



WESTERN SYDNEY AIRPORT



Developing and operating the airport

The Western Sydney Airport at Badgerys Creek will deliver jobs and economic growth for the Western Sydney community and ensure the Sydney region can meet increasing aviation demand well into the future.

As the first major airport developed in Australia for more than 50 years, significant work is being undertaken to plan the airport so it delivers the best outcome to Western Sydney, New South Wales and the nation. In facilitating this and delivering the airport, a critical first step is for the Australian Government to meet its obligations under the Right of First Refusal provisions.

Right of First Refusal

As part of the 2002 Sydney (Kingsford-Smith) Airport sale agreement in 2002, the purchaser was provided with the opportunity to develop and operate a second major airport in the Sydney region, within 100 kilometres of the Sydney GPO. This is known as the **Right of First Refusal**. This right was included in the sale agreement due to the uncertainty at the time over the development of a second airport. As Badgerys Creek is 56 kilometres from the Sydney GPO, Sydney Airport Group holds the first right to develop and operate the Western Sydney Airport.

The Right of First Refusal consists of a number of phases, including a consultation phase and a contractual phase. As part of this process, the Government has undertaken extensive consultations with Sydney Airport Group covering the need for, nature and economics of the Western Sydney Airport as well as the terms on which an airport might be developed. **Two years of formal consultation** with Sydney Airport Group ended on 30 November 2016.

Contractual offer

Following the consultations, the Australian Government has now issued a **Notice of Intention** to Sydney Airport Group.

The Notice of Intention is a contract that sets out the Commonwealth's detailed terms for the development and operation of the Western Sydney Airport. The 1,000-page document includes technical specifications, contractual terms and a timetable. It covers the size of the airport, sets out milestones leading to construction commencing in 2018, and details the tasks the Commonwealth will conduct and what the developer must do.

This offer has been carefully developed to ensure that the Western Sydney Airport delivers the best deal for the community. It is backed by a comprehensive business case and has been assessed as being in the best interest for Australia.

The Notice of Intention aligns with the recently approved Airport Plan and binds the airport operator to the environmental conditions placed on the development by the Minister for the Environment and Energy.

Next steps

The Sydney Airport Group will now consider the contractual terms and decide if it will take up the opportunity to develop and operate the airport at Badgerys Creek.

Should Sydney Airport Group decline the opportunity, the provisions of the Right of First Refusal allow the Australian Government to develop and operate the airport itself or offer the opportunity to other private sector companies. This must be on terms that are not materially more advantageous than those offered to Sydney Airport Group.

The Australian Government is firmly committed to the Western Sydney Airport opening in the mid-2020s.

While Sydney Airport Group considers the offer, the Government is continuing necessary work preparing the site, including clearing structures, undertaking geotechnical assessments, identifying rail corridors and upgrading roads. No matter who the developer is, **construction will start in 2018.**

Key activities under the Right of First Refusal

Date	Activity
15 April 2014	Australian Government announces Badgerys Creek as the site for Western Sydney Airport
30 September 2014	Consultation phase formally commences with Sydney Airport Group
30 November 2016	Consultation phase concludes
20 December 2016	Contractual phase commences, with Notice of Intention issued to Sydney Airport Group
2017	Under the provisions of the Right of First Refusal, Sydney Airport Group may take nine months to consider the contract or four months if it is substantially familiar with the terms of the contract.
2018	Construction activity commences at Badgerys Creek before the end of the year