

Corporate Plan 2017 - 2018



WSACo

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Chair's Message



It gives me great pleasure to present the inaugural Corporate Plan 2017-18 for WSA Co, as we commence our journey of delivering Australia's first metropolitan greenfield airport in the digital age.

Western Sydney Airport will be the catalyst for economic and social prosperity across Western Sydney and will be a key enabler for job generation and wider economic benefits to New South Wales and the nation more broadly.

This Corporate Plan outlines the planning activity underway and the progress already made since the establishment of WSA Co in August 2017. Our highly experienced Board of Directors and Executive have expertise across the aviation, infrastructure and tourism sectors and are working in collaboration with both the public and private sectors to deliver this once-in-a-generation project.

The Australian Government is investing up to \$5.3 billion in Western Sydney Airport. This significant investment will bring with it opportunities for local businesses and communities to join with us to generate economic and social prosperity and deliver a thriving airport precinct in Western Sydney. Our goal is to deliver a world-class airport that is a source of local pride: a symbol of the innovation and dynamism of Western Sydney.

We have a clear vision for Western Sydney Airport and with the first of the major construction works scheduled to commence in the second half of 2018, we look forward to sharing our vision and progress in the coming years as we work towards the opening of Western Sydney Airport in 2026.

Paul O'Sullivan
Chair of the Board

Chair



Mr Paul O'Sullivan
Chair
Appointed
August 2017

The Board of Directors



Mrs Fiona Balfour
Non-Executive Director
Appointed
August 2017



Mr Tim Eddy
Non-Executive Director
Appointed
August 2017



Mr Vince Graham
Non-Executive Director
Appointed
November 2017



Ms Anthea Hammon
Non-Executive Director
Appointed
November 2017



Ms Christine Spring
Non-Executive Director
Appointed
August 2017



Mr John Weber
Non-Executive Director
Appointed
November 2017

Chief Executive's Statement



The opportunity to deliver a once-in-a-generation project as significant as Western Sydney Airport brings immense responsibility and, at the same time, unlimited opportunity for the people of Western Sydney. Having been raised locally, I recognise the tremendous privilege that comes with leading the delivery of Western Sydney Airport, and the importance of building a successful airport business that will benefit the region for many generations to come.

WSA Co has a clear purpose and a specific vision. By 2026, we will deliver a world-class airport that drives the social and economic prosperity of future generations; an airport that takes innovation and digital advances to new levels to provide Australia's premier passenger experience. The Airport will connect Western Sydney with the rest of the world and play a key role in shaping the future of aviation, both nationally and internationally. During its construction, the Airport is expected to support up to 11,000 jobs with up to 28,000 jobs supported by 2031.

