



SUBMISSION TO THE SENATE FINANCE AND PUBLIC ADMINISTRATION REFERENCES COMMITTEE INQUIRY INTO THE PLANNING, CONSTRUCTION AND MANAGEMENT OF THE WESTERN SYDNEY AIRPORT PROJECT

Executive Summary

In this submission, Western Sydney Airport (WSA) (the trading name for WSA Co Limited) responds to each of the terms of reference of the Senate Finance and Public Administration References Committee inquiry into the planning, construction and management of the Western Sydney Airport project, principally noting that:

- WSA has strong probity, risk management and governance frameworks, which are subject to rigorous internal and independent external auditing and assurance processes.
- WSA is the lessee of the Western Sydney International (Nancy-Bird Walton) Airport site and as lessee, was not involved in transactions to purchase land for the site.
- WSA's highest priority is the safety of its workforce and the wider community and is performing favourably against relevant benchmarks.
- The project is on budget and on track for the airport's scheduled opening in late 2026.



Introduction

Western Sydney Airport (WSA) welcomes the opportunity to provide a submission to the Senate Finance and Public Administration References Committee's inquiry into the planning, construction and management of the WSA project ("the Inquiry").

WSA is a purpose-driven organisation, with every member of the team focused on generating social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney.

The benefits Western Sydney International (Nancy-Bird Walton) Airport will generate for the local community will go far beyond the significant employment and other economic stimulus directly and indirectly generated within the construction site and future airport's boundary. Western Sydney International is the linchpin of a city building strategy and the catalyst for the surrounding Western Sydney Aerotropolis and Western Parkland City, which are predicted to create 200,000 jobs.

While COVID-19 has had a significant impact on aviation globally, the need for Western Sydney International is as strong as ever. The International Air Transport Association (IATA) forecasts that global passenger traffic will return to pre-COVID-19 levels in 2024¹. Due to begin operations more than two years later, it is likely WSA will be well placed to take advantage of pent-up demand for recreational and visiting friends and relatives (VFR) travel, as well as the new airline market entrants, fleets, routes and services that will form part of a recovered and reinvigorated aviation industry. WSA will also be well placed to support the continuing growth in air freight demand, which has been further accelerated by COVID-19.

As a government business enterprise (GBE), we hold paramount our obligation and responsibility to manage public resources in an efficient, effective, transparent and ethical manner. We view the Inquiry as an opportunity to demonstrate how our commitment to these important standards has translated into positive outcomes in WSA's governance, culture and performance.

¹ 'Recovery Delayed as International Travel Remains Locked Down', IATA, 28 July 2020, <https://www.iata.org/en/pressroom/pr/2020-07-28-02/>



Responses to Terms of Reference

a. Probity planning and management, risk assessment frameworks and management

WSA has a robust governance framework that includes policies and procedures to comply with our legal and regulatory obligations, provide strong management oversight, assure appropriate risk management, as well as to reflect best practice and meet strict probity requirements.

i. Probity

WSA has a number of policies designed to support the highest standards of probity that are regularly reviewed and approved by the Board to ensure they remain fit-for-purpose, are being appropriately implemented and that policy settings reflect contemporary approaches to corporate governance. Training to ensure understanding of responsibilities under relevant policies is provided across the business and participation in this training is tracked and monitored.

Anti-Bribery and Corruption Policy	Code of Conduct Policy	Complaints and Grievances Policy	Confidentiality Policy	Conflict of Interest Policy	Continuous Disclosure Policy	Corporate Credit Card Policy
Delegation of Authority Policy	Board of Directors – Conflicts of Interest and Related Party Transactions Policy	Disciplinary Policy	Expense Reimbursement Policy	Fraud and Corruption Control Policy	Gifts and Hospitality Policy	Information and Security Policy
Procurement Policy	Recruitment and Selection Policy	Redundancy and Redeployment Policy	Remuneration and Benefits Policy	Short Term Incentives Policy	Travel and Transport Policy	Whistleblower Policy

WSA policies directly related to probity

These policies are supported by a strong cultural focus on integrity, one of WSA's six corporate values. Performance against this value is a key component of every employee's performance review cycle.

