportunity to speak here today. The TWU believes that the Western Sydney Science Park and aerotropolis will be world-class precincts with the potential to transform the Western Sydney economy. Naturally, these areas will require daily engagement from numerous transport sectors: buses, general freight, parcel delivery, waste management and cement trucks. They will all play a pivotal role in the various functions of these areas.

Given the forecasted jobs boom attributable to both the science park and the aerotropolis, transport planning must be conducted in a proactive manner. The TWU believes that some of the current standing industry issues that affect the modes of transport relevant to these developments must be addressed by the New South Wales Government, such as bus contracting and the conditions drivers face on the job, along with the official protections of waste workers. The TWU would again raise the inequity suffered by the New South Wales bus industry. With a disproportionate level of funding granted to it, there is no question as to why the quality of services has decreased, and why we are currently suffering a bus driver shortage.

Even in isolation, the science park and aerotropolis will need reliable bus services, with a high standard of quality. But considering the direct connection with the upcoming Western Sydney international airport, the importance of a strong bus task cannot be understated. As these areas are still being developed, the TWU would highlight the importance of awarding contracts to good operators in construction. Part of guaranteeing sustainability and longevity of developments is to ensure that contracts are awarded to firms who operate in best practice, who have not watered down their own labour standards and material quality to save a dollar. I welcome any and all questions the Committee may have in relation to the TWU submission and will aim to answer them to the best of my ability. Thank you.

CON TSIAKOULAS: I'd like to thank the Committee for the chance to speak today. The Plumbing and Pipe Trades Employees Union endorses this major project and wants to make sure that there is genuine pathways for all people that live in the area—not just in the building phase, but also moving on forward. We want to see people from the beginning to the end engaged. That would include through construction, through progressive new technologies, through education, through all these factors. We believe that this opportunity is there from the beginning, now, to get all the infrastructure in place, to enable us to then forecast and have a better, skilled workforce working in the area, not having to travel, to enable us to move forward in the right way. Thank you.

The CHAIR: I'll start with some questions. One of the issues that keeps coming up in this inquiry is in relation to freight and the increase in freight movements expected, and what appears to be not particularly good planning around that. What would you like to see happen from now on, in terms of how we deal with that freight?

DANIEL PERIC: The first thing I would raise is just general consultation between the New South Wales Government or any relevant entity with the TWU, when planning ahead for freight movements, particularly towards the aerotropolis. We have certain corridors in Sydney that are just lacking in infrastructure or the amenities suitable for truck drivers. I'll point to Port Botany, which has a layover area—I should say a truck marshalling area for heavy vehicles, but no dangerous goods trucks can park there. Therefore dangerous goods drivers fail or struggle to actually comply with their requirements, by heavy vehicle national laws, to manage their fatigue. So I would point in the direction of driver fatigue and also advocate for further heavy vehicle rest areas.

Sydney suffers from a heavy vehicle rest area shortage and a degradation of heavy vehicle rest area facilities. So we think if there is going to be freight movements towards the aerotropolis, the science park and even the Western Sydney airport, we think driver fatigue is a major factor that needs to be accounted for. So general consultation is the first thing I would point to, definitely.

The CHAIR: I'm just looking at your submission. There is quite a focus on ensuring that we have certainly better remuneration conditions than we have had previously, but ensuring that is the case. I guess in addition to heavy vehicle rest areas, are there any other things that we should be I guess planning for now that would help in terms of conditions for drivers?

DANIEL PERIC: I suppose the roads would be a good start. I think there are some questions, generally speaking, about the M7 to M12 connection to the Western Sydney airport. How that is going to impact the

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aerotropolis needs to be considered as well. Drivers do complain to us about certain road conditions, particularly in Western Sydney. I could continue pointing to the rest stop issue, because that is something that we hear a lot and it is something that we conducted a study about in 2020. Generally speaking, consultation for TWU truck drivers, ongoing consultation with the New South Wales Government to determine what may be best ahead of time and in the long term, for sure.

The Hon. MARK BUTTIGIEG: In terms of your evidence, obviously connectivity infrastructure has been a big issue. Can you tell me what has been lacking to date in terms of foresight in putting all of this in place? You have all of these grandiose promises from the previous Government about massive job creation and all the Mickey Mouse stuff that is going to happen out there, but the rubber hasn't actually hit the road in terms of filling in the detail, I guess, with proper planning and, as we heard this morning on evidence, the infrastructure to support the investment which is going to grow the jobs.

Can you outline to me to what extent both the unions had been involved with being consulted on this in the previous Government and to what extent that has changed under this Government? It seems to me as though there has been a lack of consultation and discussion about how they are going to actually make this thing work in terms of materialising the promises versus what has happened in practice. I just want to get a feel for the degree to which we are or are not on track to redirecting that focus, I suppose, or getting a focus.

DANIEL PERIC: On the topic of consultation, I understand that under the previous Government the, I guess, willingness to consult with the TWU was a little bit limited. I can't speak for consultation with other unions, but I know with us it was a little bit limited. Under this Government, I know senior officials at our union such as the secretary—I think our chief legal officer as well—were invited out to the Western Sydney airport at some point to inspect it. I am not sure of the actual underlying conversations that happened there but I do know they have sighted the Western Sydney airport. When it comes to the aerotropolis, outside of these parliamentary inquiries, I don't think there has really been anything, to be honest. That is why we keep pushing for it. In every single submission we raise, there is constantly a push for consultation.

I think one of the biggest issues currently is the problems that we face in our bus task. Currently we are facing a bus driver shortage. We need to consider what options we can take in the lead-up to the aerotropolis and the science park being delivered, particularly the Western Sydney airport. We need to look at the underlying issues that are contributing to the bus driver shortage. What infrastructure do we need to facilitate that? When you take a look at bus driver amenities and facilities, that's infrastructure that is directly contributing to the driver shortage we're facing at the moment. I hate to say it but there are hardly any incentives to be a bus driver today. New South Wales bus drivers are among the worst paid in the entire country. They suffer degradation of facilities and standards. They have to work harder and faster in the face of a driver shortage to compensate for the driver shortage. It's no fault of their own.

We need to consider what kinds of facilities and amenities we can offer bus drivers. We need to consider what kinds of facilities and amenities we can offer to passengers, because, to my understanding, Western Sydney suffers from quite poor bus stops. There's a lack of shade, there's a lack of seating at many of them, and Western Sydney is a hot region. It gets a lot hotter than the eastern suburbs. So every single little factor like that needs to be considered. I think those are infrastructure questions that tend to be overlooked. I'd point to bus drivers and our New South Wales bus task being a primary consideration for infrastructure. I would again push for the New South Wales Government to consider consulting with TWU on the long-term basis.

CON TSIAKOULAS: Consultation—prior to this project, especially on this one, especially knowing that in the infrastructure space, which is going to be very important, the consultation phase hasn't been there. Again, it's only been through the Government when we get asked. Also consultation is increasing with the current Government, but these projects, it's how the consultation happens. Is it from the DA phase? The consultation has to be well before on all of these projects out there, not "We're going to do it now that we're starting and let's see how we're going to fix it when half the decisions have been made". We've already made a decision we're going to build the Sydney Science Park, but the consultation should have happened well before it was going ahead. Now we are at the stage where everything they were going to consult about, they're going to put a price next to it.

Green technologies, and all of these things that will enable this to really go into the future, will play a very important part, but there was no consultation. No-one knows. We're starting to see big words being thrown around now like "hydrogen" and "green hydrogen" and all of these things. But this should have been done well before. Some of the problems that we've got is on Federal land; they've taken infrastructure away. To transition to these green technologies and stuff like that, with some of that infrastructure not even installed in certain places, makes it really hard. That could have been fixed with simple consultation to know a direction that we're all going, so everyone's on the same page and working towards something. Now we've got a situation where we've just built a brand-new airport and there's no provision for any new green technologies in the infrastructure space—for

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example, with hydrogen—because they didn't put the infrastructure in for it. That's where the consultation has to happen early on.

The Hon. MARK BUTTIGIEG: Have either of your unions been made aware of this new—it's only relatively recent; it was approved on 4 December—Bradfield city centre master plan, and the appointment of the Infrastructure coordinator general, to serve as a one-stop shop on how all this will be pulled together? Have either of you been made aware of that?

