

## Western Sydney Airport Industry Information Session

This document summarises a questions and answers session following a [presentation](#) on Western Sydney Airport at Penrith Panthers Club, 26 June 2017.

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### ERRORS AND OMISSIONS EXCEPTED

## Questions and answers by theme

WSA Co.....	2
Who will operate the airport? .....	2
How long will WSA Co have the airport lease?.....	2
Will WSA Co have to take forecasting risks in the first period of operation? .....	2
Will WSA Co be independent of the department? Will it use department policies and procedures in the engagement of consultants and the use of department panels? .....	2
Airspace design .....	3
Will there be any indicative airspace charts released in the coming months and has there been discussions with surrounding councils to feed into any proposed land use planning limits with respect to maximum building rights? .....	3
You mentioned having an indicative aircraft movement schedule. Will you be releasing a master design schedule or peak requirements? .....	3
Procurement .....	3
Do you have any specific requirement for Australian industry involvement? .....	3
When will the governing employment plan will be released and who will that be managed by?.	3
Will there be any further industry consultation, like market sounding, before the EOI starts? ....	4
Given the large size of D & C package, are you planning to give any guidance to the market on evaluation criteria for the consortium or are you waiting for the EOI or should we look to the Functional Specification? .....	4
Is there going to be procurement limitations? Or is international procurement possible?.....	4
Could the WSA Co board and management decide to change the procurement process, for example, putting out a major earthworks package out in advance of the rest. Is the D & C set in stone to include those big elements as one package? .....	4
Will you be incentivising the D & C contract terms to finish early if possible? .....	5
What quality do you expect the airport terminal to be?.....	5
What approvals have to occur and are their risks of not achieving them? .....	5
Technology and innovation.....	5

What other major innovations are you expecting in the airport development? .....	5
Will there be tendering opportunities for technology companies and project management solutions and platforms? .....	6
Will business support systems be required for WSA Co? .....	6
Biodiversity .....	6
In terms of biodiversity and site preparation, will native and protected wildlife be removed from the site and relocated before works commence? .....	6
What is the approach to offsets for the 600 hectares of ecology on the site? .....	6
You were saying it's subject to review. Do you have a timeframe for that? .....	7
Rail.....	7
Is the rail alignment already finalised or is there the prospect of changes in that alignment during the design stage? .....	7
Fuel supply .....	7
How will fuel be supplied to the airport? .....	7
Fuel will be required during the earthworks on site. Would that place the development of any fuel storage facilities on site early on in the contract? .....	7

## WSA Co

### **QUESTION: Who will operate the airport?**

GREG WHALEN: WSA Co will sign a contract with the Department of Infrastructure on behalf of the Commonwealth to build the airport and to operate it.

### **QUESTION: How long will WSA Co have the airport lease?**

BRENDAN MCRANDLE: The airport lease will operate on the same basis as all the other federal airport leases, so a combination of 49 and 50 years, effectively a 99-year lease. The term of the airport lease for WSA Co will be exactly the same that was offered to Sydney Airport Corporation under their right of first refusal. WSA Co will be the Airport Lessee Company and therefore will have responsibilities for the operational phase of the airport as well. It could however choose, in accordance with the Airport Act, to go to an airport management company and put a contract out that way. So there's a number of choices the company will need to make in delivering the Government's objectives for the airport.

### **QUESTION: Will WSA Co have to take forecasting risks in the first period of operation?**

BRENDAN MCRANDLE: Obviously any greenfield infrastructure has demand risk, and we've done quite a bit of work for the Government in doing the forecasts and examining the extent of patronage risks. There are some early challenges that the airport company will need to weather in getting a share of market while there's still capacity at Kingsford Smith Airport, but the Government is very confident of the long-term and medium-term prospects once the airport commences operations. It will operate entirely on a commercial basis.

### **QUESTION: Will WSA Co be independent of the department? Will it use department policies and procedures in the engagement of consultants and the use of department panels?**

BRENDAN MCRANDLE: WSA Co will be an independent company that operates at arms-length from the Government day-to-day, so it needs to bring those commercial disciplines that it can to the project. It will need to demonstrate to the Government that it's achieving value for money but it doesn't have to follow precisely the same procurement activities that a federal agency would need to.