WSA's *Statement of Business Ethics* provides a guide to all WSA leaders, employees and secondees, as well as contractors and suppliers, on the ethical principles WSA requires in all business dealings.



WSA's *Code of Conduct* sets out obligations around standards of behaviour expected by WSA team members and has a strong focus on probity and ethical considerations.

Key policies relating to probity governance, as well as WSA's *Statement of Business Ethics* and *Code of Conduct*, are publicly available on the company's website².

Training on various aspects of WSA's approach to probity and ethical conduct is provided to each WSA team member as part of their induction. Expectations are reinforced and demonstrated by the organisation's Board and leadership. The Board plays an active role and takes independent probity advice on all major tenders and ensures process has been followed.

WSA has retained a leading external independent probity advisor to ensure WSA team members have ready access to independent, best-practice probity advice to ensure the organisation is resourced effectively in this crucial area.

ii. Risk management

Effective management of risks which have the potential to adversely impact WSA's performance is fundamental to WSA's proper governance, developing the airport infrastructure and business successfully and in a commercially astute manner.

An enterprise risk management and risk appetite framework forms part of WSA's overall governance approach and underpins a proactive risk culture across the organisation. This framework is supported by compliance, audit and assurance frameworks. In managing risks, WSA holds itself to the internationally benchmarked *AS/NZS ISO 31000:2018 Risk Management – Principles and Guidelines on Implementation (ISO 31000)* standard. In meeting governance requirements, WSA has formalised risk-based reporting across each Board committee.

The WSA Board's Audit and Risk Committee (ARC) provides oversight for our risk, compliance audit frameworks, setting out the charter for risk management and overseeing the enterprise risk profile for WSA, which captures risks across the following key areas:

Health, safety & wellbeing	Environment	Sustainability	Governance, legal & compliance	Strategic	Financial	Commercial
Stakeholder & reputation	People & capability	Security	Cyber security	Technology	Design & delivery	Operations

Risk areas controlled by WSA risk framework

An additional layer in managing WSA's risk profile is our internal audit and assurance framework, which assesses the effectiveness of the risk control

² Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>



frameworks in place. The ARC is responsible for approving WSA's internal audit schedule. Internal auditing is conducted by an independent third-party auditor.

An external auditing regime has also been established through the Australian National Audit Office (ANAO), which includes an annual audit of WSA's financial reports, as well as performance audits. Annual financial audits have found that each report's financial information is in line with the requirements of the *Corporations Act 2001* and applicable codes of conduct. The performance audit conducted on WSA's procurement framework in 2019 found that WSA's procurement processes were largely achieving value for money and that WSA has an appropriate procurement framework in place.

b. Land acquisition and related leases, including transactions relating to the Leppington Triangle

WSA's land requirements are acquired and held by the Australian Government and passed through WSA via leases and other instruments. In particular, WSA is a lessee of a significant proportion of the airport site, with a 99-year lease granted in 2017 by the site's owners, the Australian Government.

As lessee, WSA was not involved in transactions to purchase land for the airport site.

The land known as the 'Leppington Triangle' does not form part of the current lease as it is not required for development of the approved stage 1 airport. The land will be required for development of a second runway required for the airport's currently planned stage 3, which is projected to be developed in the 2050s.

WSA is currently supporting the Department of Infrastructure, Transport, Regional Development and Communications (DITRDC) in its acquisition of easements over portions of some of the properties adjacent to Oaky and Badgerys creeks, which are waterways bordering the airport site. The easements are required so that WSA's bulk earthworks contractor can access the properties to carry out stabilisation work on the banks of the waterways as part of airport construction.

c. Role and performance of WSA Co Limited

i. Role of WSA

WSA's role is to safely deliver and then operate Western Sydney International according to the Project Deed entered with the Australian Government, which sets out WSA's obligations in fulfilling its role, as well as our constitutional objectives, which are to develop and operate Western Sydney International in line with the



Ministerial Statement of Expectations³ and the Australian Government's objectives for the airport, being to:

- improve access to aviation services in Western Sydney;
- resolve the long-term aviation capacity issue in the Sydney basin;
- maximise the value of the airport as a national asset;
- optimise the benefit of the airport on employment and investment in Western Sydney;
- effectively integrate with new and existing initiatives in the Western Sydney area;
- operate on commercially sound principles, having regard to the Australian Government's intention to preserve its options with respect to ownership and governance arrangements.