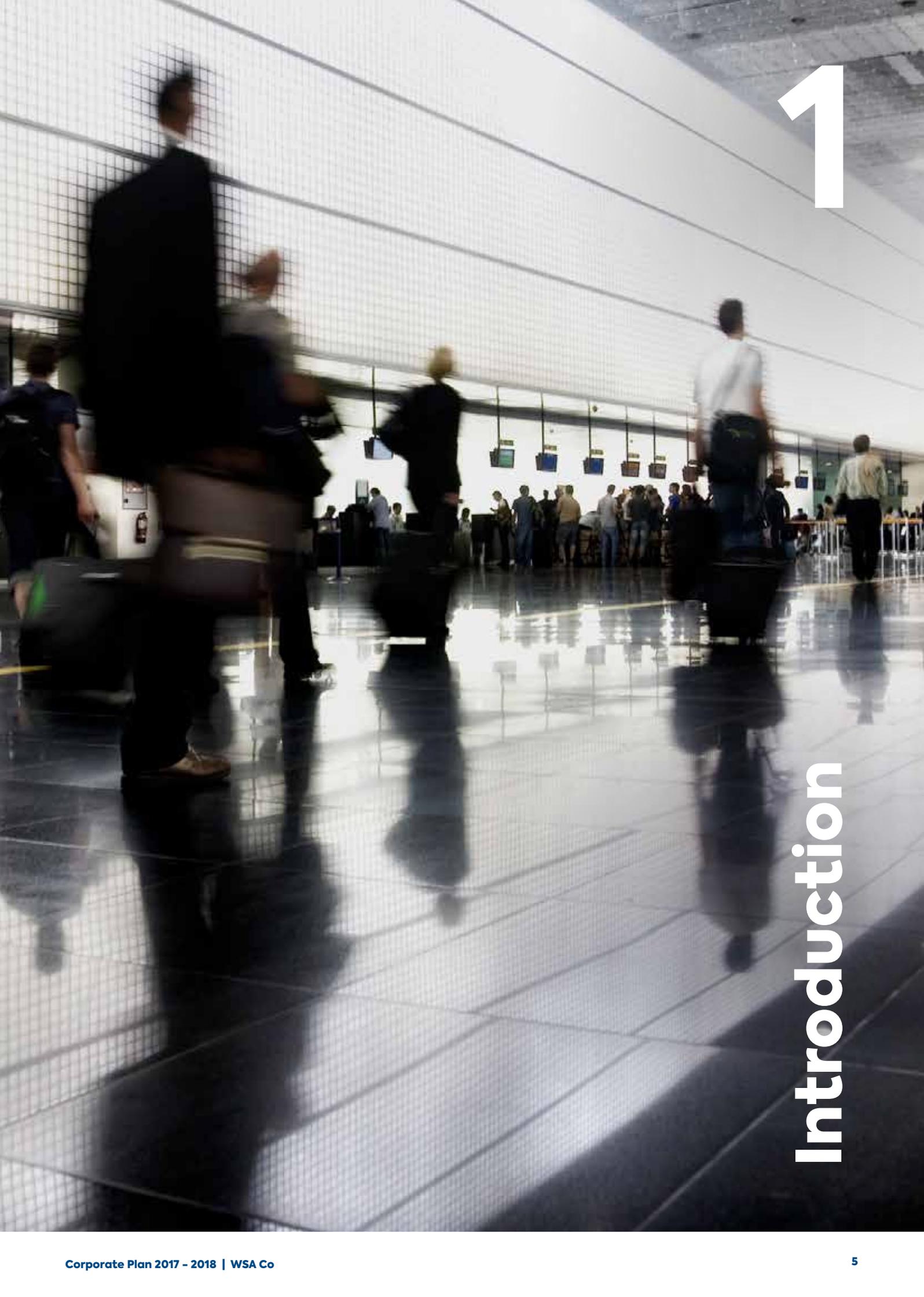
Each step we take towards the opening in 2026 builds momentum that has attracted attention and investment from industry stakeholders globally. This Corporate Plan outlines the extent of planning and achievements to date to advance the project in our first ten months.

Although WSA Co is young, the dedication, advocacy, and leadership that each employee invests in the project is evident. Having my own values and approach shaped by the vibrancy and passion of the people of Western Sydney, my personal commitment and that of the team is inherent in all we do.

In bringing our vision to life, continuing to work closely with our local communities will be essential, as will a passionate, energetic, and pioneering spirit.

A handwritten signature in dark ink, appearing to read 'Graham Millett'. The signature is fluid and cursive, with a long horizontal stroke at the end.

Graham Millett
Chief Executive Officer



1

Introduction

Introduction

This Corporate Plan 2017-18 (Plan) has been prepared by WSA Co Limited (ABN: 81 618 989 272) (WSA Co or the Company) for its Shareholder Ministers in the Finance and Infrastructure portfolios, in accordance with Section 95 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act). Consideration was also given to the requirements under Public Governance, Performance and Accountability Rule 2014, the January 2018 Commonwealth Government Business Enterprise (GBE) Governance and Oversight Guidelines Resource Management Guide No. 126 (GBE Guidelines) and Australian Government policy, as communicated to WSA Co from time to time.

The Plan sets out WSA Co's key objectives and priorities for the reporting period commencing 1 July 2017 and ending on 30 June 2018 (reporting period). In the 2018-19 Corporate Plan, WSA Co will outline the activities, opportunities and challenges the Company faces over the next four years.

