

WESTERN SYDNEY AEROTROPOLIS: THE CALL FOR PRIVATE INVESTMENT

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Construction and Investment Alert

By: Clive Cachia

As the fastest growing region in Australia, the development of Western Sydney has been a national focus. Publicly, the Australian Government has committed up to AUD5.3 billion in public equity funding towards the construction of Sydney's second international airport, the Western Sydney Airport. Touted as the Western Sydney Aerotropolis, the surrounding region of Western Sydney Airport will need significant private investment of at least AUD20 billion to develop an integrated transport, logistics, defence, advanced health, food agtech and education precinct surrounding the runway and terminal facilities.

The Australian and New South Wales Governments have recently released an investor guide and hosted a Western Sydney Aerotropolis Investor Forum to encourage and nurture this required private investment and commercial involvement. See our earlier articles [here](#) and [here](#) on the need for private sector skills to take a dominant role in the development of the Western Sydney Airport and broader aerotropolis.

The Governments announced a number of welcome initiatives in this Guide and at the Forum.

The Governments will establish the Western Sydney Development Authority, to oversee the planning and development of Western Sydney Aerotropolis. The Development Authority will facilitate and collaborate with industry partners towards designing tailored service facilities and co-ordinated infrastructure developments.

Further, the NSW Government will establish the Western Sydney Investment Attraction Office with a mandate to co-ordinate and attract domestic and international investment in the Western Sydney Aerotropolis. This Office will act as a conduit, assisting investors to partner with government agencies, planning officials and industry groups to identify investment opportunities within the Aerotropolis region. Early investors will benefit from having the power to shape industry clusters and develop early strong alliances with government bodies. The Aerotropolis has already sourced an anchor tenant in Northrop Grumman who has committed AUD50 million to develop a new defence aerospace centre.

These initiatives follow the conclusion of the Western Sydney City Deal, a 20 year agreement between all three levels of government to develop the Western Sydney Aerotropolis. The agreement focuses upon the six key priority domains of infrastructure connectivity, future employment, skills and education, planning and housing supply, inclusive communities and environment, and a formal long term governance structure in implementing the plan. The agreement serves to support the private industry sectors and provide access to domestic and international markets in stimulating economic growth.

These initiatives indicate the level of support all levels of government are willing to provide to enable Western Sydney Airport to attract the significant local and foreign investment required if it and the Aerotropolis are to achieve a target completion date of 2026. The Governments know that battling the incumbent Sydney Airport will

be a tough ask for the new entrant and have taken these important preliminary steps to support that endeavour. This makes sense not only to protect their investments for any eventual privatisation, but also because the private sector's capital reserves and project delivery expertise mean that Western Sydney Airport and the Aerotropolis can be truly world-class.

KEY CONTACTS



CLIVE CACHIA
PARTNER

SYDNEY
+61.2.9513.2515
CLIVE.CACHIA@KLGATES.COM

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