WSA works closely with the departments of its shareholder ministers, the Department of Finance (DoF) and DITRDC in delivering the airport, particularly in ensuring that WSA maintains the high standards of performance, accountability and probity expected by the Australian Government.

While WSA is responsible for the delivery of Western Sydney International broadly, DITRDC remains directly responsible for delivery of a number of aspects of airport development, including flight path design and consultation, as well as biodiversity.

Stage one of the airport was approved in 2016, prior to WSA's establishment, through the project's Environmental Impact Statement⁴ and Airport Plan⁵. Detail of the approved airport stage is outlined in these publicly available documents, but broadly consists of:

- a single 3.7-kilometre runway,
- an integrated domestic and international passenger terminal capable of handling up to 10 million passengers per year,
- aircraft maintenance facilities;
- air cargo facilities;
- flight catering facilities;
- aviation fuel facilities;
- ground support facilities;
- an on-airport business park;
- facilities for government agencies such as the Australian Federal Police and border agencies;

³ Australian Government, Department of Infrastructure, Transport, Regional Development and Communications, Western Sydney Airport website, Ministerial Statement of Expectations for WSA Co, https://www.westernsydneyairport.gov.au/sites/default/files/WSACo_Statement_of_Expectations.pdf

⁴ Australian Government, Department of Infrastructure, Transport, Regional Development and Communications, Western Sydney Airport website, Environmental Assessment | Western Sydney Airport, <https://www.westernsydneyairport.gov.au/media-resources/resources/environmental-assessment#eis-2016>

⁵ Australian Government, Department of Infrastructure, Transport, Regional Development and Communications, Western Sydney Airport website, Airport Plan | Western Sydney Airport, <https://www.westernsydneyairport.gov.au/about/airport-plan>



- infrastructure and facilities to support aviation operations, such as navigational aids, aviation rescue and firefighting services, meteorology facilities and air traffic control;
- utilities infrastructure.

WSA has been empowered by its shareholders to operate in a commercial manner, with flexibility and discretion in its operational and commercial decisions, within the parameters of our strong governance framework (*see i. related matters; i. Governance*).

As well as building the airport infrastructure, WSA is responsible for developing a commercially sound airport business (*see c. Role and performance of WSA Co Limited; vi. Commercial development*).

ii. Safety frameworks and performance

Safety is WSA's highest priority and our primary corporate value. WSA has maintained positive safety results across a range of lead and lag indicators since construction activity commenced on the project in September 2018. The information WSA monitors from a safety perspective includes our direct workforce and all employees of our major works contractors (and their sub-contractors) working on the project. This accounts for more than 2.4 million hours worked on the project at the time of submission.

Results for lead indicators as at 31 December 2020 confirmed a consistent and high-level of communication and engagement on safety matters. Lead indicators represent the proactive activities undertaken in support of reinforcing a positive safety culture and identifying improvement opportunities in the workplace. WSA's lead indicators are performing consistently above expected construction industry practice. Our Safety Index is currently tracking 22% better than the benchmark, while our Workplace Compliance results are currently 15% better than the benchmark.

Results for lag indicators as at 31 December 2020 also demonstrate a continuing strong safety performance. The latest calendar year-end Total Recordable Injury Frequency Rate (TRIFR) result was 1.55. The most recent information from the Office of the Federal Safety Commissioner (OFSC) indicates an average TRIFR of 4.44 for the civil construction sector.

iii. Procurement frameworks and performance

WSA is committed to a strong procurement framework that brings together commercial principals and public sector transparency and accountability to support value for money, probity, governance and social procurement outcomes.

