

# Unlimited Potential

## WESTERN SYDNEY'S ECONOMIC STRATEGY

NOVEMBER 2024



CENTRE FOR  
WESTERN SYDNEY





## ACKNOWLEDGEMENT OF COUNTRY

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## THE CENTRE FOR WESTERN SYDNEY

The Centre for Western Sydney combines world-class research expertise with frank and fearless advocacy on issues of importance to Western Sydney. The Centre's work is guided by its commitment to a thriving Western Sydney that leverages the region's strengths to work towards an equitable, prosperous and sustainable future.

## ONLINE

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## ABOUT THIS REPORT

Produced by the Centre for Western Sydney, together with industry, government and community stakeholders, Unlimited Potential is a strategy to accelerate Western Sydney's transition from a peripheral to a core economy via targeted leaps, measures and outcomes.







An aerial photograph of a modern university campus. The image shows a large building with a green roof, surrounded by lush green trees and a paved walkway. In the foreground, there is a playground with a large, circular, colorful structure. The overall scene is bright and sunny, with shadows cast by the trees and buildings.

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# UNLIMITED POTENTIAL

## WESTERN SYDNEY'S ECONOMIC STRATEGY

### Professor Jennifer Westacott AO

Our region is rapidly moving away from a place of deficit to one of Unlimited Potential. As Western Sydney's university, we need to be drivers of transformation. We cannot be bystanders. That commitment to act, to be change makers, is what sets our university and our region apart. And it is how, together, we will realise our shared ambitions to unleash Western Sydney's Unlimited Potential.

This report is not the last word on Western Sydney's economic trajectory. It sets out what we view as the critical opportunities and challenges our region confronts, and proposes key benchmarks we can work towards, together.

Importantly, the report's focal points have been distilled via roundtables we held with partners this year, in complement with targeted data analysis and modelling.

These are the areas we assess as our region's best catalysers of change over the coming decade. They are where we can make the 'leaps' necessary to drive accelerated and sustainable economic growth.

**“Unlimited Potential is the start of an ongoing collaboration with our region.”**

We will have 'deep dives' in the year ahead on key strategic actions related to precinct development, industry attraction, infrastructure uplift and transport connections. Unlimited Potential won't succeed with a set-and-forget approach. This is the first phase of a journey we need to take together.

If we get this right, Western Sydney – Australia's fastest growing, most dynamic and diverse region – can supercharge national productivity, competitiveness and growth over the decades ahead.

Chancellor, Western Sydney University  
*'Unlimited Potential' Champion*



## ABOUT THE LEAD AUTHOR

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# Professor Neil Perry

Professor Neil Perry is the Chief Economist at the Centre for Western Sydney and the School of Business at Western Sydney University. Professor Perry analyses social, economic and environmental issues using cost-benefit analysis and other tools of economic evaluation. Using these tools, Professor Perry has analysed the productivity benefits of the Sydney Metro North West for TfNSW and Sydney Metro, as well as the value of cooperative housing in an ARC Linkage grant. Professor Perry also works on transitioning economies, taking a community-led approach. He has analysed the future economy in the Hunter Region under progressive climate change policy and the transitioning economy of Lithgow.

At the Centre for Western Sydney, Professor Perry is the Chief Economist on key projects, including Unlimited Potential: Western Sydney's Economic Strategy, Unlocking Women's Potential, Unlocking Green Infrastructure in Western Sydney: A Resilience Strategy, and the development of a framework for assessing the social and environmental impacts of public and private projects.

Professor Perry leads the development and implementation of the Unlimited Potential economic strategy, as well as broader strategic work on transforming the future economy of Western Sydney. His role includes conducting comprehensive economic analyses, mapping key economic priorities in the region and producing influential research that advocates for Western Sydney.

Chief Economist,  
Centre for Western Sydney and  
School of Business,  
Western Sydney University





# EXECUTIVE SUMMARY

**Unlocking Western Sydney's unlimited potential is the key to driving Australia's economic growth, innovation and productivity over the decades ahead.**

Western Sydney's population is younger, more diverse and growing faster than comparable places in Australia. Its residents are gaining qualifications more rapidly than the national average. And, since 2016, the region's economy has been accelerating faster than the Rest of Sydney.

## Current state

Western Sydney is Australia's third-largest city economy. The gross regional product (GRP) is \$169.86 billion, which accounts for 23 per cent of the gross state product of NSW.<sup>1</sup> Its major urban centres, most pointedly, Parramatta, are rapidly expanding.

In 2023, Western Sydney had a significantly higher growth rate in GRP (5%) than the Rest of Sydney (2.2%), and Parramatta (1.4%) grew faster than Sydney City (1.1%).<sup>2</sup> In terms of industry mix Parramatta also has strong services and tertiary sectors, equivalent to Sydney City. Parramatta's population (269,145) exceeds Sydney City's (231,086), and it has higher rates of home ownership (49.3%, compared to 31.3% in Sydney City).<sup>3</sup>

Parramatta's rapid growth exemplifies rates of growth in other centres like Bankstown, Blacktown, Campbelltown, Liverpool and Penrith, but with differing levels of maturity. The recent surge in Parramatta's development is, however, distinct in that it is an urban centre comparatively well served by transport infrastructure, a skilled population, and concentrated education, health and service sector capacity. It is a city indicative of the potential of Western Sydney more broadly, should it receive – at a minimum – its fair share of public investment, and the means to build targeted jobs generation, industry attraction and connecting infrastructure.

Despite remarkable progress, the current state is one where Western Sydney is a peripheral economy to the core economy of the Sydney CBD and Eastern region. Western Sydney's jobs-to-worker ratio, which is well below 1:1, reflects this imbalance.

Every day, vast numbers of the region's residents commute to the eastern core of the city. This boosts the gross regional product (GRP) and wealth of the eastern core and means punishing commutes for Western Sydney workers and lost opportunity.

Western Sydney's GRP is accelerating, but it is still well below the Rest of Sydney's GRP. That means lower incomes in Western Sydney as measured by GRP per person.

**“ Western Sydney is accelerating in terms of population and economy, yet physical and social infrastructure funding and industry funding is not keeping pace. ”**

Worker productivity in Western Sydney is below the Rest of Sydney's, reflecting less access to transport, lower levels of agglomeration – business and employment density – and fewer qualifications.

There are many reasons for this productivity lag, not least of all, profound gender inequities in access to skills development and return-to-work programs. More than half (50.7%) of women in Western Sydney above the age of 15 have a vocational qualification or higher compared to 65.1 per cent in the Rest of Sydney.<sup>4</sup>

On a sub-regional basis, the unfairness is acute. In Fairfield, only 32.5 per cent of women hold a Certificate III qualification or higher, followed by Canterbury-Bankstown, where the figure is 45.1 per cent. This disparity highlights the highly localised nature of





inequity and the reciprocal need for spatially targeted upskilling programs for women in locales aligned with skilled, and proximate, labour market opportunities.