1.1 Background

The 2012 Joint Study on aviation capacity in the Sydney region found that, under current conditions, Sydney (Kingsford Smith) Airport will be unable to meet the increasing demand for new aviation services. After analysis of the findings of the study, in addition to analysis of alternative sites for a second airport, the Australian Government announced in April 2014 that Badgerys Creek will be the site for a new airport for Western Sydney.¹

The Western Sydney Airport Plan (determined in December 2016) sets out the Australian Government's vision for the development and operation of an airport in Western Sydney and provides the authorisation for the construction and operation of Stage 1 of the development.² The Airport Plan outlines the compulsory conditions for the design, construction and operation of the Stage 1 development and includes strict environmental standards and implementation of mitigation measures identified in the Environmental Impact Statement (EIS).

Stage 1 of Western Sydney Airport (the Airport) will initially have a single 3.7-kilometre runway and facilities to handle up to 10 million passengers per year. The Airport is situated in a large and growing catchment area that is expected to include 3 million people soon after the Airport opens. It will offer a full range of domestic, international and freight air services and will be able to handle the full range of aircraft, including the Airbus A380.

1. Western Sydney Airport Business Case Summary

2. The Western Sydney Airport Plan specifies staged development of a Western Sydney Airport in line with demand.

1

Introduction

The Australian Government announced its intention to establish WSA Co in May 2017 to deliver Western Sydney Airport, and committed up to \$5.3 billion to the entity in the May 2017-18 Budget. The Company was incorporated and prescribed as a Government Business Enterprise (GBE) in August 2017, at which time four directors were appointed to the Board. The first employees joined the Company in September 2017 and the Company's office in Liverpool was opened in November 2017, at which time the remaining three directors were appointed to the Board.

1.2 WSA Co's mandate

WSA Co's mandate is to realise the Government vision for Western Sydney Airport as set out in the Western Sydney Airport Plan (the Airport Plan) published in December 2016. In doing so, WSA Co is expected to deliver on the following objectives that are enshrined in its constitution:

- 1. Improving access to aviation services in Western Sydney**
by providing a broad range of passenger services.
- 2. Resolving the long-term aviation capacity issue in the Sydney basin**
by maximising the aviation capacity of the site, noting the constraints at Sydney (Kingsford Smith) Airport.

- 3. Maximising the value of Western Sydney Airport as a national asset**

including consideration of benefits the Airport will bring within and around Western Sydney, NSW and Australia.

- 4. Optimising the benefit of Western Sydney Airport on employment and investment in Western Sydney**

by recognising that the Airport will be a major catalyst for growth and development in Western Sydney.

- 5. Effectively integrating with new and existing initiatives in the Western Sydney area**

by ensuring long-term planning considers the Airport's economic, social and environmental impact in Western Sydney.

- 6. Operating on commercially sound principles having regard to the Australian Government's intention to preserve its options with respect to ownership and governance arrangements**

by applying private sector discipline in the management of WSA Co.

WSA Co will operate in a commercial manner and at arm's length from Government to achieve these objectives. The Company has been granted considerable discretion in its operational and commercial decisions, within the constraints of the *Corporations Act 2001*, the PGPA Act, and associated subordinate legislation.

1

Introduction

1.3 Accountability & Reporting

The Shareholder Ministers' *Statement of Expectations* summarises the Australian Government's expectations of WSA Co for the construction of Western Sydney Airport, including high standards of procurement, probity, and transparency, as well as robust reporting requirements.

In accordance with the PGPA Act, WSA Co will provide Shareholder Ministers with four-year Plans ahead of each reporting period. On this basis, Plans will be amended annually to reflect any change in governance, structure, and objectives. Related reporting, including Annual Reports, will also be provided to Shareholder Ministers, as required under the PGPA Act.

The WSA Co Board is ultimately responsible for the performance of WSA Co, including meeting its accountability obligations to the Commonwealth. In addition to the reporting outlined above, WSA Co has implemented and is monitoring its governance framework, including various Board sub-committees. As a GBE, WSA Co is also subject to Parliamentary scrutiny and is required to keep Shareholder Ministers informed of activities, issues and decisions affecting the Company.