DANIEL PERIC: To my understanding, we haven't been engaged on that matter. No, it's my first time officially hearing about it.

CON TSIAKOULAS: I don't think we have. I can take it on notice and confirm it, but I would have seen it. We would have jumped on it anyway.

DANIEL PERIC: If you'd like for me to—

The Hon. MARK BUTTIGIEG: Essentially what you're saying is we're playing catch-up now because of the lack of forward planning?

CON TSIAKOULAS: Yes, 100 per cent. These are the projects that—you look at examples worldwide. These are the things where the consultation is with everyone first to see which way we're going to go, not half make decisions, have ideas and then let's see how we're going to go and then make some decisions on the run.

The CHAIR: You mentioned before, Mr Tsiakoulas, the hydrogen and the plans for green hydrogen. In your submission you say the science park is planned to incorporate this Western Sydney hydrogen hub, which is going to leverage the Sydney wastewater treatment as part of that science park. That's the first I've heard of that, and I probably just wasn't paying good attention, but where are the details for that? Who is going to own that hydrogen hub? Do you know?

CON TSIAKOULAS: I think it will fall under the Sydney Water space.

The CHAIR: Interesting.

CON TSIAKOULAS: Because they're going to be working with—again, and I'll take it on notice to confirm, but I'm pretty sure they're going to work all the waste and energy-to-waste and all of those principals will be based out there for that and use the facet of being the science park to enable that to move forward in those technologies.

The CHAIR: It seems that there are a lot of ideas that have been thrown around about the science park, but I'm yet to see anything substantial. I was curious as to whether you were aware of there being some sort of an MOU or a party in control of—

The Hon. MARK LATHAM: There was an MOU with the CSIRO. Maybe it's part of that.

The CHAIR: Is that the one?

CON TSIAKOULAS: Yes.

The Hon. MARK LATHAM: But there's also an MOU with Transport for NSW for what former Minister Constance described as the "Jetsons city" to research flying cars. A lot of imaginative-type MOUs were arrived at.

The Hon. MARK BUTTIGIEG: This hydrogen hub, can you just outline what it is conceptually? Is it going to be a training centre for hydrogen buses or refuelling? What exactly is it? What is the proposition?

CON TSIAKOULAS: Don't quote me on it, but it'll form part of that hydrogen superhighway as well. They will be moving the trucks to hydrogen and then enable them to work all the way up and down the east coast.

The Hon. MARK BUTTIGIEG: So the idea is that all of the private trucking fleet will eventually go to hydrogen?

CON TSIAKOULAS: Yes, and then have that as a hub there—the fuelling station, the stop and all of that—and move forward with the technology there.

The Hon. MARK BUTTIGIEG: Presumably, the T-dubs have got a fairly well formed view on this.

CON TSIAKOULAS: Yes, 100 per cent.

DANIEL PERIC: Regarding hydrogen trucks, yes. I understand there's some ideas, especially in the long term, to roll out truck fleets that are running on hydrogen. I met with Theo last year to do with that subject and got a tour of their training facility. We're not against the use of hydrogen at all. We think that as long as the training

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is there, and the underlying infrastructure that can underpin the transport task for hydrogen-based vehicles, we're completely across that and very much support it.

The Hon. MARK BUTTIGIEG: Where is it up to in terms of the hydrogen hub? Have you seen anything that makes you think that it's actually going to happen?

CON TSIAKOULAS: Respectfully, at the moment we're focusing on the upskilling of everyone to enable them to work on the hydrogen. That's the phase we're at at the moment.

The Hon. MARK BUTTIGIEG: The training piece is there because you've got your hydrogen centre out at Glenwood.

CON TSIAKOULAS: Yes. The idea is to make sure that when it does come in—because things don't happen overnight, as we know—to have a ready, skilled workforce to work to maintain fleets and work on fleets. That's what we're working towards first and foremost from our perspective.

The Hon. MARK BUTTIGIEG: But this hub would be—I don't know why they have to use words like "hub"—basically a refuelling station, would it?

CON TSIAKOULAS: Yes.

The Hon. MARK BUTTIGIEG: Is that actually in the plans? Is it projected to happen?

CON TSIAKOULAS: That was the idea, yes.

The CHAIR: I've just looked it up. It's owned by Jemena. It's not green hydrogen; it gets mixed back in with natural gas into the existing gas network, according to this.

CON TSIAKOULAS: That would be a blend to start off with. That would be also for residential consumption as well.

The Hon. MARK BUTTIGIEG: So the hub could theoretically feed residents, as well as refuelling?

CON TSIAKOULAS: It depends. In Jemena's case, in that initial transition, in the residential space, if it's a blended gas, it enables it to also be distributed into the normal system—so for other use in the buildings at the hub as well.

The Hon. MARK BUTTIGIEG: Because it's blended?

CON TSIAKOULAS: Yes.

The Hon. MARK BUTTIGIEG: And the reticulation infrastructure doesn't need to change?

CON TSIAKOULAS: No, because it's the blend. The burners and the appliances won't have to change. Moving forward, when it goes to full hydrogen, that would obviously be the hydrogen hub, which will assist in that transition as well.

The Hon. MARK LATHAM: As committed trade unionists, is your first priority to ensure that the employment promise of the various opportunities around the second Sydney airport is realised? I think one of the basic problems we've got—and a threshold question for this Committee and for your unions—is where are the jobs? It may be that the single-runway overflow airport has been victim to public and private boosterism that is not being realised: 25 MOUs at the aerotropolis, umpteen staff working out there and all we've got are a couple of cranes to build a visitor centre and street names that say "Bradfield", but nothing else has changed. And at the Sydney Science Park, 11 years of a promise of more than 12,000 jobs when not one has materialised through private sector investment. Do you think from first principles there has been a breakdown here in realistic planning for what can be achieved and job generation?

CON TSIAKOULAS: It's timing, yeah.

The Hon. MARK LATHAM: Timing?

CON TSIAKOULAS: We've got to get the consultation phase right. We're saying it's 12 years, but 12 years ago there wasn't a runway expecting planes to land. Now that we've got dates—the Federal Government, or the Western Sydney airport corporation, is saying that we're talking 2026—all these things come into play now. We're going to go through the consultation phase now. Maybe the consultation phase should have been prior to the airport, when they broke dirt a few years ago. That would have got us into a better position. The pathways and the employment opportunities now could have flowed on from that first phase of construction of the airport and could have flowed into the next science park and any other associated things out of the aerotropolis and the whole precinct.

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The Hon. MARK LATHAM: I hope employment is generated at all of these sites, but we heard from the Property Council so many sites for a limited number of jobs—centres, they call them: Bradfield, Sydney Science Park, the Charter Hall Business Park to the north of the airport. They're advocating for Rossmore, Leppington, and then there's Mamre Road, where industrial land has been rezoned and created. So what's that? Six centres of employment land where, realistically, you've probably only got enough private sector investment at this stage to sustain the business park to the north of the airport site. We don't want people to be misled and deluded, do we, as to what is realistically possible just because you're building an airport?

CON TSIAKOULAS: We're talking about a piece of infrastructure that we've never seen before in our lives being installed. We're consulting now about a science park at the moment. But we shouldn't be limiting just to, like you mentioned, industrial parks. To create jobs, we've got to look well beyond just a bit of industrial sheds. We've got to look well beyond just the airport. We've got to look beyond the Sydney Science Park as well. To create all these people, obviously you need to house the people out there to create new communities in Bradfield, but that consultation, again, should have happened the moment we broke dirt a few years ago and we would be well ahead of the game now.

The Hon. MARK LATHAM: Could I ask, Mr Peric, are the buses we're talking about to and from the airport site private sector buses or government?

DANIEL PERIC: They should be private. I believe any combination of regions 1, 2, 3 and 4—maybe not 4, that's the Hills district, but any combination of 1, 2, 3 and 4—will service the science park, aerotropolis and, I suppose, the Western Sydney airport.

The Hon. MARK BUTTIGIEG: Do you know when those contracts are up?

DANIEL PERIC: None of those contracts are going to expire prior to 2030, so there's still about six more years. I think 2030 and 2031—any combination of those numbers.

The Hon. RACHEL MERTON: Thank you both for being here and for your participation, which is highly valuable to us. If I could just pick up the issue of consultation, you speak about consulting on a long-term basis. I am wondering what has been the TWU's experience in the last 18 months in terms of consultation relating to this project.