Household incomes are lower than in the Rest of Sydney chiefly because in Western Sydney fewer residents are employed as managers and professionals. In turn, the lack of managers and professionals is due to lower levels of company headquarters centred in Western Sydney, indicative of its peripheral economy status.

Currently, businesses in Western Sydney find it difficult to enter global supply chains due to the lack of suitably skilled and technologically savvy employees and no coordinated voice selling Western Sydney to the world.

There is also a lot of underutilised talent, with lower levels of labour force participation than the Rest of Sydney. This stems from the lack of local jobs and agglomeration.

The historical centrality of power in the Sydney CBD has led to unfair funding models for physical and social infrastructure. The result is a lack of agglomeration and less social infrastructure per capita. This is illustrated by the low level of funding for the Arts in Western Sydney compared to the population size and population acceleration.

The fundamental issue is the acceleration mismatch. Western Sydney is accelerating in terms of population and economy, but physical and social infrastructure funding and industry funding need to catch up. That lag is holding back a region that, if fairly resourced, could perform a leading role in realising Australia's next phase of growth and prosperity.



# What's in the toolkit?

## THE INGREDIENTS FOR UNLOCKING WESTERN SYDNEY'S ECONOMIC AND SOCIAL POTENTIAL.

Western Sydney has the necessary foundations to unlock its 'unlimited potential'. It is an inherently global region and a hub of many cities. Its population is growing rapidly and is now greater than the Rest of Sydney. Now is the time for unprecedented coordination. Otherwise, Western Sydney's time will pass.



**The new Western Sydney International Airport will be catalytic for the economy.**

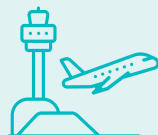
Industry diversification, growing skills and labour market capacity, combined with improved connections to jobs, will set the conditions for the region's transition from a peripheral to core economy. To achieve this, Western Sydney must leverage the following investments and policy incentives. This is the region's 'toolkit'.



1 WESTERN SYDNEY  
INTERNATIONAL  
AIRPORT

SPEND =

**\$5.3**  
BILLION<sup>5</sup>



2 BRADFIELD AND AEROTROPOLIS,  
INCLUDING THE ADVANCED  
MANUFACTURING RESEARCH FACILITY

SPEND =

**\$20**  
BILLION<sup>6</sup>



3 METRO WEST, AIRPORT LINK AND OTHER ENABLING TRANSPORT  
INFRASTRUCTURE<sup>7</sup>

SPEND =

**\$21**  
BILLION



FOR PUBLIC TRANSPORT PROJECTS

SPEND =

**\$5.2**  
BILLION



FOR CONNECTING WESTERN SYDNEY ROADS

4 AUKUS PILLAR 2 – DEVELOPMENT OF  
ADVANCED CAPABILITIES IN CYBER,  
QUANTUM, AI, HYPERSONICS, RADAR

SPEND =

NO EXPLICIT BUDGET

**\$1.05** BILLION

FOR DEFENCE INNOVATION 2023-2026<sup>8</sup>

5 NEW PRECINCTS SUCH AS  
THE HEALTH AND EDUCATION  
PRECINCTS IN WESTMEAD,<sup>9</sup>  
CAMPBELLTOWN,<sup>10</sup> LIVERPOOL<sup>11</sup>

SPEND =

**\$4.9**  
BILLION



6 NATIONAL  
RECONSTRUCTION  
FUND

SPEND =

**\$15**  
BILLION<sup>12</sup>



7 FUTURE MADE IN AUSTRALIA  
POLICY DEVELOPING RENEWABLE  
ENERGY TECHNOLOGIES

SPEND =

**\$22.7**  
BILLION<sup>13</sup>







## Future state

This Unlimited Potential strategy will transition Western Sydney's economy from a peripheral to a core economy.

It focuses on the 'leaps' necessary to achieve that objective and to do so rapidly.

The airport, if fully activated, will be key to catalytic change in Western Sydney. Western Sydney will build off its industrial strength in manufacturing by fully activating the Advanced Manufacturing Research Facility (AMRF). The region will be the nexus for the AUKUS Pillar 2 and the Future Made in Australia policy in the arc from the Illawarra Region through the new airport and to Newcastle and the Hunter.

This needs an industry package to support these linkages, which will be driven by infrastructure and the National Reconstruction Fund (NRF).

Clear outcomes will define the core economy desired for Western Sydney to be in the future.

A thriving Western Sydney will have as many jobs as workers so that local industry GRP will be as large as what residents produce. Wealth will stay in Western Sydney, and GRP per person will, at a minimum, equal that of the Rest of Sydney.

Household incomes will be higher as labour force participation reaches the level of the Rest of Sydney. Qualifications will continue to catch up to, and in targeted fields, exceed the Rest of Sydney.

**“ Wealth will stay in Western Sydney, and GRP per person will, at a minimum, be equivalent to the Rest of Sydney. ”**

Income levels will also increase, with more local companies entering international supply chains and company headquarters centred in the core economy of Western Sydney. In turn, there will be a greater proportion of residents in manager and professional roles.

Worker productivity will, initially, catch up to the Rest of Sydney in a more agglomerated Western Sydney. Higher business and employment density and better use of local skills and qualifications across Sydney's west will give rise to areas of accelerated productivity in high-value, globally engaged sectors.

There will also be more social infrastructure per capita across Western Sydney and vibrant creative industries, which are needed to attract and retain talent in the region and for an innovation economy.



# Making the leaps

## THE WESTERN SYDNEY ECONOMIC ACCELERATION ZONE

The Unlimited Potential strategy proposes a rapid transition from a peripheral to a core economy be catalysed by the creation of the **'Western Sydney Economic Acceleration Zone'**.

The Western Sydney Economic Acceleration Zone will be constituted by six leaps that define collaborative commitments from the community, industry, Western Sydney University and government. These leaps create the incentives and conditions for increased investment, skills and funding to ensure Western Sydney reaches its unlimited potential. The leaps will be implemented in spatially defined precincts of aligned industry, skills and community focus and capacity.

Western Sydney representatives will lead rather than be subject to planning, implementation, progress and evaluation.



# • The Western Sydney Economic Acceleration Zone

## LEAP 1

### CREATE A 30-YEAR WESTERN SYDNEY INFRASTRUCTURE FUNDING COMPACT

Current models of infrastructure funding for Western Sydney are unfair and will further entrench the existing economic pathway as a peripheral economy. The politics must be taken out of transport, housing and social infrastructure funding, which should be based on population size and acceleration.