2



WSA Co's Aim

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WSA Co's Aim

Purpose

To generate social and economic prosperity by working together to safely deliver a thriving airport precinct in Western Sydney.

WSA Co is a purpose-led organisation. As a result, the Company's activities are directed at developing and subsequently operating Western Sydney Airport, generating social and economic prosperity for Western Sydney by improving access to aviation services and resolving Sydney's long-term aviation capacity issue, integrating with new and existing initiatives in the area, and operating on commercially sound principles to maximise the value of the Airport as a national asset. In doing so, the Airport will be a major catalyst for growth and development in the local community.

In addition, WSA Co will pursue robust local employment targets, including a minimum 30 percent employment from Western Sydney throughout the construction phase, and at least 50 percent of Western Sydney based employees from 2026. The Airport will support up to 11,000 jobs during its construction and up to 28,000 jobs in 2031, five years after opening.

By meeting Sydney's growing aviation needs and introducing choice for consumers of aviation services in the Sydney basin, the project will generate economic benefits both locally and nationally. This means that the Airport will be recognised as a transformational infrastructure project over time.

Vision

To be the gateway of choice to Australia and the world – connecting people, places and opportunity.

WSA Co has an ambitious vision – to be the gateway of choice to Australia and the world for both passenger and freight journeys – which means to provide customers, both passengers and airlines, with best-in-class service and a seamless travel experience for those choosing Western Sydney Airport as their destination or point of origin.

2

WSA Co's Aim

Culture Statement

Empowered to Deliver

Core Values

Safety	A zero-harm culture with a safety-first mindset.
Inclusion	A collaborative and agile team with a focus on effective community and stakeholder engagement.
Integrity	Building trust by behaving in a transparent and honest manner, and always treating others with respect.
Courage	A team that demonstrates initiative, behaves with accountability, and challenges assumptions.
Pioneering	Being resourceful and innovative to drive continuous improvement and meaningful change.
Passion	A committed, enthusiastic and proud organisation that drives the corporate vision and results.

WSA Co sees itself as being empowered to deliver on its purpose and is cultivating a positive corporate culture that embodies the values set out in the table above.



3

Operating Context

Image Credit: Liverpool City Council

3

Operating Context

Airports are becoming increasingly important for the development of economic and commercial precincts, and Western Sydney Airport will be no different. The Western Sydney City Deal, announced on 4 March 2018, highlights Western Sydney Airport as a catalyst to create investment and job opportunities. In line with this, WSA Co is engaging with the Commonwealth and NSW Governments regarding a rail link to the Airport, as well as working with NSW Government agencies to create access via new roads and ensure overall transport connections to and from the Airport are seamless.

WSA Co's operating environment will vary over time, with a primary focus on construction activities and the corresponding infrastructure market, combined with an increasing attention on the aviation market as the Airport moves closer to operations. Nonetheless, WSA Co will consider trends in aviation and airport design so that the Airport can be optimised by way of flexible design that can adapt to future growth.

3.1 Aviation Market Overview

According to the International Air Travel Association (IATA), the number of annual airline passengers worldwide is expected to reach almost 8 billion within a decade of Western Sydney Airport opening in 2026. This is almost double the 4 billion travellers recorded in 2017. Furthermore, IATA forecasts that the biggest driver of demand will be the Asia-Pacific region, providing more than half of new passengers over the next two decades. In 2022, China is expected to overtake the United States as the world's largest aviation market, well before Western Sydney Airport commences operations.³

Several factors are driving increasing demand for aviation services in the Sydney region. A combination of population growth and economic expansion in Western Sydney and the broader Sydney region, paired with increased airline competition, low-cost carrier penetration, rising international tourism, and augmenting trends in e-commerce and air freight, mean that Western Sydney Airport is essential to meet growing demand in the Sydney basin. The aviation industry is increasingly focused on cost and innovation, and technological advances are providing opportunities to fundamentally rethink and reshape passenger and aircraft processes to improve the passenger experience and lower costs.