### Airspace design

**QUESTION: Will there be any indicative airspace charts released in the coming months and has there been discussions with surrounding councils to feed into any proposed land use planning limits with respect to maximum building heights?**

BRENDAN MCRANDLE: There is quite a bit of work commencing on the airspace design. There's work to be done over the next couple of years on the wider Sydney basin approach and departures final flight paths into the airport and they'll be subject to further approval considerations by the Minister for the Environment. Intrinsic to all of that will be a process to engage with a range of stakeholders and industry, local government and state government, so that's a long-term piece of work that's going on. Separately we've already consulted with local governments around the Obstacle Limitation Surfaces (OLS) – that is the height limits that apply in the area surrounding the airport. That work is largely ready to be implemented now. We'll aim during the course of the later part of this year to put the OLS into place and that will provide real guidance to councils and about building approval heights, and the way that councils need to think about the operation of an airport by the mid-2020s, but they're not so restrictive that they'll prevent the sort of development we'd want to see in Western Sydney. The OLS is very well advanced, the wider airspace work is a couple of years' worth of work, there'll be ongoing and interactive processes with the community and with a range of stakeholders so there won't be any published flight paths for a little while yet.

GREG WHALEN: Anything to do with the airspace design or the OLS will be the responsibility of the Department of Infrastructure as opposed to WSA Co.

**QUESTION: You mentioned having an indicative aircraft movement schedule. Will you be releasing a master design schedule or peak requirements?**

UPDATED ANSWER: The peak or 'busy hour' requirements for the design of the terminal and airport systems are set out in the [Key Functional Specifications](#). The airport developer will need to be able to demonstrate that the Stage 1 layout of Western Sydney Airport meets these requirements. The design of the terminal and airport systems must also be demonstrably capable of efficient future expansion through further stages of development to meet anticipated demand up to 82 million annual passengers for long-term operations.

### Procurement

**QUESTION: Do you have any specific requirement for Australian industry involvement?**

GREG WHALEN: In terms of the procurement arrangement for the Department of Infrastructure, that will be as per the existing procurement rules for Commonwealth procurements. For the WSA Co procurements, we are currently looking through the requirements. In terms of Australian industry involvement, there are requirements under the contract that WSA Co will have to sign, to put forward a plan for engaging local industry.

**QUESTION: When will the governing employment plan will be released and who will that be managed by?**

UPDATED ANSWER: Within six months of the signing of the Airport Lease, WSA Co is required to deliver an Industry Participation Plan to the Department.

**QUESTION: Will there be any further industry consultation, like market sounding, before the EOI starts?**

GREG WHALEN: Given the planning that the Department of Infrastructure has done, we will wait until WSA Co determines their high-level strategy for their procurement and whether there will be further market engagement. We would expect that they would be providing ongoing advice to the market, given the significance of that package and the importance of keeping this market informed so that you can be prepared.

**QUESTION: Given the large size of the design and construction (D & C) package, are you planning to give any guidance to the market on evaluation criteria for the consortium or are you waiting for the EOI or should we look to the Functional Specification?**

GREG WHALEN: We're trying to give you as much information today as we possibly can, short of not actually being WSA Co itself. They'll be looking at this main airport works package as a priority. We've done a significant amount of planning over the last three years about the market research and how we think that package should be structured. In terms of further advice to allow you to start preparing, we're talking about a D & C form of contract as the most likely form. Hopefully the types of facilities that we've described today will give you a sense of the size of the package; it's the bulk of the WSA project. It's a very large earthworks job to start with, it's got a lot of pavements, it does have a lot of airport infrastructure and then it's got a terminal complex that is fairly large by way of initial airport terminals. Given that it's required by the Functional Specifications in the Airport Plan to be both international and domestic, it will require a whole range of minimum services and features for day one, so we're trying to identify and help you with the types and the qualities of expertise and timings of expertise to form a consortia or partnerships or a joint venture, to give yourself the best possible chance of being competitive when that tender goes to market.

**QUESTION: Is there going to be procurement limitations? Or is international procurement possible?**

GREG WHALEN: In terms of the main airport works package we would expect that WSA Co will open that up to the market and see how the market responds. If there are areas of expertise better served by international specialists that will come through that process. Having said that, there are some very good designers in Australia, so it should be the best and brightest, irrespective of where they're coming from. In terms of the material side of things, we're working through policies that currently apply to Commonwealth Government agencies to see whether they will apply to WSA Co. We'll have more information available on that in the coming months and we'll put it on our website.