## LEAP 2

### ESTABLISH A WESTERN SYDNEY INFRASTRUCTURE ADVISORY COUNCIL

The Infrastructure Funding Compact will be administered by a new Western Sydney Infrastructure Advisory Council comprised of Western Sydney public sector officials, local government, industry and community representatives. The council will act to accelerate priority initiatives under the Infrastructure Funding Compact and attract investment through a Western Sydney business investment concierge.

## LEAP 3

### ACCELERATE TECHNOLOGICAL INNOVATION, DIGITAL SKILLS AND AGILITY

New models of education will drive innovation and the incorporation of digital technologies into targeted Western Sydney industries. NSW Government recognised precincts at, for example, Bradfield, Liverpool and Westmead, will unlock industry through designated, industry-led skills programs and the Western Sydney business investment concierge.

## LEAP 4

### STRENGTHEN CAPABILITY LINKS INTO INTERNATIONAL SUPPLY CHAINS

With strengthened skills and technological capability, Western Sydney will be able to build and expand links into international supply chains. Clearly delineated precinct-based specialisations at, for instance, Bradfield, Liverpool and Westmead can be leveraged via Western Sydney International Airport through smart and rapid logistics hubs. An industry package will drive advanced manufacturing, semiconducting and quantum computing industries.

## LEAP 5

### SECURE A FAIR SHARE OF CREATIVE INDUSTRIES FUNDING

Western Sydney must secure, as a minimum, per capita equality in creative industry funding. The current inequitable funding of the creative industries reflects the historical centrality of the Sydney CBD. This must be corrected if Western Sydney is to foster identity, promote Indigenous cultures, and drive innovation while attracting and retaining talent.

## LEAP 6

### BENCHMARK AND TARGET INVESTMENT AND INFRASTRUCTURE DELIVERY

We will hold decision-makers to account by benchmarking and targeting investment and infrastructure delivery. We will produce biannual report cards tracking eight measures of success, including economic growth, local income, local jobs, worker productivity, qualifications, professions, labour force participation and creative arts funding.





**Without action,** Western Sydney will sleepwalk into a future where its undeniable assets are unrealised and its dynamic aspirations unfulfilled. We cannot allow that to happen.

**If the leaps detailed in this report are actioned,** Western Sydney will transition from a **peripheral to a core economy.** It will become an internationally competitive industrial powerhouse at the forefront of innovation and technology.

**Western Sydney University is fully committed to collaborating with communities, industry and government partners to realise the region's unlimited potential. That starts with this strategy.**





# 01. Western Sydney's Unlimited Potential

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Australia's economic trajectory will be mapped in, and determined by, Western Sydney.

The region's economy is accelerating at a greater rate than the Rest of Sydney, NSW and Australian economies.<sup>14</sup>

Western Sydney's population is younger and has greater cultural diversity than the Rest of Sydney. Its residents are gaining qualifications faster than any comparable place in the country.

**“Unlocking Western Sydney's unlimited potential is the key to driving Australia's economic growth, innovation and productivity.”**

Western Sydney's population is also growing faster than anywhere else in NSW, with the region set to accommodate 37per cent of the state's population growth from 2021–2036.<sup>15</sup>

The Western Sydney economy is diverse, with key industries of strength in manufacturing, transport and logistics, construction and warehousing.

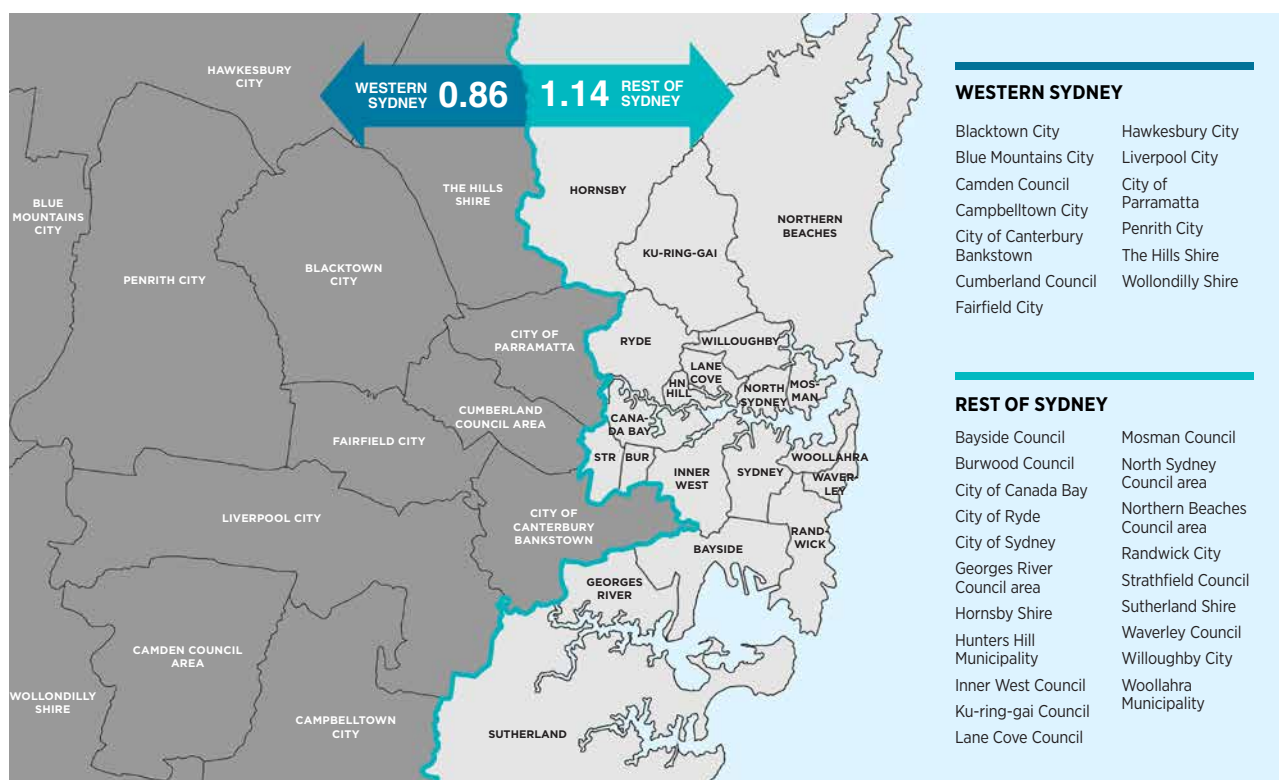
## Current state

Western Sydney remains a peripheral economy to the core economy in the Sydney CBD and Eastern region. Residents in Sydney's west travel vast distances each day to work. They earn lower incomes than residents in the Rest of Sydney.