3. 2017 IATA Press Release No. 55 – 2036 Forecast Reveals Air Passengers Will Nearly Double to 7.8 Billion

3

Operating Context

3.2 Construction Market Overview

For the reporting period covered by this Plan, WSA Co will focus primarily on activities involving bulk earthworks and civil construction as related to airport infrastructure delivery. The project's high-profile nature has meant that interest in the project from construction and community perspectives has remained strong.

This, paired with emerging construction technologies offering productivity increases through predictive analytics, 3D scanning and printing, Building Information Management (BIM), prefabrication and modular construction, instil confidence that the project will be delivered on-time, on-budget and to scope, and the airport will be ready for the commencement of operations in 2026.



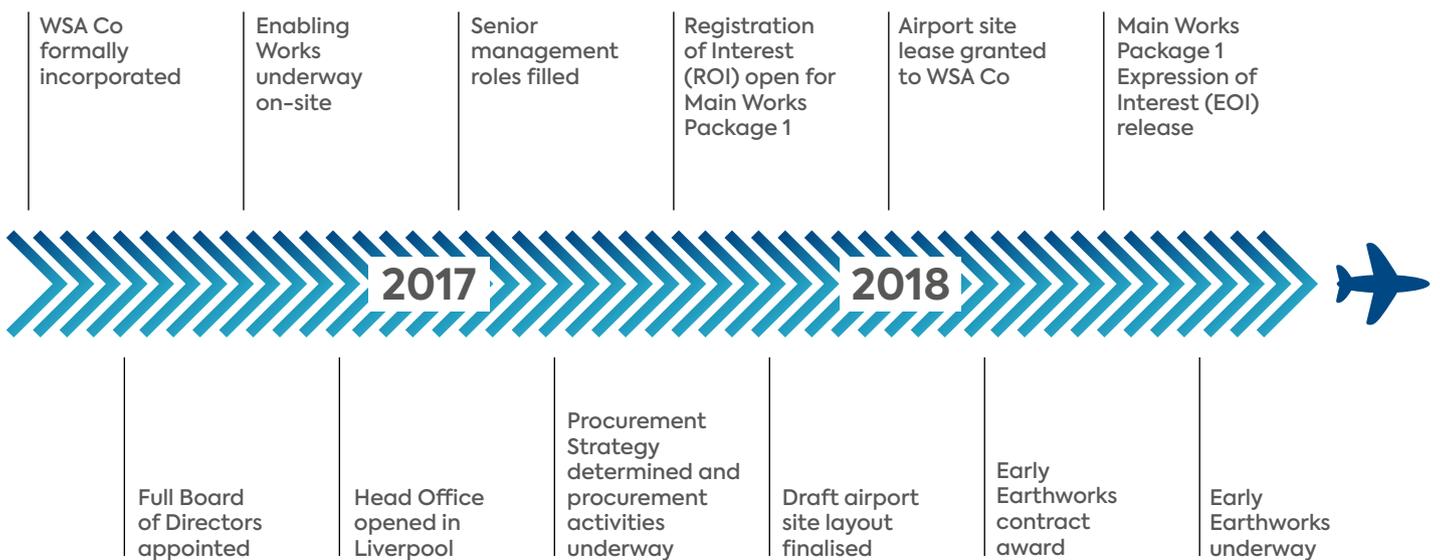


4 Significant Achievements & Outlook

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Significant Achievements & Outlook

Since establishment in 2017, the Company has made significant progress on a number of fronts, including recruitment for key senior executive roles; defining the Company’s procurement strategy; releasing three significant procurements to the market for a Delivery Partner, Project Manager (Definition) and for a contractor to carry out the Early Earthworks Package; issuing a Registration of Interest for the Bulk Earthworks and Airside Civil works; finalising the Draft Airport Site Layout; and being granted the Airport Site Lease. WSA Co is on track to commence construction in late 2018 (see Section 4.2: Procurements) and for the Airport to open in late 2026.