DANIEL PERIC: There was a parliamentary inquiry earlier this year into critical transport infrastructure supporting the Western Sydney airport and the aerotropolis. I can confirm we directly contributed to that, attended the hearing and here we are again today. Aside from that, anything else—unless it hasn't been run by me. I'm happy to take this on notice to confirm if anyone else in the union has received any consultation or been involved in any other matters but, to my understanding, beyond that inquiry and this one today, there hasn't really been anything.

The Hon. RACHEL MERTON: So that has been two voluntary witness participations at two inquiries?

DANIEL PERIC: Yes, to my understanding, but I'm happy to go back and confirm if there's been anything else.

The Hon. RACHEL MERTON: If you could, that would be helpful to us.

DANIEL PERIC: Yes. Can I also just quickly say there is a New South Wales Government "Have your say" consultation at the moment about new bus services in Western Sydney. The reason I bring that up is because they all link back to Bradfield city. I suppose we could count that as well, but that is currently standing at the moment and we are preparing a submission towards that. I suppose we can count that too.

The Hon. RACHEL MERTON: Which is another inquiry. I take you to page 11 of the submission and the fourth dot point relating to industrial agreements. I note it states, "Industrial agreements and related processes of transport companies"—I won't reread it to you, but then it says "should be subject to TWU examination and approval, alongside the New South Wales Government." It states that the rationale is:

In an industry that is unfortunately saturated with downward pressure and poor conditions, this is the most effective way of ensuring best practice from the onset.

Would you be able to elaborate on that TWU examination and approval relating to industrial agreements?

DANIEL PERIC: We believe that many of these spaces in transport, particularly buses, are in a situation where workers are suffering a complete degradation of conditions and we see labour suffering as a result. We see this in construction. Obviously, the TWU doesn't have a complete coverage of construction, but we do have coverage over concrete trucks and tipper drivers. Effectively, we just want to work with the New South Wales Government to ensure that all operators they are engaging have good labour standards and conduct good practices. We want to make sure there is a good working history for those operators as well. When a lot of the most recent

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bus contract tendering went out, a lot of the capabilities of bus drivers to actually fulfil the needs of their contracts were based on a projection rather than previous performance.¹ We don't think that is necessarily the best way to do things, and we'd just like to work with the New South Wales Government in ensuring that our labour standards are good and that company practices have been proven in the past.

The Hon. RACHEL MERTON: Do you think there would be issues concerning independence on something like that when it says "should be subject to TWU examination and approval"?

DANIEL PERIC: Perhaps, but I don't think we have to look at it in such a strict manner. At the end of the day it is just about working with the New South Wales Government.

The Hon. RACHEL MERTON: I take you both to the following dot point, which talks about government procurement policy. It states:

Government procurement policy should similarly prioritise best practice, and by extension, afford equitable consideration of workers. Policy should recognise unions and union inductions.

This is relevant to government procurement. Could you elaborate on that?

DANIEL PERIC: We believe that, when government procures its labour—it may not necessarily be relevant to every single industry that is present in the aforementioned point but, in spaces certainly like waste management and construction, we believe that there should be official recognition of union inductions because what we find in those spaces is there is a very common lack of knowledge to deal with very basic industrial rights on the part of workers. Again, you see a complete degradation of industry standards in labour, in labour conditions, in pay, everything. We do believe there should be official recognition of union inductions and, again, it just loops back to working with the New South Wales Government and ensuring all our tasks are prepared to service these world-class facilities.

The Hon. RACHEL MERTON: I'm just checking, how would that fit with the current government procurement guideline in terms of value for money for the taxpayer, when we are saying that there should be preferential treatment for unions?

DANIEL PERIC: It's very simple: The taxpayer wants the best services they can get. How do we equip our labour task with knowledge and skills?

The Hon. RACHEL MERTON: But in terms of the value for money and in terms of an open tender process and integrity and what you are advocating for, my question is how would that support that?

DANIEL PERIC: It's like I just said. We believe that equipping our bus drivers, our waste management workers—all of these workers will be equipped with the basic knowledge that a lot of them lack at this point, with a lack of knowledge of their basic industrial rights. We believe that, if these workers and their conditions are improved from the ground up through union inductions, they will be able to provide better services to our communities. We think it is especially important for areas such as buses and waste management.

The Hon. MARK BUTTIGIEG: Does that mean that the Government has got to not just look at bottom line costs but also the overall benefit that the taxpayer gets from a highest common denominator system where everyone is competing on a level playing field because the government sets higher standards and unions have a critical role to play into that? That is essentially what you are saying, rather than, "Who is the cheapest? Let's just do it"? It might seem good value to the taxpayer at the time but, in the long run, as we have seen with many government projects which are outsourced to the lowest common denominator, you actually end up paying more because you have got to fix stuff up and you don't get the service. Is that what the TWU's position is?

DANIEL PERIC: Absolutely. I think you are right on the money. I can point to waste management and construction as perfect examples. Obviously, waste management is local government. When you look at government construction projects, you will find that many operators undercut each other in the tendering process. They water down their labour standards and there is barely any transparency on where they procure their materials and then you see the longevity of construction suffer. With waste management, there is no pay parity in the industry. Up until when the most recent waste worker protections were adopted into the local government regulation at the end of last year, I believe, it was very common for operators to come in, undercut each other, not offer the same labour standards or pay to workers in the yard who have been there their whole lives almost and

¹ In [correspondence](#) to the committee dated 26 September 2024, Mr Daniel Peric, Research and Policy Official, Transport Workers' Union of NSW, clarified their evidence

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then you see the quality drop. We believe that by facilitating union inductions and a union presence in these yards, the quality of services will be increased. We argue that does benefit the taxpayer.

The Hon. MARK BUTTIGIEG: Mr Tsiakoulas, are there any analogies in the plumbing area?

CON TSIAKOULAS: To quote the union inductions or union training or whatever you do, especially when you go to the skilled trades as well, you are talking value for money. We see value for money for a project from when it's built to the present day. That is due to the fact that there is service, there is maintenance and there are things that go on in buildings. In our union in particular, we upskill our members for free. We provide free upskilling through our training centre to enable them to compete. When you say "value for money", to quote you, and that the consumer gets value for money, everything has to work hand in hand with regulation through the Building Commission.

We can perceive that skilled workforce results from investment from a business. A business invests in their workforce. They enable them to have a competitive advantage, bringing new technologies, bringing better practices, keeping up with all the relevant legislation and all of these things. And then, all of a sudden, all those costs eventually do go to the end consumer. The end consumer is actually getting a better product. To all of a sudden turnaround and say, "These people now have invested, and they have been around for 10 to 15 years, in smart skilled workforce and union workforce", and all those things, they will all of a sudden get priced out because, "We can do that cheaper because we can source our materials from interstate", and then all of a sudden overseas.

Obviously, this company that has been around that has this smart skilled workforce with trained apprentices all of a sudden misses out on projects to a new company that has no track record on government projects and has no track record in delivery but all of a sudden throws a price in and they say, "Oh, fantastic. We are a couple of hundred thousand"—for a particular infrastructure project we have going on at the moment, they are a couple of million dollars cheaper. I'll use this example. There is a current project where fire protection in tunnels is a major part of the installation. We've had three major companies in Sydney that have invested and refined and done all these things over the past eight, nine years. All of a sudden, a new company with no track record for delivery undercuts them and wins the project. So these three other companies are just gone.

The Hon. RACHEL MERTON: Thank you for the context on that. In terms of the industrial agreement and the recommendation here in the submission that it "should be subject to TWU examination and approval", if I go to the government procurement policy, the TWU are advocating here that the policy "should recognise unions and union inductions". Then if I could go to your next dot point, about job security protections throughout the waste contract tendering process, I appreciate that you are acting in members interests here and what has been presented to you. I've read about some of these experiences. But then the third point here is about enshrining the protections not in regulation but wanting it in legislation.

DANIEL PERIC: Yes. That's exactly right.

The Hon. RACHEL MERTON: I'm just wondering, where are your discussions at in terms of advocating here for union approval, preferential treatment for unions and then some of the job security protections? Where are your discussions at currently with the Government? Or is this open for further discussion and debate?