**“Reaching Western Sydney's 'unlimited potential' requires it transforms from a peripheral to a core economy.”**

There are more childcare deserts<sup>16</sup> and lower labour force participation in Western Sydney than in the Rest of Sydney. Unemployment is higher in many regions, and the socioeconomic status of parts of Western Sydney is among the very lowest of 123 local government areas (LGAs) in the state.

Western Sydney's local industries produce \$132 billion worth of goods and services, but the residents of Western Sydney produce \$153 billion. This means that wealth is being transferred from the Western Sydney region to the core economy of the Eastern region. See Figure 1.



**Figure 1: The core and the periphery.** The local worker-to-local resident ratio measures the extent to which Western Sydney residents contribute to Western Sydney's wealth or the Rest of Sydney's wealth. Western Sydney's ratio of well below 1:1 indicates that residents produce more economic value than local industries produce in Western Sydney, and wealth is being transferred to the Rest of Sydney.



# Future state

Western Sydney's future state will be driven by what's in the toolkit. In particular, the airport will be a key driver of change if fully activated. Western Sydney can coordinate and facilitate the AUKUS Pillar 2 and the Future Made in Australia policy by creating a centre of advanced manufacturing, advanced logistics and advanced packaging industries.

These initiatives will build from the AMRF and see Western Sydney at the centre of these policies, facilitating high value-added products in the arc from the Illawarra through the airport and onto Newcastle and the Hunter region.

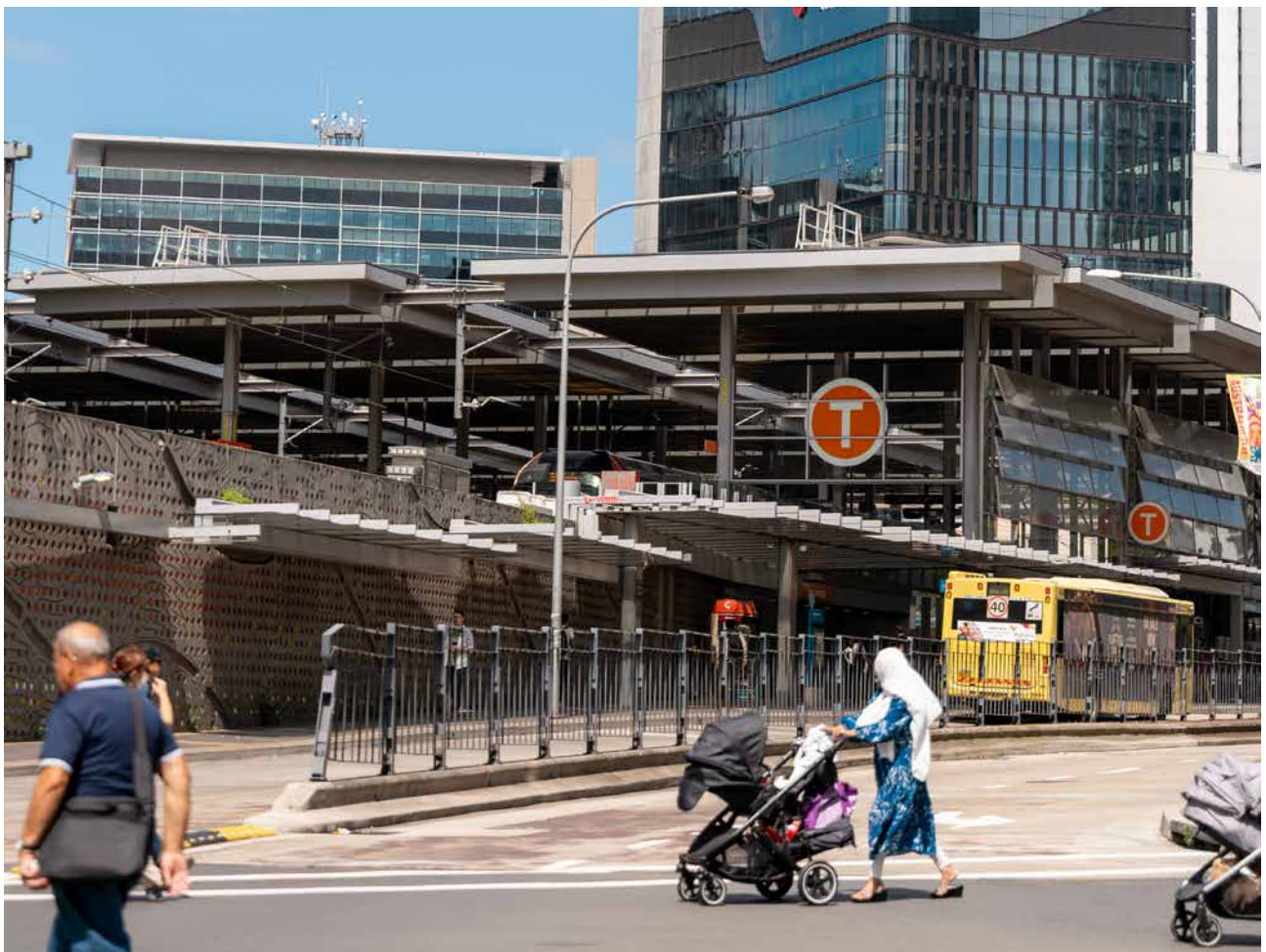
This vision will be supported by an industry and infrastructure package funded under the NRF.

Western Sydney has the potential to become a core economy, a region catalytic in its contribution to the national interest. Were this objective realised, Sydney's west would be a region characterised by a highly skilled and mobile workforce supported by accessible childcare, social infrastructure and connections to knowledge jobs.

**“ As a ‘core’ economy, Western Sydney industries would be linked to high-value global supply chains, and multinationals would centre their company headquarters in the region. ”**

In turn, this will change the nature of professions, with more workers in higher-paying managerial and professional roles.

Local incomes would increase as worker productivity and qualifications improve, and there would be more local jobs to match the skills of local workers. Western Sydney would be more agglomerated with greater business and employment density, and the future core economy of Western Sydney would have more political muscle to ensure that Western Sydney gets its fair share of government funding.





02.

# Making the leap:

FROM 'CURRENT' TO  
'FUTURE' STATE

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**The transition from a peripheral to a core economy requires fairness in funding, a coordinated approach, skills development and measurement and accountability initiatives. We will also draw on our toolkit of policy initiatives and existing infrastructure spending.**

## The great unfairness

Western Sydney can transform into a core economy at the forefront of technology and a key driver of productivity in the Australian economy. But public funding must be rebalanced in all areas of infrastructure, health, education and the arts towards the major population growth area of Western Sydney.