Timeline is not to scale and presents indicative timeframes of key activities

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Significant Achievements & Outlook

4.1 Enabling Works

The Enabling Works are the initial physical activities to be undertaken at the site before the main airport works construction program begins. WSA Co has already completed several Enabling Works on the Airport site, including geotechnical investigations and land survey services. Furthermore, the relocation of a 330-kilovolt high-voltage TransGrid transmission line from overhead to an underground cable route is on track for completion by mid-2019.

4.2 Procurements

To ensure WSA Co's procurement processes are undertaken to the high standards required by Shareholder Ministers, all procurements strive to achieve value for money, and to ensure all necessary financial and probity controls are implemented.

During the reporting period, WSA Co has undertaken numerous project-related procurements, including the following key procurements:

- *Early Earthworks*, comprising approximately 1.5 million cubic metres of earthmoving and preparation of stockpiling locations ahead of *Main Works Package 1* (Bulk Earthworks and Airside Civil works package). The *Early Earthworks* contract will be awarded in mid-2018 and works will commence on-site at the end of 2018.
- Expression of Interest for *Main Works Package 1* (Bulk Earthworks and Airside Civil works package) will be released to the market in mid-2018.

- Professional Services contracts for *Delivery Partner* and *Project Manager (Definition)* will be awarded in mid-2018. The *Delivery Partner* and *Project Manager (Definition)* will assist WSA Co in all aspects of delivery including project management, planning, design development and construction management.

In addition to the key procurements during the reporting period, the following activities are scheduled for the following three years:

- The *TransGrid Relocation* will be completed.
- The *Early Earthworks* package of works will be completed.
- WSA Co will release each of the three procurement packages for the *Main Works* and will commence construction for the first *Main Works* package.

4.3 Grant of Airport Lease

On 17 May 2018, WSA Co was formally granted a 99-year lease (a 50-year lease with a 49-year option to extend) of the Airport site, marking a significant milestone in the Company's operation. As part of the lease grant conditions, WSA Co will take responsibility for the management of the site from the Department of Infrastructure, Regional Development & Cities (*Infrastructure*). A range of airport deliverables including delivery of biodiversity offsets, airspace design and associated property acquisition, and noise insulation policy will be funded by WSA Co and delivered by *Infrastructure*.

4

Significant Achievements & Outlook

4.4 Stakeholder Engagement

WSA Co recognises the importance of ongoing stakeholder engagement and community relations in realising the wider social and economic benefits that Western Sydney Airport will catalyse.

WSA Co formally engages its key stakeholders through the following forums:

Forum On Western Sydney Airport	Stakeholder Planning Forum	Aboriginal Stakeholder Forum
This forum links the community, Government and WSA Co during the planning and construction of Western Sydney Airport. This is a consultative forum for the exchange of information and ideas.	An opportunity for WSA Co to engage with the Commonwealth and representatives from authorities which may be reasonably impacted by the project, including local and state governments and utilities providers.	An opportunity for Aboriginal stakeholders with an interest in the Western Sydney Airport site to get an update on the Airport project and proposed cultural management initiatives and actions.

Furthermore, in accordance with the Airport Plan and consistent with the EIS, WSA Co will prepare and have approved a Community & Stakeholder Engagement Plan before the commencement of Main Works construction. Additionally, WSA Co continues to work closely with Commonwealth agencies on technical, operational and performance information required to enable the progression of detailed design and procurement for the Main Airport Works.