DANIEL PERIC: I'll try to address that point by point, I suppose. If I can look at the third point you mentioned, about the waste worker protections and the regulations, late last year—I forget the actual month; I believe it was around November of December—there were protections for waste workers introduced under section 173 of the local government regulation. Before that was introduced, what would effectively happen was you'd have waste operators bidding for a local government contract. They would consistently undercut each other. Whoever won the bid could take a yard but were under no obligation to keep the workers in that yard. They could shuffle them out and bring in new labour. But if they so chose to keep the labour in there that already occupied that yard, they were under no obligation to keep them on the same conditions or rates of pay. The fact that that has changed now is fantastic. We're very happy about that and we applaud the New South Wales Government for bringing that forward.

But we do recommend that it gets enshrined in the Local Government Act rather than a regulation because as it stands now, those hard-earned protections can effectively be torn down at any given day. We believe that with these new world-class developments coming—the aerotropolis and the science park, and the Western Sydney airport by extension—our workers should have suitable protections to make sure they can work this task long term. If you want me to address the previous two points, I'd have to probably take that on notice with where our discussions are in terms of those two. I don't think there has been anything. But we have consistently advocated for point three with the New South Wales Government, and where we're at on that, I don't know. But I can take it on notice and see if anyone in our union perhaps knows more than I do at this stage.

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The Hon. RACHEL MERTON: So in terms of the two points that we've just touched on there in terms of government procurement policy, that recognition for unions and union inductions, in terms of the preference being given to unions over non-unions—

The Hon. MARK BUTTIGIEG: Can I just clarify, Chair, because it's a follow-up related point, the member characterises it as preferential for unions, but your position is that it is actually good for everyone, including taxpayers, right?

DANIEL PERIC: Just before you followed up with that, I was about to say I'm not sure if I necessarily agree with the term "preferable for unions". I believe the end goal is, yes, it is benefiting our workers but it would also be benefiting the taxpayer. I don't think saying "preferential for unions" is necessarily the correct way to frame it.

The CHAIR: Can I just butt in with something different for a minute, and we can come back if there is time? I wanted to ask about what I think is quite unusual for an airport, that we don't have a fuel line going into the airport. My understanding is that we haven't got a fuel line because it's too expensive. Does this make sense to you? Do you think it's unusual to have this situation where we are going to be tanking all of our fuel into the airport?

CON TSIAKOULAS: Again, consultation from the start. From working in that space and working on lines and different types of pipes all my life, I believe it should have been done. But, again, at that time of consultation it didn't happen, so the argument wasn't done then. They didn't see the cost benefit of putting in the fuel line. Don't quote me on this but they were saying 10 million passengers in the first year and that was going to increase to 15 and all that. That means more planes, and obviously more planes landing means more fuel. If we didn't build it now, when are we going to build it? After we have developed all of the areas? We're going to be ripping up roads and new subdivisions. We built freeways 15, 20 years ago and we start adding lanes on them now. It's that same problem that we have that it's just not cost-effective for a government at the moment to put a pipe in. We believe it could have been done.

The CHAIR: Is it too late?

CON TSIAKOULAS: It's never too late to do anything really. Will it get done in time? If everyone didn't sit on their hands, yes. You could get a big crew on it and make it a focus and, yes, you could do it. Again, there are a lot of things at play in that space because obviously there was a direction for that to be done like that. Who knows? They might use planes that may not have to fuel as much. They might be domestic planes they'll fuel in other States—all of those things. We have to really analyse all of that data as well. It might be easier for them, if they're doing a domestic flight from Sydney to Melbourne, if they just fill up in Melbourne and they don't fill up at Western Sydney. I have to see all of that information. There are big planes that are going to be landing—international planes. I saw Singapore Airlines in the news the other week that my daughter sent me that they will be landing there, so they're going to need to refuel. It is never too late. The airport is going to grow.

The CHAIR: We saw on the plans for the airport that there was a significant amount of space set aside for—I forget what they call it—the fuel pool or something.

CON TSIAKOULAS: It's a fuel farm. Regardless, you will still need the farm, but it is how you get the fuel to the farm because then from the farm there are obviously internal pipe works. If you think of the whole precinct as a big mass and there are things on the inside. They are calling them islands, so the airport is an island on that precinct. The fuel farm is an island on that precinct. That is how they term, in the construction phase, the whole aerotropolis area, and then each job—like the hangar, they call it the island for the hangar. But the fuel that is required, the fuel lines to go to the terminals from the fuel farm are done. They are not trucking to the terminal.

The CHAIR: No. They are trucking it to the fuel farm.

The Hon. PETER PRIMROSE: On that point, when we asked where the pipeline might go to take fuel into the fuel farm, we were told that location was commercial in confidence, which sort of implies that they have some idea but they just won't tell anyone. Have you heard any stories at all about that out there?

CON TSIAKOULAS: No, especially if you start using those words "confidential" and "private". I work for the Plumbing and Pipe Trades Employees Union. We would be one of the last to find out.

The Hon. PETER PRIMROSE: So much for consultation.

CON TSIAKOULAS: There would be parcels. Like for the water, there are trunk mains and stuff that are obviously sensitive for national security and all of those things. They have to be protected, all of those things. Being a fuel line as well, it's a major piece of infrastructure. There are a lot of other agencies that would be

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overseeing it and having input into that too, before it even gets to the consultation phase for us. Because government, security and all those factors start coming into play as well now.

The Hon. PETER PRIMROSE: It just seems quite strange to me, that's all. But we'll see what happens.

The CHAIR: I'm curious about the TWU's coverage. I understand that you cover the truckies bringing in the freight and also some baggage handlers, but do you cover the freight handlers? Are the people dealing with the freight at the freight yards within the TWU scope?

DANIEL PERIC: If you mean warehouse workers, then, yes, we would. Would you be able to clarify?

CON TSIAKOULAS: Yes, a bit clearer. You'd need to clarify a bit.

DANIEL PERIC: It's pretty complicated because sometimes it's—

CON TSIAKOULAS: On the docks, for example, it's the MUA. But once it leaves there and goes to second sites, it could go to sites where the warehouse guys are doing the unloading.

DANIEL PERIC: We cover a lot of warehouse workers for actual transport yards and companies, and things like that.

The CHAIR: I mean at the airport.

DANIEL PERIC: We do baggage handlers, ramp refuelers and workers like that. I'm not 100 per cent sure if we're on the same page. If you'd like me to go back and confirm that, I can.

The CHAIR: Yes. I'm just curious because we went on a site visit and we were told that around half of the airport at the moment is dedicated to freight. I'm wondering, at that airport location where all the freight is going to—coalesce is not the right word, but where it's all going to gather before it goes out again. Those workers that are dealing with the freight at the airport, is that TWU?

DANIEL PERIC: Yes, that sounds like us. Just to be 100 per cent sure, I can go back and confirm that for you. It does sound like it's us, though. But of course that work doesn't exist there yet, so I think it's just safer for me to take that on notice and confirm it for you.

The CHAIR: Yes, that would be good.

CON TSIAKOULAS: So that would be the drivers that are moving the stuff and freight like that, and the warehouse people.

DANIEL PERIC: If that's what you're referring to, then, yes, that would be TWU.

The CHAIR: Has there been any consultation with you on the level of automation at the freight yard at the airport or have any of those sorts of plans been discussed?

DANIEL PERIC: For automation, I'll take that on notice. Because, like I said, I understand that a couple of our senior officials have been invited out to the Western Sydney airport some time ago—I believe last year—but what actually happened there or what they were across, I'll have to come back and confirm for you. I'm more than happy to do that.

The Hon. MARK BUTTIGIEG: One of the big KPIs, if you like, is the jobs growth. What was the figure that the previous Government was bandying about, Mark? Was it 10,000 jobs and all that sort of business?

The Hon. MARK LATHAM: At the science park?

The Hon. MARK BUTTIGIEG: Just generally out there, I think.

The Hon. MARK LATHAM: Over 70,000 jobs was one of the forecasts for aerotropolis at one stage.

DANIEL PERIC: I have a thing here. I've taken this from official government sources—12,000 jobs will be created through the science park alone, and they forecast more than 100,000 new jobs across the core of the aerotropolis alongside its satellites, the Badgerys Creek and the Northern Gateway.

The Hon. MARK BUTTIGIEG: Were there any workings on how these numbers were arrived at?