As a GBE subject to the *Public Governance, Performance and Accountability Act 2013 (Cth)* (PGPA Act), WSA is not obligated to comply with Commonwealth Procurement Rules (CPRs) or the Commonwealth's Indigenous Procurement Policy (IPP). Nonetheless, WSA has voluntarily adopted several key principals from the CPRs and IPPs in its Procurement Policy.



Value for money is the core principle of WSA's Procurement Policy and is driven by encouraging competition, transparency and accountability in decision making.

Simulating entrepreneurship and business development among businesses owned and managed by Aboriginal people and providing Indigenous enterprises with more opportunities to participate is a core principle of the IPP adopted by WSA.

WSA has a target of awarding three per cent of all contracts to Aboriginal businesses. In the FY20 WSA exceeded this target, with 13 per cent of all contracts awarded to Aboriginal businesses.

In December 2019, the Australian National Audit Office (ANAO) released its performance audit report into WSA's procurement activities. The report found WSA's procurement framework and procurement activities were largely achieving value for money and that WSA has an appropriate procurement framework in place.

The report contained no recommendations for improvement for WSA.

Major contracts awarded under the competitive procurement framework audited by the ANAO are outlined in the table below.

Contract	Contractor	Date of Award
Delivery Partner	Bechtel	June 2018
Project Manager (Definition)	Bechtel	June 2018
Early Earthworks	Lendlease CPB joint venture	June 2018
Major Earthworks	Lendlease CPB joint venture (now CPB Acciona joint venture following Acciona's acquisition of Lendlease Engineering in September 2020)	September 2019

WSA major contracts awarded

Following initial market sounding consisting of Registrations of Interest (ROI) and Expressions of Interest (EOI) processes, the table below outlines the parties shortlisted to participate in Request for Tender (RFT) processes for future major contracts, and the anticipated timeframe for contract awarding.

Contract	Shortlisted	Anticipated Award Timeframe
Terminal Precinct – Design Finalisation and Construction	Lendlease Building and CPB joint venture Multiplex Besix Watpac CPB Acciona	Mid 2021
Airside Civil and Pavements	Seymour White & BMD joint venture Fulton Hogan	Late 2021

Major contracts in procurement and shortlisted parties



EOIs for the final major works package, Landside Civil and Building Works are currently being assessed to arrive at a shortlist, with the RFT due to be released in the first quarter of 2021.

Additionally, at the time of submission, tenders for the contract to design, operate and maintenance of the airport's baggage handling system are also being assessed.

WSA has met all procurement milestones set by the Commonwealth.

While the need to achieve value for money outcomes in current procurement processes means the value of our awarded contracts must be commercial-in-confidence, we report all procurement outcomes to our shareholder ministers through their departments to ensure accountability and assure performance.

iv. Infrastructure project performance and progress

Construction of Western Sydney International began in September 2018 with the early earthworks phase. The purpose of structuring earthworks activities with a distinct early earthworks phase was twofold. Firstly, to prioritise preparation of the portion of the site that will serve as the entry point for ground transport infrastructure supporting the airport, including the M12 motorway and Sydney Metro – Western Sydney Airport rail line. Secondly, early earthworks provided WSA with a more detailed understanding of the site's geological conditions to maximise the effectiveness and value generated by the procurement process for the larger bulk earthworks contract.

Early earthworks involved moving 1.8 million cubic metres of earth around approximately six per cent of the airport site, as well as realignment of a section of Badgerys Creek Road and associated construction of a 39-metre long and 42-metre-wide bridge over stormwater drainage. Early earthworks were completed in May 2020.

Major earthworks began in March 2020. One of the largest earthmoving projects in Australian history, this phase of work involves moving 24.5 million cubic metres of earth around the site. More than 200 earthmoving and support vehicles are in operation on the project at any given time. Major earthworks are on schedule, with more than 50 per cent of the program completed at the time of submission.