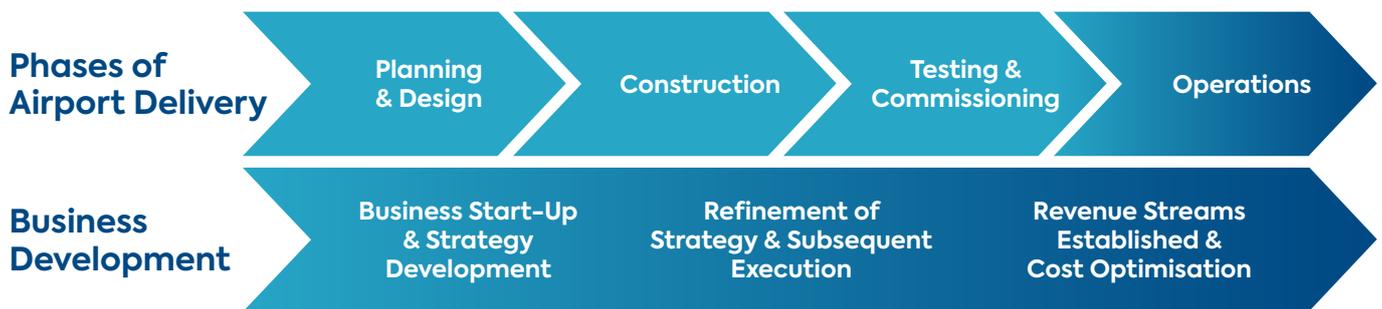
5

Strategy

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Strategy

WSA Co is embarking on two integrated workstreams: a substantial and complex airport construction project; and the development of a globally competitive, full-service airport business, which together will generate economic prosperity for Western Sydney and Australia.



In delivering the Airport infrastructure, WSA Co will transition through four broadly overlapping delivery phases, namely the initial Planning and Design Phase, the Construction Phase (consisting of several significant works packages), the Testing & Commissioning Phase and the Operations Phase.

In delivering sound financial, environmental and social outcomes for the community, WSA Co must develop a thriving Airport business that considers a strong mix of both aeronautical and non-aeronautical opportunities that are underpinned by an approach that maximises return on investment.

5

Strategy

5.1 Strategic Approach

WSA Co's strategic approach will underpin the delivery of the Company's vision by building strong customer and business relationships, bringing innovation to all the Company does, providing leadership in the economic and social sustainability of communities, being an employer of choice, and delivering on its shareholder commitments. WSA Co's strategy will be delivered through robust management and governance initiatives, including:

Safety	Cultivation and reinforcement of a zero-harm prevention and protection mindset.
Sustainability	Sustainable resource choice and use, and effective and responsible environmental management.
Infrastructure Design & Delivery	A smart airport, optimising technology, innovation and experience, and delivery on-time, on-budget and to specification.
People & Culture	Develop and maintain a target culture where WSA Co is an employer of choice.
Stakeholder Engagement	Establishment and maintenance of collaborative and productive relationships with key stakeholders.
Governance	Robust governance practices and a focus on compliance.
Finance, Commercial & Risk	Embedding a cost-conscious program and developing competitive customer value propositions, while effectively managing risks.
Information Technology (IT) and Security Systems	Integration of Corporate IT with Project IT and effective data and systems security.

6



Capability

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Capability

In parallel to the extensive planning and construction activities being undertaken, the Company is continuing to build on its core capabilities including safety management, finance, commercial development and operations, people and culture management, security and information management, and stakeholder engagement and communications.

6.1 The Team

Since incorporation in August 2017, WSA Co has been working to build organisational capability by attracting a high-performance workforce. In addition to a Board of seven members with a range of skills across the aviation, commercial, engineering, tourism and technology sectors, Management is also comprised of individuals from diverse backgrounds. To ensure an effective, collaborative and integrated team, WSA Co staff are appointed based on three key factors: experience and qualifications, potential for development, and cultural fit.

As WSA Co progresses through the various phases of the project, it is expected that capability will be further enhanced and adapted accordingly. For the current phase of the project, the team is organised into two key business streams designed to reflect both project and corporate domains, and delivery of respective activities.

Board of Directors

Chief Executive Officer

Airport Infrastructure Delivery

- Safety
- Security
- Infrastructure
- Engineering
- Design
- Procurement
- Construction Project Management

Corporate Functions

- Work Health & Safety
- People & Culture
- Financial & Operations (budget, accounting and commercial development), Risk, Audit and Probity
- Media & Communications
- Corporate Procurement
- Legal/Advisory, Company Secretariat
- Information Technology

6

Capability

To ensure organisational capacity is optimised and to support the achievement of objectives, WSA Co is focusing on:

- Championing a unified vision and shared cultural values.
- Aligning workforce design and activities to strategy, including workforce targets.
- Ongoing development of people to ensure WSA Co remains a workplace of choice as profiled by a high-performing, diverse and adaptable team.
- Building and maintaining inclusive relationships with key stakeholders to drive meaningful information exchange and optimal decision making.
- Developing key policies around safety, security, flexibility, productivity, performance, risk management, procurement and probity.