DANIEL PERIC: To my understanding, no. I think that's been left a little bit vague or out of the limelight. I'm not 100 per cent sure. I can't speak for industries, but I know in terms of transport there certainly hasn't been.

The Hon. MARK BUTTIGIEG: Mr Tsiakoulas, do you have any views on these jobs? Obviously there are a lot of opportunities out there. I'm interested in what do we have to do to realise the maximum take-up in jobs?

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CON TSIAKOULAS: It's all about let's learn from lessons elsewhere. You're going to build all this infrastructure, billions of dollars in science parks, but it's the pathways. I'll give you my example. I grew up out in Western Sydney and, unfortunately, I never worked on a project in Western Sydney all my working life. For 18 years, I never worked on a project in Western Sydney. When we talk about all of these jobs, we've got to make sure the jobs are there, that they're realistic jobs and that they're jobs that people can work in Western Sydney or relocate out to Western Sydney. We can throw around numbers of 10,000s and 12,000s, but what are the jobs? Are they going to be in construction and then they disappear? That big number disappears when you have that big influx of labour at the start to build everything and then, all of a sudden, we've built a building and we have 2,000 or 3,000 guys—

The Hon. MARK BUTTIGIEG: Just on that—and it might be a bit unfair because I haven't read it myself—was the 100,000 based on permanent jobs, transient jobs as a result of the construction or a bit of both? That's a really good point.

CON TSIAKOULAS: It looks like a bit of both. Those numbers always get boosted nice at the start because of the construction phase. Also, look at the fact that there's service and the upkeep. You've got to complement the science park and all of these other precincts and educational areas that are going to go out there. All of those have to complement each other. Not all of those 10,000 jobs can be just at the science park. There's got to be other complementary things to not only have 10,000 but have 15 other jobs in that area to sustain those 10,000 people. We can look at and think it's just a science park. That should be the first thing that goes on out there.

Are we talking about a university relocating out there? Are we talking any other type of infrastructure going out there for any other industries to enable more work? It's not just "We're building an airport. It's just going to sit out there. We're going to bus people and fuel out there." We need more work. Everything has to work together. We're building the science park and we're going to go ahead with it. We're building an airport, yet most of the people in that area have to drive to work. We're missing a lot. We're just looking at one thing. We should be looking at everything complementing each other.

The Hon. MARK BUTTIGIEG: This commission that has been set up, I would have thought that would be a key touchpoint for the combined unions to feed all of this in. Would you want to participate in that as a group of unions in terms of feeding into it? If there's a commissioner responsible for pulling all of this together, I would have thought that he would have been wanting to talk to unions like yourselves. Is that something you'd want to be involved in?

CON TSIAKOULAS: Obviously. It's not just a union; it's a network, Mr Buttigieg. It's the network that they have within their union and the associated people around.

The Hon. MARK BUTTIGIEG: For example, big employers that are going to be employing all of these people are usually—not always, but a lot of the time—working with the unions because they want a good industry too so that they can produce a good—

CON TSIAKOULAS: They've got to compete. If you don't have the work to invest in your workforce, what are you going to invest in? New technologies that come along are all great. They all look fantastic. But if I don't have the work or I don't allow for it, I've got to find other ways. That's a problem. Let's not miss the opportunity for a bit of consultation. This is an airport. I think some people underestimate how big this is going to be for Western Sydney. Some people will like it, some people won't—all of those things. But at the end of the day, if we look at Sydney airport, my dad came in 1966 to Australia and one of his first jobs was pulling cables at the airport. I worked there in 1999.

For 30 years there was work at Sydney airport—construction work, always ongoing—and luckily that was in the city. Let's not miss all of these opportunities at Western Sydney without the right consultation, without the right foresight to say we need work, we need jobs. How are we going to sustain it? Is it going to complement lifestyles? Is it going to complement good paying jobs? Is it going to complement education, which enables more jobs? At a science park, respectfully, that's where we want a lot of our university graduates to go and apply their learnings, to enable them to do what they do. But we still need the tradies to build it, to maintain it; the catering people, the food to get there—everyone's got to work together.

The Hon. MARK BUTTIGIEG: One of the recommendations we might want to consider is that the new commissioner form a combined unions group to consult with on the jobs growth and prospects. Anyway, we can talk about that.

CON TSIAKOULAS: But, in saying that, Mr Buttigieg, some unions will fall off and then there'd be other associations that will come in as well—union associations that will come in—but if there's nothing to begin with—

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The Hon. MARK LATHAM: Could I respectfully put to you that perhaps there's an element of blind faith in what the Sydney Science Park has actually become, because when they were doing the SEPP, the planning instruments for areas or lands around the new airport site, Celestino, from the Sydney Science Park, met with the planning department aerotropolis directors on delivering the vision for the northern gateway, which was mentioned earlier on. They sought to increase the residential cap—this is supposed to be a science park, like Silicon Valley type high-tech jobs—from 3,400 dwellings to 30,000-plus, and also have a bigger shopping centre that goes with that. They then, on 27 January 2021, recast the Sydney Science Park as saying, "Detached housing is the cornerstone of this vision." They basically said three years ago that it's not so much a science park any more; it's just another housing estate in Western Sydney.

In first principles, when they touted this as all about employment land, the first and most important commitment they made was to build the Baiada Group headquarters at Luddenham on the Sydney Science Park. That group is essentially Steggles and Lilydale chicken meat, so a pretty big company coming to Western Sydney on that site. That hasn't happened. Don't we have to sort of remove the scales from our eyes and see that this was just an attempt to build another housing estate? They've got a metro and they've got a water treatment plant. We're going to get much more residential housing there than science, high-tech manufacturing or other types of employment.

CON TSIAKOULAS: Maybe through consultation we would have been able to hold them to account.

The Hon. MARK LATHAM: Do you think the reason that it's essentially still horse and cow paddocks is that the Government at the time knocked back this move to a housing estate and they will try and try again, in the future, until they get it? Surely, if they were committed to the site as employment land, the most obvious thing they would do is fulfil their promise as the Baiada Group to locate their headquarters there, with the jobs involved with their own company. If they can't locate their own company there as promised, what hope is there for anything else?

DANIEL PERIC: When looking at all this, I think we can only play the hand we've been dealt. I think we just have to look at when this whole project was, I guess, conceptualised and link it, yet again, back to consultation, poor planning and, I suppose, a bit of hush-hush in terms of certain pieces of information.

The Hon. MARK LATHAM: That's why we've got the Committee.

The CHAIR: That concludes this session. Thank you very much. It was very useful. To the extent there were questions taken on notice and there will be supplementary questions coming through, the Committee secretariat will be in touch.

(The witnesses withdrew.)

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Mr MATT THRELKELD, Executive Director, BusNSW, before the Committee via videoconference, affirmed and examined

Mr JOHN KING, President, BusNSW, before the Committee via videoconference, affirmed and examined

The CHAIR: I welcome our next witnesses, who are online. Would you like to make a short opening statement?

MATT THRELKELD: Good afternoon, Chair and members of the Committee. Thank you for the opportunity to address this inquiry. I represent BusNSW, the peak body for the bus and coach industry in New South Wales. I'm joined by the president of the association, Mr John King. Our members play a vital role in providing essential public transport services across the State, including in the Sydney metropolitan, outer metropolitan, and rural and regional areas. Collectively, these services carried more than 300 million passengers in 2023, accounting for over 40 per cent of total public transport patronage and, I might add, only accounting for approximately 15 per cent of the New South Wales Government's operating expense for public transport. The focus of my statement today is on the critical role buses must play in the development of public transport options for Western Sydney, particularly around the Western Sydney international airport and the Western Sydney science park. The surrounding areas are some of the most transport disadvantaged in Sydney, with limited access to rail services.

For many communities in Western Sydney, buses are the only public transport option available, yet existing services are infrequent. To ensure that transport needs of this region are met, BusNSW supports the following: firstly, frequent and reliable bus services supported by dedicated bus lanes and transit corridors connecting key hubs such as Liverpool, Campbelltown and Penrith to Western Sydney international airport and the science park—this will provide commuters and travellers with convenient public transport options, reducing reliance on cars and easing congestion around the airport and surrounding areas; two, rapid bus services interconnected with frequent and local services to enhance accessibility and mobility, ensuring efficient connections between residential, commercial and industrial areas; and, three, infrastructure that accommodates long-distance tourist and charter buses and coaches, ensuring seamless transfers between the airport and science park to hotels, attractions and regional centres.