**“ The peripheral nature of the Western Sydney economy is the result of historical path dependencies that have prioritised and centralised power in the Sydney CBD. ”**

However, population growth and economic acceleration are now centred in Western Sydney. Public investment must follow.

Funding for the arts is representative of the funding inequity. Western Sydney received 3.4 per cent of funding under the National Council for the Arts between 2015 and 2022 despite representing 10 per cent of Australia's population. In contrast, the Rest of Sydney received 23.5 per cent of funding despite representing 9.5 per cent of Australia's population.<sup>17</sup>

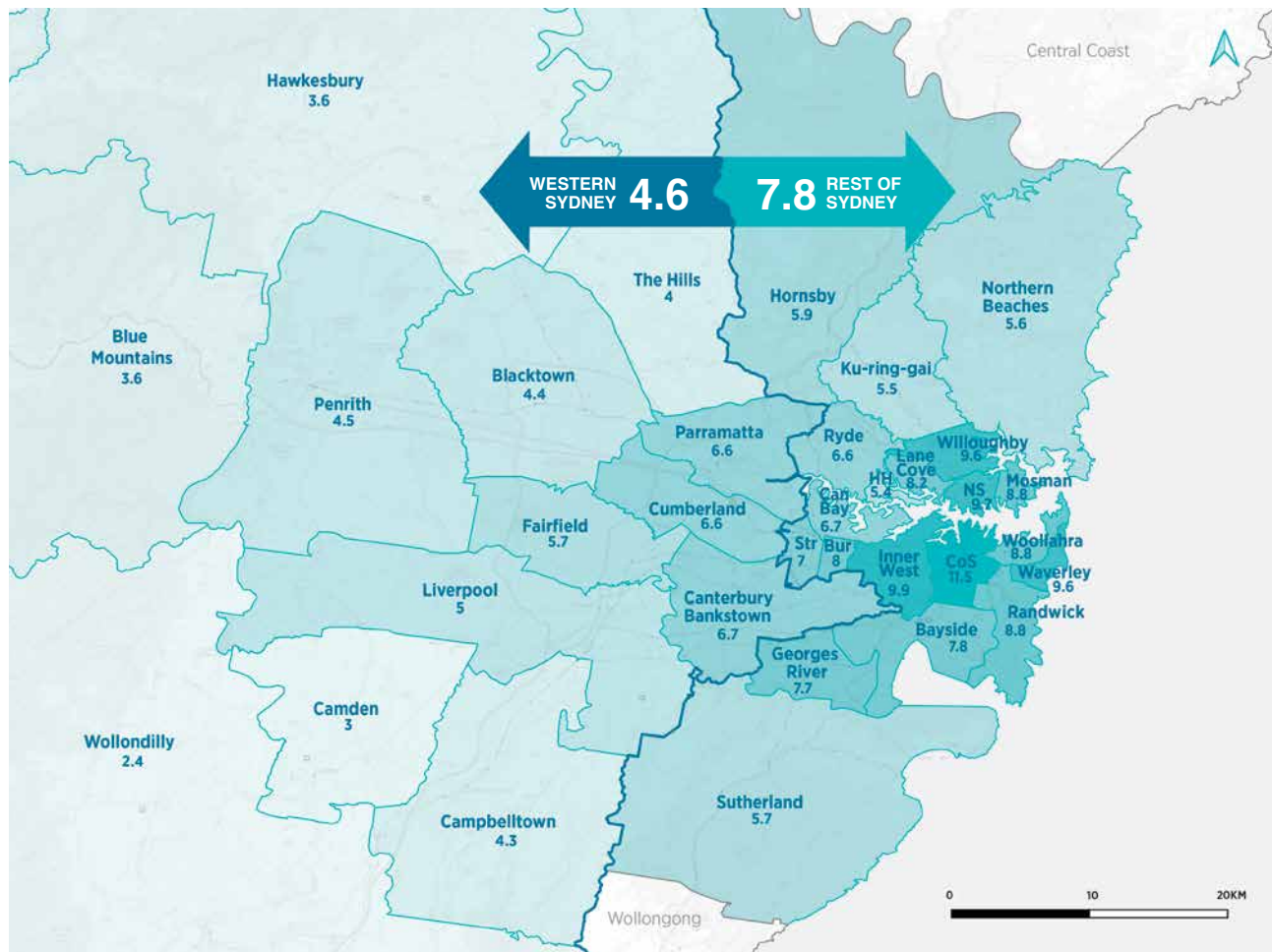
The outcomes of the inequitable funding allocation over a long period can be seen in Figure 2, which maps the index of social infrastructure for each LGA in Sydney. The index provides a score from a low of zero to a high of 16 on the basis of accessibility to the following infrastructure:

1. **Cultural facilities such as museums, galleries, libraries, cinemas and theatres**
2. **Education such as childcare, schools, vocational training and universities**
3. **Health and social services such as dentists, doctors and pharmacies**
4. **Sports and recreation facilities such as swimming pools and sports clubs.**

Clearly, social infrastructure lags behind population acceleration in Western Sydney. A new model of funding acceleration is needed. This will make Western Sydney a better place to live and work and attract the investment needed to transition to a core economy while improving social cohesion.



**Figure 2: Social infrastructure index by LGA**



Source: Australian Urban Observatory, 2024.<sup>18</sup>

Wollondilly Shire	2.4	City of Canterbury-Bankstown	6.7
Camden Council area	3	City of Canada Bay	6.7
Blue Mountains City	3.6	Strathfield Council area	7
Hawkesbury City	3.6	Georges River Council area	7.7
The Hills Shire	4	Bayside Council area	7.8
Campbelltown City	4.3	Burwood Council area	8
Blacktown City	4.4	Lane Cove Council area	8.2
Penrith City	4.5	Mosman Council area	8.8
Liverpool City	5	Randwick City	8.8
Hunters Hill Municipality	5.4	Woollahra Municipality	8.8
Ku-ring-gai Council area	5.5	Waverley Council area	9.6
Northern Beaches Council area	5.6	Willoughby City	9.6
Fairfield City	5.7	North Sydney Council area	9.7
Sutherland Shire	5.7	Inner West Council area	9.9
Hornsby Shire	5.9	City of Sydney	11.5
Cumberland Council area	6.6		
City of Parramatta	6.6	<b>Western Sydney (LGA)</b>	<b>4.6</b>
City of Ryde	6.6	<b>Rest of Sydney</b>	<b>7.8</b>



# A fair allocation of funding

Discretionary public funding such as the NRF, AUKUS Pillar 2 and the Future Made in Australia policy should principally be based on fairness.