Image Credit: Liverpool City Council

7



Performance Management

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Performance Management

WSA Co has developed a range of *Performance Outcomes* based on the Company's overarching purpose and activities. These activities are directed at working together to safely deliver and subsequently operate Western Sydney Airport, generating social and economic prosperity for Western Sydney by improving access to aviation services and resolving Sydney's long-term aviation capacity issue, integrating with new and existing initiatives in the area, and operating on commercially sound principles to maximise the value of the Airport as a national asset. Ultimately, the Airport will catalyse growth and development in the local community and broader precinct.

It is intended that these Performance Outcomes will be reviewed twice annually to ensure they remain relevant, focused and effective. WSA Co has adopted the *Balanced Scorecard* approach to ensure organisational performance is measured holistically in the context of the Company's broader strategic goals.

In recognising that this is WSA Co's inaugural year, WSA Co is in the process of working with the Commonwealth to develop data sets that will support relevant Key Performance Indicators (KPIs) associated with these Performance Outcomes. These KPIs will inform decision making and performance measurement moving forward. The Company has identified where baseline data will be collected during the reporting period to enable performance reporting in 2018-19 and beyond. Performance against the measures outlined in future Plans will be evaluated in Annual Reports.

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Performance Management

Strategic Domain	Performance Outcomes
Safety	Contemporary and compliant Health and Safety Management System (H&SMS) in place and working effectively, and reasonably foreseeable safety hazards and risks arising from WSA Co activities identified, mitigated and monitored.
Sustainability	Effective Environmental Management System (EMS) implemented and approved; Sustainability Strategy and Plan in place, ensuring integrated sustainable design is undertaken.
Infrastructure Design & Delivery	Effective tender competition achieved through successful engagement, probity and governance; project delivery in accordance with contracts (to scope, to cost and to program); embedding an innovation mindset in the Company's culture.
People & Culture	Effective leadership, successful onboarding and recruitment, and training for growth and development in order to ensure optimal workforce performance.
Stakeholder Engagement	Establishment and maintenance of effective consultation channels (forums, information exchange and feedback systems), stakeholder relationships (community, business, media, government), and workforce communication and engagement channels.
Governance	Implementation of an effective governance framework, including policies and procedures, to achieve compliance with legal and regulatory obligations and to reflect best practice corporate governance processes.
Finance, Commercial & Risk	Leverage sound commercial acumen to achieve optimal results through diversification of revenue streams to maximise value capture; achieve competitive advantages by utilising modern technologies and methods to manage costs; understand customers and industry participants in order to be an effective partner.
Information Technology (IT) and Security Systems	Delivery and governance of flexible IT and secure Information Communication Technology (ICT) that can easily and quickly respond to change, and support emerging technologies.



Image Credit: Liverpool City Council

8

Risk Management

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Risk Management

AS/NZS ISO 31000:2009 Risk management – Principles and guidelines (ISO 31000) is the international benchmark for risk management and provides the standards by which WSA Co manages risk. WSA Co’s Risk Management Framework includes policies, systems and processes to ensure the Company is prepared to monitor, review, mitigate and communicate key risks to relevant stakeholders.

The Company’s Risk Management Framework provides the overarching policy direction for the role of risk management within WSA Co as both a GBE and as the owner of project delivery for the design, construction and operation of Western Sydney Airport, as well as the associated responsibilities of Management, staff, contractors and sub-contractors. In addition, the Company actively considers external sources of risk and endeavours to proactively mitigate these risks accordingly.





9

Access to Information

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Access to Information

WSA Co's website (wsaco.com.au) provides copies of public documents developed by WSA Co, in addition to information, updates and announcements related to the project.



Artist's Impression: Indicative Long-term Site Layout which may change following detailed design

WSACo

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