**QUESTION: Could the WSA Co board and management decide to change the procurement process, for example, putting out a major earthworks package out in advance of the rest. Is the D & C set in stone to include those big elements as one package?**

GREG WHALEN: The short answer is no. The WSA Co is going to be an independent company of the Government, however they have a contract that they'll be required to sign with the Commonwealth that has some very clearly identified milestones. So they will have those constraints around the contract. The Government is not expecting WSA Co to come on board and then just completely start again and wind the clock back three years. There's a lot of preparatory work that's been done over

the last several years, and they'll take that information on board, they'll look at their milestones and they'll make value judgments as to what's important to change and what's not.

**QUESTION: Will you be incentivising the D & C contract terms to finish early if possible?**

GREG WHALEN: We would expect that WSA Co, given the objectives that they will have when they sign the contract, will be looking at all sorts of ways to get the best result, in terms of function, form and timeframe and cost. In terms of incentivisation, most sophisticated buyers of these sorts of contracts these days do it, and we can expect WSA Co will draw on private sector expertise and will have very experienced people running those budgets and exploring all those opportunities as part of their role.

**QUESTION: What quality do you expect the airport terminal to be?**

GREG WHALEN: The [Key Functional Specification](#) document provides some clear criteria in terms of the performance standards for design, functionality and aesthetics. There's a whole section on benchmarking in terms of the quality of finishes and so on that will be required at the airport. Under the D & C arrangement, there are ways in which you can ring-fence certain parts of the deliverable and insist on particular ways of managing that so that WSA Co in this matter has much greater control over the outcome, particularly from a functionality and aesthetics point of view and we would expect they would do something like that for the terminal part of the tender.

**QUESTION: What approvals have to occur and are their risks of not achieving them?**

GREG WHALEN: The Environment Protection and Biodiversity Conservation Act and the Airports Act both apply. The Airport Plan authorises the development of the airport and was informed by the Environmental Impact Statement. There are conditions required under the Airport Plan that require the preparation of construction and operation environmental management plans, which will need to be approved by the Department of Infrastructure. The Biodiversity Offset Delivery Plan is required to be approved by the Department for the Environment and Energy. These approvals are preconditions to the commencement of Main Construction Works. As the regulator for the environmental management plans contained in the Airport Plan, the Department will work closely with WSA Co to ensure that the plans meet the conditions of approval.

## Technology and innovation

**QUESTION: What other major innovations are you expecting in the airport development?**

GREG WHALEN: The innovation that I referred to in the presentation was more to do with the delivery process for the construction or in the actual solutions for some of the facilities or the engineering services for the site. There are plenty of opportunities for innovation in terms of how those bulk earthworks are undertaken and the types of technologies used – for example, whether fully manned vehicles do the earthworks or whether they're assisted by geospatial telemetry or even automated. So there's one example, but fundamentally, the innovation aspect is very much up to those who will be tendering for those packages and what they're willing to bring to the table to make themselves competitive.

BRENDAN MCRANDLE: If you have a look at the [Key Functional Specifications](#) you'll see how we've described what we want the airport to be able to do in terms of its capability. We are leaving the opportunity for the private sector designers and construction companies to consider how best to achieve those outputs and those outcomes and not being overly prescriptive in terms of technical detail, other than in a few areas like the runway for example. In terms of terminal design and those

sorts of things, we'll be looking for the most up-to-date, contemporary techniques and designs coming through for this airport.

GREG WHALEN: The terminal is very important, although it is a smaller component dollar-wise. In airports around the world, technologies coming through from a security point of view are a major playing field – using biometrics for security and improving the passenger experience by getting their luggage offloaded much earlier. There are a lot more opportunities in the terminal complex but there are clearly some in the broader civil engineering tasks at hand.

**QUESTION: Will there be tendering opportunities for technology companies and project management solutions and platforms?**

GREG WHALEN: Because of the way the procurements are being packaged, the technologies we would expect would be enablers or subcomponents of those packages. At this stage we're not expecting that WSA Co will be going out looking for specific technology solutions, but it will be a case-by-case basis. For example, baggage handling systems might be something that WSA Co may not want packaged into a D & C contract and there are a range of other technologies, particularly navigation aids and so on, that may lend themselves to specific separate packages. That will be something that WSA Co will need to make decisions on.