Following a global design competition, an architectural team consisting of experienced airport designers Zaha Hadid Architects and Australian firm Cox Architects were appointed to develop the concept design of the airport's passenger terminal precinct in October 2019. As part of the concept design process, in line with WSA's requirements, the architectural team engaged architecture students from the University of Western Sydney and representatives of local Aboriginal communities.

The concept design process is now complete and whichever party is successful in winning the passenger terminal design and construction contract will work with WSA to develop the concept into a final design for construction.

The terminal construction project is due to begin with preparatory works by the end of 2021.



v. **Commercial development**

WSA's approach to commercial development is early engagement with future customers in order to foster a future commercial framework sustained by revenue generated from a mix of aero and non-aero streams.

Notwithstanding COVID-19's significant disruption to aviation, in a normal operating environment, airlines will typically begin operational planning in earnest around 18 months in advance. While Western Sydney International's opening is still almost six years away, there has been strong early engagement from Australian and international airlines. Western Sydney International has several inherent competitive advantages to which the aviation industry has responded enthusiastically.

Memoranda of Understanding (MOUs) were signed in 2019 with both the Qantas Group and Virgin Australia. Under these MOUs both airline groups provided insights into the design and operational planning of the airport, as well as commencing preliminary discussions about opportunities for potential routes and services.

The World Routes Conference is the major international airline route planning and airport engagement conference. The most recent event was held in Adelaide in 2019, where WSA met with more than 60 airlines. This high level of interest was generated by the commercial possibilities that WSA's unrestricted operations and injection of aviation capacity for Sydney will create for airlines. That interest continued at the most recent virtual World Routes Conference in November and December 2020.

In addition to passenger aviation, air cargo will be a significant source of aero revenue for WSA. Engagement and interest from the freight sector has also been strong, with 12 MOUs signed with some of the most significant players in the industry. Under the MOUs these organisations have provided insights into the design of our dedicated cargo area (DCA) and shared cargo area (SCA), as well as entering early discussions about potential future operations at the airport. The growth in e-commerce induced by COVID-19 supports development of WSA as a major air cargo hub for Sydney, NSW and Australia.

Australia Post (including StarTrack)	DB Schenker	DHL Express	DSV Air and Sea
FedEx	Menzies Aviation	Swissport	Qantas Freight
Skyroad Logistics	Wymap	dnata	Toll Group

WSA freight industry MOU partners

We are also finalising the master planning for WSA's on-airport business park precinct, separate from the surrounding Aerotropolis, which will become a vibrant



commercial centre set to grow with the airport, providing jobs and economic development.

d. Site preparation, including the realignment of the Northern Road;

Procurement activities to prepare the site for airport construction was led by previous iterations of the now DITRDC, which managed the majority of the contracts to carry out the preparation activities. Many of these activities were conducted prior to WSA's establishment.

Commercial negotiations and management of the contract to relocate a 3.2 kilometre section of high voltage powerlines that previously crossed the airport site was transferred to WSA in 2017. The work was conducted by TransGrid and was delivered ahead of schedule in May 2019.

Planning to relocate The Northern Road, including alignment considerations, was conducted prior to WSA's establishment in August 2017.

WSA has no concerns, including aviation operation or safety concerns, with the alignment of any section of The Northern Road.

e. Environment and heritage management;

WSA's Site Environmental Management Framework (SEMF) is WSA's overarching environmental management document that supports the implementation of the project's nine Construction Environmental Management Plans (CEMPs). These publicly available documents⁶ were approved by DITRDC and outline WSA's approach to meeting our environmental responsibilities under a broad set of laws and regulations, as construction of the airport continues.

The Airport Environment Officer (AEO) oversees WSA's compliance with the *Airport (Environment Protection) Regulations 1997*, and consistency with relevant Airport Plan conditions. In addition, WSA arranges bi-annual independent environmental audits to assess the operational effectiveness of our environmental controls in managing the impacts of airport construction.