For example, the NRF will allocate \$15 billion of federal government funding to diversify and transform Australia's industrial base through loans, equity investment and guarantees. Funding allocation is principally determined by the return on investment for projects.

There are some fairness principles behind the funding model, such as 'improving economic participation by historically underrepresented groups', 'regional development' and 'improving industrial capability'.<sup>19</sup> However, the return-on-investment principle must trump other concerns.

Yet, public infrastructure spending has never been fair. This inequity has reduced the return on investment in Western Sydney. Public capital, such as infrastructure, is complementary to private capital returns. More agglomerated areas have higher productivity and higher return on investment rates. So, the NRF funding model is unfair.

To transform Australia's economy, funding must be

targeted to the accelerating region of Western Sydney. Build public infrastructure. Agglomerate the region. This will transform Western Sydney into a core economy.

**“ Western Sydney has never received a fair allocation and needs equality in physical and social infrastructure to catch up, create new and innovative industries and diversify the NSW and Australian economies. ”**

A fair allocation would be based on population shares and population growth, with the accelerating region of Western Sydney requiring accelerating funding.

## HOW IS THIS FAIR?

**A 2023 Centre for Western Sydney study highlighted the extent of inequity of funding in the Arts and Culture sector.<sup>20</sup>**

The study found Western Sydney represents 10 per cent of Australians today, yet only attracted 3.4 per cent of federal arts and culture funds between 2015 and 2023. This starkly contrasts with eastern Sydney, which received 23.5% of federal funds. Despite Western Sydney being hit hardest by COVID-19 lockdowns, Western Sydney businesses only received \$3.4 million (1.7%) of the \$200 million federal Restart Investment to Sustain and Expand (RISE) Funding allocated to economic recovery following the pandemic. In contrast, organisations in eastern Sydney received \$49.7 million (24.8%).





# Per capita investment

This report has already highlighted Western Sydney's contribution to gross state product. At the national level, the region's input is also substantial.

At a base level, a per capita share of Commonwealth government funding for Western Sydney, via major policy commitments is required. That means NSW Government-recognised precincts, for example, Bradfield, Liverpool and Westmead become focal points for equitable investment under programs like AUKUS Pillar 2, the NRF, and Future Made in Australia.

Additional specialist sites in the Hawkesbury and at the Western Sydney Aerotropolis focussed on Agri-tech, and, for instance, Wetherill Park on processing and logistics are developing precincts that can be optimised via per capita funding and funding based on population acceleration. Sites in Western Sydney with additional synergies with state and federal policy and investment priorities should also be considered for appropriate levels of economic acceleration through new precinct development. Per capita investment must be the minimum standard.

“Per capita investment must be the minimum standard.”

## DESCRIBING THE 'AVERAGE PERSON' IN WESTERN SYDNEY

### THE AVERAGE PERSON IN THE current state<sup>21</sup>

As a long-term result of the path dependencies and lack of funding, compared to the average person in the Rest of Sydney, the average person in Western Sydney:

- ▶ receives \$20,000 less gross income per annum
- ▶ is 15% more likely to travel by car to work and 14% less likely to work from home
- ▶ is 13% more likely to work in blue-collar jobs as technicians, machinery operators and labourers
- ▶ is 18% less likely to have a bachelor's degree
- ▶ is 17% less likely to be in the labour force.



### THE AVERAGE PERSON IN THE future state

As a result of equitable funding and the transition to a core economy, the average person in Western Sydney will:

- ▶ receive \$20,000 more gross real income per annum
- ▶ travel less distance to work, and use more public transport and active transport for travel to work.
- ▶ be 18% more likely to work as a manager or professional
- ▶ be 18% more likely to hold a bachelor's degree
- ▶ be 17% more likely to be in the labour force.





# Measures of success

The Unlimited Potential strategy sets waypoints to drive Western Sydney's transition from a peripheral to a core economy. We will measure progress via eight key indices. This will show us what works and where we need to direct our efforts. Initially, it is an exercise to catch up with the rest of Sydney. Then, it will be an exercise to draw out and capitalise on Western Sydney's distinctive strengths: its youthfulness, diversity, agility and inherent global connections.



## 1

### **JOBS**

The jobs measure focuses on Western Sydney's jobs-to-worker ratio. There are far fewer jobs in Western Sydney than in the Rest of Sydney despite Western Sydney having a greater population. Western Sydney's jobs-to-worker ratio of 0.81 reflects the peripheral nature of its economy. Western Sydney residents are effectively enriching the Eastern region of Sydney, whose jobs-to-worker ratio is 1.24.

► **TARGET: A 1:1 jobs-to-worker ratio in Western Sydney.**



## 2

### **VALUE**

Gross Regional Product (GRP) refers to the annual value of goods and services produced. Western Sydney's GRP is roughly half that of the Rest of Sydney.

► **TARGET: Western Sydney's GRP will grow faster than and catch the Rest of Sydney's.**



## 3

### **INCOME**

This measure tracks GRP per capita. Western Sydney workers receive less than half the GRP per capita than workers in the core economy of Sydney's Eastern region.

► **TARGET: Western Sydney's workers and households will receive higher incomes.**



## 4

### **PRODUCTIVITY**

Worker productivity is value added divided by the number of workers. It measures each worker's contribution to the GRP. Worker productivity in Western Sydney is lower than that of the Rest of Sydney in every industry except construction.

► **TARGET: Western Sydney will experience faster growth in worker productivity than the Rest of Sydney.**



## 5

### **PROFESSIONS**

This measure tracks the percentage of Western Sydney workers in managerial and professional roles (currently 36%) relative to the Rest of Sydney (54%). Lower-paying blue-collar and care workers dominate Western Sydney's economy.

► **TARGET: An increasing proportion of managers and professionals in finance, insurance and professional services industries.**



## 6 QUALIFICATIONS

Qualifications will be measured by the percentage of residents over 15 years with bachelor's degrees. Western Sydney has been gaining qualifications faster than the Rest of Sydney and Australia as a whole. However, it still lags well behind the Rest of Sydney.

► **TARGET:** Western Sydney's worker qualifications catch up to those of the Rest of Sydney.



## 7 PARTICIPATION

This is a labour force measure that monitors the working residents-to-population ratio. Gaps in Western Sydney's transport and social infrastructure reduce labour force participation, undermining the labour force capacity of the Western Sydney and Australian economies.

► **TARGET:** The same labour force participation rate as the Rest of Sydney.



## 8 CREATIVITY

This measure tracks investment in the arts, culture and the creative economy. Creative industries investment (a key feature of an innovative economy) in Western Sydney is profoundly low compared to the Rest of Sydney.