This must be provided with layover facilities for these vehicles and essential amenities for drivers and also support for future zero-emission vehicles. Effective planning and budget allocations for these initiatives are needed to ensure that Western Sydney's public transport system is equipped to support the expected growth and development of the aerotropolis and science park. BusNSW will be pleased to collaborate with all stakeholders to develop solutions. We welcome any questions from the Committee.

The CHAIR: I will kick off questions and then I'll hand over to my colleagues. Everything you say in your submission makes good sense. If we are going to be reliant on buses, then there really needs to be quite a focus on making sure that we have all of the infrastructure in place. It's my understanding that we're in a bit of a bus driver shortage at the moment. What are we going to do to make sure that we've actually got the drivers to drive these buses?

MATT THRELKELD: Thank you for the question. There have been a number of initiatives to date. Some of these have been as a result of the New South Wales Bus Industry Taskforce—which have been aimed at making it easier for bus operators to recruit drivers. That has been about ensuring that drivers can attain a bus driver authority to provide public passenger services as easily as possible. There has also been some change to a passenger transport regulation that has allowed people coming from overseas to be able to obtain a bus driver authority without having to wait for 12 months to have held a full Australian licence to be able to get a driver authority.

There has been some improvement in terms of the shortage. We are now down to around 250 drivers in Greater Sydney, but obviously there's still some work to do, and then adding services for the new airport needs to be considered. Operators are looking at different ways of being able to recruit. You may have seen some of the media around the incentives that are being offered for new drivers to sign up. That has been quite effective but, obviously, we need to look beyond that. Some operators are now considering the possibility of labour agreements and being able to bring drivers in from overseas.

The CHAIR: That was a very comprehensive answer. There's quite a lot of work to do to attract bus drivers back into the industry and to grow the industry. I hear that there is a lot we can do off the back of the review that was done into the bus industry. What else would be ideal for government to do? If we were to make recommendations in relation to ensuring that there were sufficient bus drivers—if there are no trains after 12 o'clock, or whatever they said it was going to be for the metro, and people are stranded at the airport, there was

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even talk that the buses would not be running necessarily overnight either. That's a quick way for failure for the airport. What can the Government do to ensure that there are sufficient bus drivers?

MATT THRELKELD: One of the other considerations of the taskforce was in regard to remuneration for drivers and certainly comparing bus drivers with other jobs in other industries. We do believe that there's some opportunity there for government to assist in this space, given that these services fall under Transport for NSW contracts. That would certainly be something that we would like to see, and I'm sure that would be supported by our friends from the Transport Workers' Union.

The Hon. MARK BUTTIGIEG: I suppose it's just a general question about if you had an ask of the Government in terms of what needs to happen to allow the connectivity that we heard on evidence earlier this morning is lacking in terms of the role the bus services will play out there in creating or bolstering that connectivity. What would the ask be to allow you to do it?

MATT THRELKELD: I think it comes down to the funding to be able to introduce services. As per the opening statement, we think in terms of buses it needs to be a combination of rapid bus services but also frequent and local services. Also the bus network needs to integrate with the metro and also with the rail network so that it is a fully integrated network. It probably comes down to some of the recommendation made by the Bus Industry Taskforce in terms of the medium-term bus plan. It is being able to fund those services, and taking into account that we know in regard to the airport it will take time and that it makes sense for services to start at a certain level, then to increase in frequency as there is more demand.

The Hon. MARK BUTTIGIEG: To what degree have discussions like that been had in terms of uplift in services, increased funding for services and all that sort of thing? Has there been any discussions along those lines?

MATT THRELKELD: There have certainly been some recommendations and some budgeting done that is in the second report of the Bus Industry Taskforce. I understand that may have been considered by the Government. But at this point there is only a minimal commitment in terms of funding that is needed that will support further services to start when the airport opens in 2026. But we understand that there will need to be consideration of further funding to then be in a position to expand those services and to also introduce other services that have been proposed as part of that medium-term bus plan.

The Hon. MARK BUTTIGIEG: Has it got to the stage where there's been any modelling done on the likely demand projected?

MATT THRELKELD: Yes, there has been. We'd be happy to provide some information to you. It was something that did come up in a recent inquiry relating to public transport in Western Sydney. BusNSW did some work with the University of Sydney through David Hensher at the Institute of Transport and Logistics Studies to consider how increasing frequency might then be able to increase the demand for services and, ideally, take cars off the road and improve congestion.

The Hon. MARK BUTTIGIEG: That might be helpful if we are availed of that. That would be good, thanks.

MATT THRELKELD: Yes, sure.

The Hon. RACHEL MERTON: On page 3 of your submission, in the third paragraph, you talk about "land use policies should encourage transit-orientated development to maximise public transport utilisation". Would you be able to elaborate on that?

MATT THRELKELD: This is essentially, I guess, supporting for communities to be able to access public transport easily based on where that residential development sits, and so that may relate to rail but may also relate to bus services, particularly rapid bus services. We see that there are potentially some opportunities when you consider what's proposed for rapid bus services in Western Sydney that will service the airport and Bradfield, and that there are potentially opportunities in terms of residential development along those corridors that would facilitate for people to be able to access those high-frequency bus services.

The Hon. RACHEL MERTON: Earlier today we also heard about the use of public transport by people in Western Sydney in this precinct. What do we know about that?

MATT THRELKELD: In terms of the usage?

The Hon. RACHEL MERTON: Yes.

MATT THRELKELD: We know at the moment that it's probably considered to be low when compared to the more densely populated areas within Sydney, such as the eastern suburbs, inner west, North Shore et cetera,

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and that that's partly related to the services that are available. We often talk about situations out west where families may be required to buy a second car, and that's partly linked to the public transport that's available. That's where that sits in terms of the utilisation at the moment, and we feel that there are probably some opportunities for that to change in terms of mode share based on that investment that's being proposed through the medium-term bus plan.

The CHAIR: Thank you very much for your comprehensive submission and for answering our questions. To the extent that there were questions taken on notice or will be further questions by supplementary, the Committee secretariat will be in touch.

(The witnesses withdrew.)

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Mr MATTHEW DOHERTY, Executive Member, EcoTransit Sydney, sworn and examined

Mr ROYDON NG, Member, EcoTransit Sydney, sworn and examined

The CHAIR: Thank you and welcome to our final panel of witnesses for today's hearing. Would you like to start with a short opening statement?

MATTHEW DOHERTY: I thank the Committee for the opportunity to speak on behalf of our community group and other advocates about transport in this part of Sydney that I hold very dear. We want to highlight the importance of extending the Sydney Trains heavy rail from Leppington to Western Sydney airport and the aerotropolis at the lowest cost possible. Transport planning principles are at stake here. We need to get, at its most basic, bang for our community buck. I also flag, as an aside, that I find it quite criminal that project proponents in New South Wales are busily creating facts on the ground that we can't come back from. By that I'm referring to the tunnelling that is taking place and the bridges that are being built in the greenfields of Western Sydney.

The main point I want to bring home to the Committee is the necessity for extending the Sydney Trains heavy rail line from Leppington to the Western Sydney airport. It's critical for creating an efficient transport network. As a local resident, I remember when it was a 10-minute drive down to Ingleburn before we could access a half-hourly service on a Sydney-bound train. Utilising existing infrastructure, though, the delivery of the South West Rail Link to Leppington, together with the quadruplication of the East Hills rail line, has been a boon for local communities. I regularly take that train. It's 22 minutes to get from Glenfield, an outer suburban station, to Wolli Creek, an inner city station, using those outer tracks. We can deliver good services for this new section of Sydney by building on this existing infrastructure.

We have the bones of a great system here, but it's been dramatically underfunded. There needs to be massive investment in simple signalling improvements and the like. The extension will provide direct and high-capacity links between the aerotropolis and the wider Sydney Trains network, which includes Parramatta, Central station and the existing airport. The Sydney rail extension will enhance accessibility, reduce travel time and alleviate road congestion, which is essential as the region grows. However, to fully realise these benefits, we need additional infrastructure at the new airport, particularly parallel tunnels for the airport and Bradfield station, as the current metro tunnels are designed—not unlike elsewhere in the network as well—to be unusable for the existing Sydney trains.