WSA's performance against the environmental requirements of the Airport Plan are published in the Airport Plan Annual Report, which is publicly available on WSA's website⁷. Since construction began in September 2018, there have been no environmental notices issued against WSA and the project has been compliant with all conditions of environmental approval.

WSA is committed to taking action to ensure the construction of the airport preserves the rich Aboriginal heritage of the site. An extensive Aboriginal site

⁶ Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>

⁷ Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>



heritage survey framework ensured that prior to earthworks commencing in any area of the site, detailed survey and salvage work was undertaken to ensure any artifacts or items of cultural significance were identified and appropriately preserved.

An Aboriginal Cultural Heritage Construction Environmental Management Plan was prepared to ensure the project met the requirements set out in the Airport Plan.

During the Aboriginal survey and salvage program for the bulk earthworks package, 138 Aboriginal site officers investigated 132 potential archaeological sites. More than 40,000 artefacts were found.

WSA is strongly engaged in the DITRDC-led process to identify a suitable keeping place for Aboriginal artefacts found on-site.

WSA is not responsible for biodiversity offsets for the project, which is a process led by DITRDC.

f. Community engagement;

Ensuring WSA remains accountable and accessible to the community is a priority for the organisation. Recognising our responsibility to providing information about the construction project and opportunities for community feedback to foster a two-way conversation and build mutual understanding in the community, WSA has created multiple community engagement channels and tools that are accessible to the community broadly.

The Airport Plan outlines minimum requirements for community engagement that WSA must adhere to. WSA's Community and Stakeholder Engagement Plan (CSEP) has been developed in consultation with a range of community and stakeholder representatives and outlines WSA's approach to ensuring the engagement requirements of the Airport Plan are met. WSA's performance against these requirements is reported annually in the Airport Plan Annual Report. There have been no non-compliances to date.

WSA's community engagement program includes numerous initiatives that are above and beyond the requirements of the Airport Plan, including a school engagement program, presentations to community groups, tours of the airport site perimeter and information stands at community events and shopping centres.

WSA has three strategic community partnerships designed to drive positive socioeconomic and environmental outcomes, while providing opportunities for WSA including employee engagement through volunteering and mentoring opportunities and environmental services.



Settlement Services International	Australian Business and Community Network	Conservation Volunteers Australia
WSA's partnership with SSI supports employment and enterprises programs that support refugees who have recently arrived in Australia to help grow the social and economic prosperity of Western Sydney.	WSA's partnership with ABCN connects WSA mentors to disadvantaged school students to develop their confidence and improve employability.	WSA's partnership with CVA supports community engagement to help conserve important ecological communities in Western Sydney, while providing volunteering opportunities for WSA team members to contribute to ecology projects and supporting positive outcomes for the on-airport environmental conservation zone.

WSA's key strategic community partnerships.

Engaging local Aboriginal communities has been an important focus of WSA's community engagement program. Heritage survey planning and employment, airport design and opportunities to drive positive participation outcomes are among the areas where WSA's engagement with Aboriginal people has led to significant positive outcomes, both for communities and the project.

WSA is now working to take the next step in its Aboriginal engagement journey by developing its first reconciliation action plan (RAP). A RAP committee has been formed, championed by WSA's CEO, to develop a plan in partnership with Aboriginal people to ensure the organisation and future operating airport is making a positive contribution to reconciliation in Western Sydney, which is home to one of the largest Aboriginal populations in Australia.

The Western Sydney International Experience Centre opened in September 2019 and is located on the airport site. The Experience Centre provides an important opportunity for members of the community, industry and other stakeholders to learn more about the construction project and future operating airport through a digital exhibition, provide feedback and watch construction unfold.

Despite the facility being closed for more than three months due to COVID-19 (16 March – 29 June 2020) and being subject to a greatly reduced capacity for the majority of the period since to meet the requirements of its NSW Health-approved COVID Safe plan, more than 11,000 people have visited the Experience Centre to date.