**QUESTION: Will business support systems be required for WSA Co?**

GREG WHALEN: Given that WSA Co will be required, as per the Government's announcements, to be established in the new financial year, much like what has occurred with a lot of the other Government Business Enterprises when they've been established, there will be some initial arrangements to get basic technologies and support functions up and running. Generally they are from the Department and the Department's panels or contracts for the initial period.

BRENDAN MCRANDLE: WSA Co will go through fairly significant growth early on. It will need to have systems in place that will cater for its initial operations but also handle the growth in staffing as the airport gets to peak construction phase. These will ultimately be decisions for the WSA Co Board and management to work out the best way of going forward to support the day-to-day operation of the company and position it to be an efficient organisation with a long-term staffing structure in mind.

## Biodiversity

**QUESTION: In terms of biodiversity and site preparation, will native and protected wildlife be removed from the site and relocated before works commence?**

BRENDAN MCRANDLE: There are requirements set out in the conditions under the Airport Plan for the management of wildlife and flora. Back in the 1990s, there were a number of flora that were relocated and taken to a nursery for propagation. There are further works that are set out in the current Airport Plan conditions that require us to work with, for example, Greening Australia for seed production. In terms of fauna, there's a requirement also to relocate fauna off the site in a way that's environmentally sound. Those conditions need to be met in the way they are described in the Airport Plan before construction can commence.

**QUESTION: What is the approach to offsets for the ecology on the site?**

BRENDAN MCRANDLE: We are required under the Airport Plan to develop a Biodiversity Offset Delivery Plan which will document how the biodiversity offsets for WSA will be delivered through the protection and management of suitable offset sites and other conservations measures. We have also established a Biodiversity Experts Group to inform our development of this plan and we are working

with them to identify and secure offsets. The first stage of the airport – the development of the single runway operations – is really about 1100 hectares of the 1,780 hectare site, up until when the second runway is needed around the mid-2050s.. The impact on Cumberland Plain Woodland is high on people’s minds but it’s not the only aspect we need to work through, so there’s a number of species that we need to consider in terms of our environmental conditions.

**QUESTION: Is there a timeframe for that?**

UPDATED ANSWER: In accordance with the conditions of approval contained in the Airport Plan for Western Sydney Airport, the Construction Environmental Management Plans (CEMPs) and the Biodiversity Offset Delivery Plan (BODP) are required to be approved prior to Main Construction Works. Following approval of the CEMPs by the Department of Infrastructure and Regional Development, and the approval of the BODP by the Department of Environment and Energy, Main Construction Works is scheduled to commence in the second half of 2018.

Rail

**QUESTION: Is the rail alignment already finalised or is there the prospect of changes in that alignment during the design stage?**

GREG WHALEN: Both the Commonwealth and the NSW governments agreed to undertake a [joint scoping study](#) of the rail needs of Western Sydney, looking at the long-term network solution and rail needs for Western Sydney. It will also be looking at what is the most sensible initial connections through Western Sydney, including to the airport. That work will be considered by governments over the next couple of months, with the expectation that there will be a public report. A public discussion paper was released last year, so if you haven’t had a chance to read that, it’s a good source to get an idea as to where this scoping study is going.

Fuel supply

**QUESTION: How will fuel be supplied to the airport?**

GREG WHALEN: The stage 1 of the airport will include aviation fuel storage facilities to be able to supply the aircraft that are operating out of the airport. We are not expecting a pipeline to be required to the airport for day one. There’s some work going on at the moment by the NSW Government about fuel pipelines for Sydney and in particular looking at a corridor and what the needs are for getting fuel to the Western Sydney Airport. As one of the conditions for the approval for the Western Sydney Airport Project, we were required to undertake a study into fuel pipeline requirements for WSA and we expect that to be completed by the end of the year. In terms of the timing for connecting a fuel pipeline to the airport, that will come down to the composition of aircraft traffic at the airport, and the ratio of domestic to international.

**QUESTION: Fuel will be required during the earthworks on site. Would that place the development of any fuel storage facilities on site early on in the contract?**

GREG WHALEN: In terms of the critical items for the main airport works package, at this stage that will be a matter for WSA Co. As to whether or not it places a priority on some of the fuel farm facilities for the airport to be used for other things during the construction period, we are leaving that to the planning of WSA Co.