The second issue beyond that extension that I really want to highlight as well is the crying need for system-wide resilience. We do get indicators of that often throughout our experience. It was less than two weeks ago that there was a breakdown at Central. I would also put that down to underinvestment. If there is a breakdown in either one of the two major components of our rail system—the heavy rail or the metro rail—if the airport stations were connected with the existing system, in the event of a metro breakdown or vice versa there would still be options for new arrivals at the Badgerys Creek airport to access the wider network. System-wide resilience is a really essential aspect of this proposal as well.

EcoTransit's larger proposals—our Dharawal link between the airport and Macarthur, effectively an extension of the south-west rail link at Leppington—also need to be supported from environmental and sustainability perspectives. Australian-built tram-trains are key. My colleague will talk about that more. I don't know that this is in the plans or the knitting for this particular Committee, but I pass regularly the Holsworthy forest as well. To see the sheer scale of the Moorebank intermodal is quite staggering. I'm also highlighting that as being a real value for connecting the airport to the existing network.

My colleague will discuss other features of our position on the airport and the Bradfield development in more detail. The transport planning principles here are clear and consistent. Extending the Sydney Trains heavy rail from Leppington is essential for developing a resilient and sustainable transport network for Western Sydney. These measures will support economic growth, improve connectivity and contribute to a greener, more liveable region. Thanks for your attention. We look forward to discussing these EcoTransit proposals further.

ROYDON NG: We want to highlight the importance of extending the Sydney Trains south-west rail link heavy rail from Leppington to the Western Sydney airport, including an aerotropolis/Bradfield station and also mention the substantial benefits of tram-trains to be introduced into this region. Firstly, just to re-emphasise that, Sydney Trains heavy rail from Leppington to a Western Sydney airport terminal station is critical for creating an efficient transport network. This extension provides a high-capacity link integrated with the aerotropolis/Bradfield to the wider Sydney Trains area, including Parramatta, Central station and Sydney airport. This Sydney Trains heavy rail extension of the south-west rail link enhances accessibility, reduces travel times and has the real ability to reduce road congestion as the Western Sydney Parklands region grows.

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I'd also like to emphasise that digital signalling upgrades for all of the Sydney Trains network ought to be fast-tracked, as this enables the same frequency as metro at a fraction of the cost of metro projects. However, to fully realise these benefits, we need additional infrastructure, particularly new parallel tunnels at the aerotropolis and Western Sydney airport, as the current metro tunnels, which are also designed for the smaller, three-carriage metro services, cannot be shared with Sydney Trains. In addition to the heavy rail extension from Leppington, we advocate for the introduction of tram-trains, starting from within the aerotropolis and Western Sydney Parklands, including the science park at Luddenham, and then later expanding across greater Western Sydney.

Tram-trains are versatile vehicles designed to operate on both traditional heavy rail tracks and lighter dedicated tram lines. This dual functionality has multiple advantages, such as versatility, being that tram-trains can seamlessly transition between heavy rail, metro and light rail systems. This flexibility allows them to provide efficient regional connections and frequent local services in and within aerotropolis and beyond in the science park and also wider connections to Liverpool and surrounds. Enhanced connectivity within the aerotropolis and the science park can be achieved with tram-trains by connecting businesses, residential areas and recreational spaces, thus the great opportunity to reduce reliance on private vehicles and reduce road congestion. The sustainability and cost-effectiveness of this can't be minimised.

Tram-trains assist in reducing car dependency through flexibility and compatibility with new and existing rail lines. Thus, there is an opportunity to be more effective in reducing greenhouse gas emissions as well. With the lowering of cost and minimising of disruption, the integration of tram-trains into the wider network for transport in Western Sydney and Greater Sydney will improve the quality of life of residents. Tram-trains offer a convenient eco-friendly travel option. In conclusion, we advocate for extending the Sydney Trains heavy rail from Leppington to Western Sydney airport and the introduction of tram-trains as an essential part of developing robust sustainable transport for Western Sydney. These measures can support economic growth, improve connectivity and assist with a more sustainable and liveable future in the region. Thank you for your time. We look forward to your questions.

The CHAIR: Thank you very much for your very detailed submission as well. I will start with a question and then hand over to my colleagues. It seems like such an obvious thing to have heavy rail going to an airport, and yet we don't have that in the plans for this particular airport. What is your understanding of why that is?

MATTHEW DOHERTY: I could speculate, but I won't.

The Hon. MARK LATHAM: Please do. Why not? We all know what's gone on.

MATTHEW DOHERTY: There have been occasions, such as the tunnels westward of Epping being built 40 centimetres too small for heavy rail trains, which does raise an eyebrow, but nevertheless I won't be dabbling in those conspiracies today. I also find it difficult to fathom why the trains northbound out of the airport precinct weren't directed towards one of the two major train junctions on the western line, either Blacktown or Parramatta. That surely would have made a heck of a lot more sense. However, to an untutored mind, perhaps, it does seem like there are transport planning bureaucrats who just like to put forks in the spokes of the existing network. I won't talk about the motives for that.

The Hon. MARK LATHAM: We should. Isn't it factual, if I can intervene, to suggest that Minister Constance didn't want trains with drivers on them who could be unionised? He didn't want trains that were subject to any trade union membership or action with their staff. This is the whole origin and development of metro, ignoring the fact that the benefit-cost ratio for extending Leppington to Badgerys Creek was much higher than this white elephant they built to St Marys, and also the Leppington extension was cheaper.

MATTHEW DOHERTY: There is that. It is a staple of transport planning principles—and I don't have a post-grad degree—

The Hon. MARK LATHAM: What about unionisation?

MATTHEW DOHERTY: Yes, but it's also a staple that metros aren't put into greenfields areas. You build metros in high-density locales. I'm not against building metro as an add-on to our current system, but like I think I mentioned, in the existing Sydney Trains network we have the bones of a really good system. Paris has its metro on top of an RER. London has its overland BritRail and then the London Underground. The two things can work well together. But, for reasons that I don't think are entirely pure—

The Hon. MARK LATHAM: Logical.

MATTHEW DOHERTY: Logical, yes, that's a very straightforward way of putting it. Yes, I don't see that putting a metro through these paddocks was a good idea in the first place, but that's what we have.

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ROYDON NG: If I may add, I'd like to quote Howard Collins from a *The Sydney Morning Herald* article written by Matt O'Sullivan from 13 March 2019. I'll table this afterwards—"Quickest, cheapest' way to boost Sydney's train services". Mr Howard Collins says:

... it was "not very sexy to sell to the public and politicians" an improvement to existing ... lines – even though it could lead to a train turning up every 2½ minutes and enhanced safety – compared with cutting a ribbon on a new rail line.

Arguably, extending the South West Rail Link from Leppington to Western Sydney airport is a short extension on the existing system. But it lacks the new appeal of a metro train line that has been opened.

The CHAIR: With the new carriages and with everything else that goes with that?

ROYDON NG: Yes.

The CHAIR: Do you think it's the same problem that's led to—when I was chairing the transport committee, I'm sure we had conversations about this—the lack of upgrades to our existing train line, like the one from Newcastle to Central that, with a few small tweaks, could be twice as fast as it is now, but it's not seen as being something, as Mr Collins said, that you can cut a ribbon on and so it's just never been the priority? Do you think it does come down to something that simple?

MATTHEW DOHERTY: It plays into it, yes.

ROYDON NG: I think that is a rational approach. Extending the South West Rail Link—Leppington through aerotropolis, Bradfield to Western Sydney airport. It's a shovel-ready project essentially. Largely, the intention of building the South West Rail Link in the first place—Glenfield to Leppington was really a stage one for that furthering to Western Sydney airport in its conception of the project idea as well and included airport to airport travel.

MATTHEW DOHERTY: I'll also make the point that, if you drive along Camden Valley Way these days to see a housing estate popping up every other week—Oran Park being the biggest and brightest. But, yes, the development along Camden Valley Way down to Narellan, I always understood to be—the South West Rail Link was just but stage one of pushing public transport into that part of the world.

The Hon. MARK LATHAM: Isn't it true that that was the case up until 2015-16 when they got their hands on the so-called cities deal and an arrangement was arrived at between the State and Federal governments and cities Ministers, most notably our State Western Sydney Minister—that all that planning would be junked and, notwithstanding the benefit-cost ratios, they were going to St Marys for metro?