In addition to its community engagement function, the Experience Centre serves an important commercial and stakeholder engagement role. It is regularly visited by potential future customers of WSA for commercial engagement purposes, including airlines, members of the air freight industry and potential business park tenants.

In addition, key airport stakeholders including local councils and NSW Government agencies, including the Western Parkland City Authority, regularly bring their own stakeholders to the Experience Centre, highlighting its value as part of the broader regional economic development.



The Experience Centre is a permanent facility that will be repurposed when Western Sydney International begins operations. Among the opportunities for repurposing are aircraft spotting, airport community engagement and contribution to WSA's Aboriginal reconciliation journey.

g. Transport links and supporting infrastructure

Effective ground transport links to ensure passengers and cargo can efficiently access the airport will be fundamental to its success, however the success of the airport does not depend on any single piece of supporting infrastructure.

WSA engages closely with federal and NSW government departments and agencies responsible for ground transport, including DITRDC, Transport for NSW, Sydney Metro and local councils, to influence outcomes and ensure decision makers are equipped with the information necessary to develop transport networks that will help to enable the airport's full potential as a socioeconomic asset.

On opening, rapid-transit links from Western Sydney International to centres across Western Sydney including Liverpool, Penrith, Campbelltown and Parramatta, as well as the M12 Motorway and Sydney Metro – Western Sydney Airport will all play a role in passenger access. In the medium to long term, WSA believes further expansions to ground transport networks, particularly rail network expansions, will assist in fully realising the potential of the investment in the airport.

h. Training and employment

Job creation, during both the construction and airport operation phases, is perhaps the most significant of WSA's benefits to the local community.

Construction ramps up with each major contract that comes online. From late 2022, both the terminal and airside pavements and civil works will be underway, with both being significant job creators. Peak construction will be reached in 2023, when the final major works contract, landside civil and building works, also comes online.

As of 31 December 2020 (the end of the most recent quarter of available workforce data at the time of submission), WSA's total workforce, (defined as direct WSA employees, employees of our delivery partner and definition project manager, as well as employees of major works contractors working on the project) was 804.

At peak construction, there will be thousands of people directly employed as a part of the project's direct workforce, with significant flow-on indirect employment benefits along the supply chain.



WSA has a series of workforce targets, which include local employment, learning workers and workforce diversity. The table below summarises WSA's performance against these targets as at 31 December 2020 (the most recent verified data at the time of submission).

	Target	WSA total workforce performance
Learning workers	20%	34%
Local employment	30%	56%
Diversity (including 2.4% Aboriginal employees)	10%	36%

WSA performance against workforce targets as at 31 December 2020.

i. Related Matters

i. Governance

WSA's corporate governance framework underpins our performance against numerous matters considered by the Inquiry's terms of reference.

WSA (incorporated as WSA Co Limited and trading under that name until October 2018) is a public company limited by shares and incorporated in Australia. WSA is wholly owned by the Commonwealth of Australia, which is represented by shareholder ministers, the Minister for Finance, Senator the Hon. Simon Birmingham, and the Minister for Communications, Urban Infrastructure, Cities and the Arts, the Hon. Paul Fletcher MP.

The Board is made up of seven independent non-executive directors and is ultimately responsible for WSA's performance, including meeting accountability obligations to the Commonwealth.

The Board charter is a publicly available document⁸ that provides details of the Board's responsibilities and is reviewed annually.

The performance of the Board is reviewed annually in line with GBE requirements and the outcomes are reported to shareholder ministers.

The Board has established six committees, each governed by their own publicly available charters that are also reviewed annually⁹, to ensure comprehensive management in key strategic areas:

- Audit and Risk Committee;
- Design and Construction Committee;
- Investment Committee;

⁸ Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>

⁹ Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>



- People, Remuneration and Nomination Committee;
- Safety, Health, Environment and Community Committee;
- Technology Committee.

The Board is responsible for appointing and managing the performance of the Chief Executive Officer (CEO). The performance of the CEO and other members of the executive leadership team (ELT) is formally assessed annually, with more frequent informal assessments.