► **TARGET:** Western Sydney will receive equal, or greater, investment in arts, culture and the creative industries as the Rest of Sydney.





# Unlimited Potential accountability initiatives

Everyone with an interest in the success of Western Sydney's 'leap' from current to future economic state understands the importance of accountability. Realising our bold objectives for the region requires us to comprehend the full scope of the challenge. It also requires that we objectively evaluate and review progress with the necessary clarity to adapt and pivot as necessary in service of agreed goals.

## **A) THE WESTERN SYDNEY 'UNLIMITED POTENTIAL' INDICES**

With industry peaks and media partners, the Centre for Western Sydney will issue a biannual report on these indices. Profiling these standardised and consistent measures of success will build accountability, identify gaps or lags, support progress and inform policy, planning and program implementation to make the necessary leaps.

## **B) THE WESTERN SYDNEY 'STATE OF THE ECONOMY' ADDRESS**

In complement, the Centre will hold an annual 'State of the Economy' address to chart the region's transition from peripheral-to-core economy, grow industry attraction, drive skills acceleration, generate heightened investment and expand international connections.



# The current and future state

Using our eight measures of success, we report on the current state and the future state of a core economy. The current state in Table 1 indicates Western Sydney's position relative to the Rest of Sydney on jobs, value, income, productivity, professions, qualifications, participation and creativity.

**Table 1: The Current State (2022/23)**

Measure of success	Western Sydney	Rest of Sydney
1. <b>Jobs</b>	0.81 jobs per worker	1.24 jobs per worker
2. <b>Value</b>	\$170 billion GRP	\$330 billion GRP
3. <b>Income</b>	\$62,124 GRP per capita	\$139,569 GRP per capita
4. <b>Productivity</b>	\$128,452 per worker pa	\$167,510 per worker pa
5. <b>Professions</b>	36% are managers and professionals	54% are managers and professionals
6. <b>Qualifications</b>	37.5% hold a degree	55.6% hold a degree
7. <b>Participation</b>	0.42 residents in work	0.58 residents in work
8. <b>Creativity</b>	3.4% of national arts funding	18% of national arts funding

Source: National Institute of Economic and Industry Research, 2024.

With fairness in funding, a coordinated approach, skill development and measurement and accountability initiatives, Western Sydney's economy will achieve its targeted measures of success. Table 2 indicates the future scenario in 2036 under two scenarios – the business-as-usual scenario and the unlimited potential scenario.

The business-as-usual scenario applies known population growth to current levels of labour force participation and worker productivity. The Unlimited Potential scenario applies known population growth to labour force participation and productivity levels equivalent to the core economy of the Rest of Sydney. See Appendix A for details.

**Table 2: The future economy of Western Sydney (2036)**

Measure of success	Business-as-usual scenario		Unlimited potential scenario
1. <b>Jobs</b>	0.81 jobs per worker	→	0.98 jobs per worker
2. <b>Value</b>	\$199 billion GRP	→	\$379 billion GRP
3. <b>Income</b>	\$62,549 GRP per capita	→	\$119,144 GRP per capita
4. <b>Productivity</b>	\$124,402 per worker pa	→	\$167,510 per worker pa
5. <b>Professions</b>	36% are managers and professionals	→	54% are managers and professionals
6. <b>Qualifications</b>	37.5% hold a degree	→	55.6% hold a degree
7. <b>Participation</b>	0.42 residents in work	→	0.58 residents in work
8. <b>Creativity</b>	Inequitable creative arts funding	→	Creative arts funding matching population size and growth

Source: Centre for Western Sydney, 2024. Modelled data.







03.

# Western Sydney's current and future industries

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# Current key sectors

Western Sydney has historically been a centre of industrial production. There are comparative advantages in Agriculture, Manufacturing, Electricity, Gas, Water and Waste Services, Construction, Wholesale Trade and Transport and Logistics relative to Greater Sydney.

Location quotients (LQ) in Table 2 compare an industry's employment share for a region (Western Sydney) to an industry's employment share for a larger region (Greater Sydney). Comparative advantages are present if an LQ is greater than 1.2.

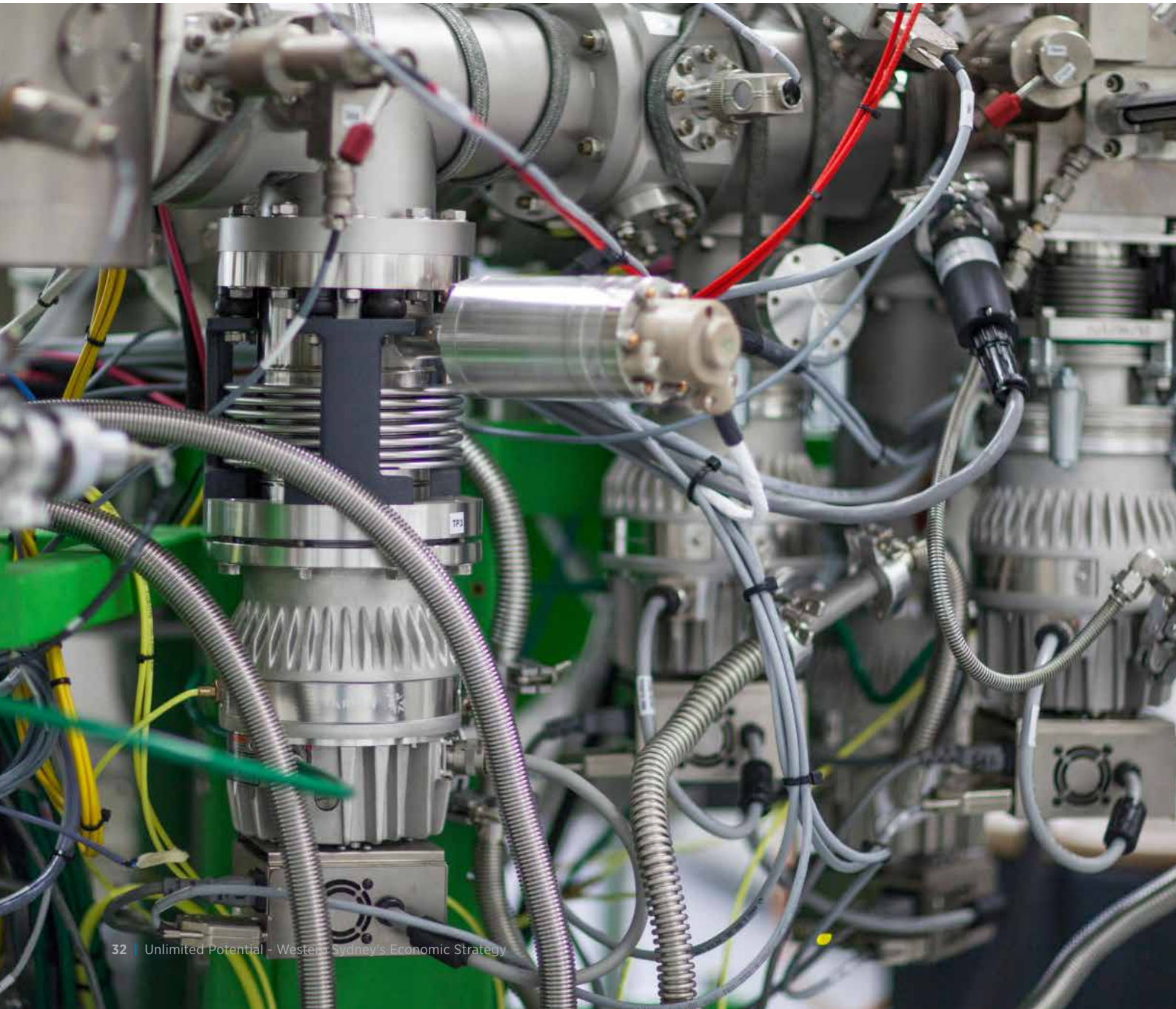
Many industries are growing locally in Western Sydney after adjusting for general economy and industry trends. A shift-share analysis between 2016/17 and 2022/23 identifies the industries growing locally. Industries growing locally may become specialisations in the future.