MATTHEW DOHERTY: I believe that to be the case.

The Hon. MARK LATHAM: That's what the history shows.

MATTHEW DOHERTY: I'm not familiar with where the corridors were reserved down towards Narellan, but I understood that to be the case—that there were even corridors that had been figured.

The Hon. MARK LATHAM: There used to be a rail line that ran from Campbelltown to Camden through Narellan, but we're talking about the Leppington extension through Bringelly, Rossmore, Kelvin Park to Badgerys Creek. That work was underway to reserve those corridors until the cities deal, which was the turning point that's given the gift to Celestino of a metro station and metro being absurdly constructed through cow paddocks instead of residential areas, where it could service commuters.

MATTHEW DOHERTY: Yes.

The Hon. MARK LATHAM: That's just the plain truth of what happened. That's one of the reasons we're here for this Committee.

The Hon. MARK BUTTIGIEG: Is it your evidence that that metro configuration was conceived as a way to de-unionise the workforce and cut a ribbon?

MATTHEW DOHERTY: I'm not the person with the smoking gun evidence to say as much, but that is my clear understanding.

ROYDON NG: If I may add to that, reiterating what Matt and myself have said in our opening statements, the current Western Sydney airport three-carriage metro has also the effect of limiting the expansion of the Sydney Trains network. Essentially, given the facts on ground—or, should I say, below the ground—with the tunnels being already dug and built at Western Sydney airport and aerotropolis, unless we have new parallel tunnels at the aerotropolis and to Western Sydney airport, you can't actually extend the Sydney Trains Leppington line even if we wanted to, because the facts under the ground have locked out expanding the Sydney Trains

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network, under everyone's noses, essentially. Everyone is just thinking that the airport is so good and it's up and coming but, beneath the surface, this has just fallen by the wayside.

The Hon. MARK BUTTIGIEG: Because of the tunnelling, you can't now extend the line even if you wanted to?

MATTHEW DOHERTY: Those tunnels can't fit existing trains.

ROYDON NG: The Western Sydney airport metro tunnels are too small. I recall in budget estimates Minister Haylen said the other week that she was mode agnostic or that government planning was mode agnostic. The south-west corridor business case was considering heavy rail and metro—either/or. It's not locked in as either of them. That could only go as far as, currently, aerotropolis, which is a station south of the actual airport itself. I'm still in favour of extending heavy rail to aerotropolis, but then that raises the question: If you're going to extend to aerotropolis, everyone is going to have to get off from Western Sydney airport to aerotropolis, change at aerotropolis, go out, say, Leppington line to Glenfield and then change again at Glenfield if you want to get an express to Sydney airport. Whereas, if you do the new tunnels, you can actually get the heavy rail trains into the actual Western Sydney airport directly under it.

The CHAIR: How unusual is it for there to be a major international airport that doesn't have any sort of heavy rail going to it?

MATTHEW DOHERTY: That would be highly unusual to have no heavy rail going to it. Heathrow is connected by the London Underground.

The CHAIR: You also have the express.

MATTHEW DOHERTY: It's not an entirely crazy scenario to have metro in conjunction with heavy rail, but to have no heavy rail connection would be unusual.

ROYDON NG: Also on that point about tunnels, I think there are continually a lot of other advocates who would suggest that a metro west needs to be extended from Westmead onwards to Western Sydney airport. I should also note that the metro west specifications are actually very different to also Western Sydney airport metro. Strictly speaking, the Western Sydney airport metro is actually a different type of metro. If the Westmead to Western Sydney airport metro was actually that new line, the Parramatta extension, that would have required additional tunnelling at Western Sydney airport anyway. From my latest reading of the news, the State Government is not proceeding with that. I'm happy to be corrected. But, if there were already plans to build additional tunnels for the metro west extension and that's not now going ahead, let's flip it around and just build that new tunnelling for Sydney Trains at Western Sydney airport and aerotropolis towards Leppington. I also stress that the aerotropolis to Leppington station is our proposal and is aboveground.

The CHAIR: The other major issue we have been looking at so far is in relation to the freight and the amount of freight that's going to be on the roads. Again, how unusual is that from an international perspective to have an airport that is going to be significantly focused on freight? I think I read that up to half of all flights will be cargo. How unusual is it not to have any freight train link to an airport like that?

ROYDON NG: From my understanding, the Western Sydney freight line is proposed to meet at just north of the airport business park, around Luddenham. Then it goes across to about Yennora, then links into Leightonfield, Villawood yard, with the freight connection there. I believe that is still quite some time away. Then, with the EcoTransit proposal, from my understanding some time ago there was also a Western Sydney freight bypass. This is separate to the Western Sydney freight line going towards Yennora and Leightonfield. Previously, from my understanding, in Kingswood Downs, nearly parallel to The Northern Road, there would have been a previous corridor that was earmarked for a Western Sydney freight bypass line.

If that were to be established, it could integrate in with heavy rail, double-deck, just south of Bradfield Station. It then has the potential to run along a shared heavy rail passenger and freight alignment south of aerotropolis towards Oran Park, Narellan. At Narellan, it potentially has the ability to split, with the freight side going down towards Macarthur, whereas the passenger services would loop into Campbelltown station. But the freight from Narellan, Macarthur, would go down towards the Southern Highlands. But then once we complete the Maldon-Dombarton line, that could also loop in towards the Wollongong side, which would alleviate a lot of freight running in through the centre, or the more suburban areas, of our Sydney Trains area network.

The Hon. MARK LATHAM: That's The Greens' rail transport policy right there, I think. How much does all that cost? Have you got some indicative numbers about it? The Maldon-Dombarton thing was partly built before Bruce Baird, as transport Minister, canned it in 1988. The Western Sydney orbital freight line was a victim, as I mentioned earlier on, of some electoral politics in the seat of Camden, where they are now saying they are going to put the road and the rail line underground from Cobbitty to Cawdor, which is incredibly expensive to do

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that. Have you got some numbers on what government would face, the billions involved in both those desirable projects?

MATTHEW DOHERTY: I don't.

ROYDON NG: Happy to take it on notice.

The Hon. MARK LATHAM: Take it on notice? Furthermore, the only thing that can save the St Marys metro white elephant is to expand it, as Camden council was saying, south to Macarthur metro. But a lot of that is also tunnelling. Transport planning—we are a city of gophers now, that go underground. Can you take on notice the cost of the aerotropolis to Macarthur, the expansion of metro and some detail on how much of that is tunnelled underground? I suppose, once you get to St Marys, there is a missing link, isn't there—north to Tallawong?

ROYDON NG: Tallawong, yes. Happy to take it on notice.

The Hon. MARK LATHAM: How much that costs as well, and how much of that is tunnelling. Because that, incredibly, would take Badgerys Creek the long way around, through Macquarie Park and Chatswood to Sydenham and Bankstown. What a journey! But that, in transport planning, becomes what might be thought of as a missing link from St Marys to Tallawong.

ROYDON NG: Happy to take that on notice. I think *The Sydney Morning Herald* had an article the other day when the Sydney Metro review was leaked, and there was a figure for metro between aerotropolis and Oran Park.

The Hon. MARK LATHAM: Right.

ROYDON NG: Off the top of my head—I'll take it on notice, but that might have been five billion, or something.

The Hon. MARK LATHAM: I think it's part of that. Some of the landholders, land developers, property developers, quite sensibly are saying it's so advantageous to their development and commuter amenity, they'd make the land available for these stations for free—at Oran Park, certainly, and maybe elsewhere.

ROYDON NG: Oran Park—our view is that most of this can be built above ground, where possible.

MATTHEW DOHERTY: Or cut-and-cover tunnels.

The Hon. MARK LATHAM: I think there is an above-ground site at Oran Park that has been reserved. But obviously the retrofitting and tunnelling under the housing estates that are already being built—

ROYDON NG: That bit would need a little bit of a tunnelling, Oran Park. A little bit at Narellan needs to be underground. But otherwise, it's most cost-effective above ground.

The Hon. MARK LATHAM: That would be very useful for the Committee, I think. Thank you.

The CHAIR: Any other questions? No? That concludes our session. Thank you. In relation to those questions taken on notice, and also any supplementary questions we might have for you, the Committee secretariat will be in touch. That concludes our hearing for today.

(The witnesses withdrew.)

The Committee adjourned at 15:10.