The performance of all WSA employees, including the ELT, is assessed against formal key performance indicators (KPIs) which are established annually to support the company's performance against its corporate objectives.

WSA's corporate governance framework is designed to ensure, at a minimum, fulfilment of its constitutional objects, and compliance with government, regulatory and legislative requirements from a number of sources, including:

- the Public Governance, Performance and Accountability Act 2013 (Cth) (PGPA Act); and Public Governance, Performance and Accountability Rule 2014 (PGPA Rule);
- the Corporations Act 2001 (Cth);
- the Department of Finance Resource Management Guides;
- the WSA Commercial Freedoms Framework, approved by our shareholder ministers;
- the Australian Securities Exchange (ASX) Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition (WSA's corporate governance framework voluntarily reflects the eight principals relevant to WSA as a GBE in the non-revenue phase).

ii. **Sustainability**

WSA understands the importance of developing the airport in a way that appropriately prioritises sustainability. The Airport Plan outlines strong sustainability standards WSA must meet as we design and build the airport.

WSA's Sustainability Plan is a publicly available document that outlines our approach to ensuring we meet and where possible, exceed, these sustainability standards. Bi-annual independent audits of WSA's performance are conducted and outcomes are reported in the Airport Plan Annual Report, which is published on WSA's website¹⁰.

Since construction began with early earthworks in September 2018, there have been no major non-compliances and one point of merit. The point of merit relates to the bulk earthworks contractor sustainability team, who integrated sustainability requirements into the earthworks project's design. Additionally, the team demonstrated a thorough approach to ensuring the project office adopted a number of sustainability principles.

¹⁰ Western Sydney Airport corporate website, 'Documents and reports | Western Sydney Airport', <https://westernsydney.com.au/about/documents-reports>



There has been one minor non-conformance, which was identified during one of the project's regular sustainability audits. The minor non-conformance was in relation to content missing from the contractor's sustainability onboarding process. The minor non-conformance was addressed and closed out within two days of it being identified.

WSA has demonstrated sustainability leadership through innovative sustainability initiatives above and beyond the requirements of the Airport Plan. Our partnerships with WestConnex and Sydney Metro to reuse crushed sandstone from their tunnelling projects on the airport site as a base for roads and the future runway is one such example.

The WSA early earthworks project was awarded an 'Excellent' sustainability rating from the Infrastructure Sustainability Council of Australia (ISCA).

As we continue to design the infrastructure and operations at Western Sydney International, sustainability principles, energy efficiency and circular economy principles are key considerations. WSA is working to develop a Sustainability Strategy that will develop the organisation's position on the future operational airport's sustainability framework.

Conclusion

As a GBE and custodian of a significant public investment, WSA holds paramount its obligations to our shareholders, the Australian Parliament and Australian taxpayers.

WSA recognises the importance of the strong frameworks we have established to demonstrate probity, accountability and effectiveness. These frameworks have been designed with multiple layers of checks and balances, including independent auditing, and are further strengthened by government and parliamentary oversight.

WSA is committed to developing an airport that the Western Sydney community will be proud of, with a sense of place in the region and a focus on supporting a fast and easy experience for passengers, as well commercial advantages for airlines, air cargo operators and the businesses that establish a presence, both in Western Sydney International's on-airport business park and in the surrounding Aerotropolis and broader Western Parkland City.

Western Sydney is a great place to live, work and raise a family, but WSA is at the centre of an opportunity to make it even better. More important than the airport development itself, is its role as a catalyst for positive socioeconomic outcomes across Western Sydney.

At the core of the opportunities Western Sydney International will drive for the people of Sydney's west are job creation, business and skills development, and the opportunity to further build upon the cultural fabric of the region, which is already rich with diversity, as well as Aboriginal and non-Aboriginal heritage.

Delivery of Sydney's new airport, Western Sydney International (Nancy-Bird Walton) Airport, is on budget and on schedule to begin international and domestic passenger and air cargo operations in late 2026.