Economic importance in Table 3 is measured by industry size (employment and value added) and the degree to which the industry produces exports, which is a key source of regional wealth.

We identify a key sector as those with four of the five attributes: specialisation, local growth, top 5 employers, top 5 value added and top 5 export value.



**Key sectors for Western Sydney are Manufacturing, Wholesale Trade and Transport and Logistics.**



# Key Sectors

Table 3: Key sectors

Industry	Specialisation (LQ>1.2 versus Greater Sydney)	Growing locally (since 2016/17 compared to Greater Sydney)	Top 5 employer (2022/23)	Top 5 value added	Top 5 exports	Key Sectors
Agriculture, Forestry and Fishing	✓	✓				
Mining						
Manufacturing	✓	✓	✓	✓	✓	Key Sector
Electricity, Gas, Water and Waste Services	✓	✓			✓	
Construction	✓		✓	✓		
Wholesale Trade	✓	✓		✓	✓	Key Sector
Retail Trade		✓	✓			
Accommodation and Food Services		✓				
Transport, Postal and Warehousing	✓	✓		✓	✓	Key Sector
Information Media and Telecommunications		✓				
Financial and Insurance Services						
Rental, Hiring and Real Estate Services		✓				
Professional, Scientific and Technical Services						
Administrative and Support Services		✓				
Public Administration and Safety		✓			✓	
Education and Training		✓	✓			
Health Care and Social Assistance		✓	✓	✓		
Arts and Recreation Services		✓				
Other Services		✓				

Source: Centre for Western Sydney and National Institute of Economic and Industry Research, 2024.



# Future mobilising technologies

We tested this broad identification of key sectors with Western Sydney experts at the Unlimited Potential, Future Industries Roundtable (May 2024) to identify specific industries.

The Western Sydney economy will be a powerhouse in advanced manufacturing technologies such as sensors and data analytics, advanced materials, smart robotics and automation, additive manufacturing (3D printing) and augmented and virtual reality (see Table 3).<sup>22</sup>

These enabling technologies benefit all future industries within and outside of the manufacturing space.

To support these enabling technologies, Australia must create sovereign capabilities in semiconducting and quantum computing. Western Sydney will be the centre of semiconducting and quantum technologies and will support global supply chains.

Building off a strong presence in manufacturing and advanced packaging, Western Sydney will assemble and package semiconductor chips to integrate into new electronics systems and products.

Likewise, quantum computing capabilities are seen as key for future communications, computing and sensing

and measurement applications in defence, aerospace, natural resources and health.<sup>23</sup>

These mobilising technologies require an industry package funded through the NRF, the Future Made in Australia Policy and AUKUS Pillar 2. The industry package would support local manufacturers and encourage investment from multinational companies in advanced manufacturing, semiconducting and quantum computing. In turn, future growth industries utilising the technologies will develop in manufacturing, renewable energy, modular housing, defence and advanced electronics.



**Advanced manufacturing technologies increase productivity and incomes and will identify Western Sydney as a centre of innovation and technology acceleration.**

## THE RIGHT CONNECTIONS

A 2022 report on the successful creation of precincts by the NSW Innovation and Productivity Council highlighted the importance of "transport links and proximity to a stable supply chain" as a feature of successful precincts.<sup>24</sup>

While the Westmead Health and Innovation Precinct is well connected to heavy rail, light rail and road, other sites are not. The new airport will be served to the north by a St Marys metro link, yet this link does not close the arc further north by connecting Tullawong. To the south of the airport, no link at all has been committed to connect Campbelltown by rail or suitable road network. This substantially undermines the potential economic uplift of the airport, Bradfield, and developments for Campbelltown and surrounds.

Additional transport gaps between Liverpool and the airport and, again, into the Macarthur region and Nepean-Penrith risk undermining the positive impact of new and emerging precincts such as the 'South West Sydney Community Justice Precinct', the 'Liverpool Innovation Precinct' and 'The Quarter', Penrith's health and education precinct.

The critical role of transport links is clear. The priorities are detailed in a 2023 report by the Western Sydney Transport Infrastructure Panel which sets out 36 projects for immediate, short and medium-term action.<sup>25</sup>

# Future growth industries

The development and advancement of the targeted industry and skills capabilities Western Sydney requires can be catalysed via the proposed Western Sydney Economic Acceleration Zone and its six leaps. However, future industries will be constituted in current, proposed and future precincts, which will attract anchor institutions through good design. International research emphasises the following four principles for good precinct design:<sup>26</sup> 1) Curate the whole precinct; 2) build mutually beneficial agreements; 3) create shared precinct identity and purpose; and, 4) contain expectations and focus on lasting relationships. The development of these precincts around new industries requires a comprehensive industry package funded through the NRF, the Future Made in Australia policy and AUKUS Pillar 2 under an equitable funding model. With these principles in place, equitable (per capita) public investment flowing, and transport connections locked in, Western Sydney can target the following future industry opportunities (see Table 4):

- 1 Defence and aerospace**
  - ▶ Driven by AUKUS Pillar 2, the defence and aerospace industries in Western Sydney will build off Australia's strategic alignment with the Quadrilateral Security Dialogue and AUKUS relationships to build advanced capabilities in artificial intelligence and autonomy, cyber and hypersonics.
- 2 Renewable energy manufacturing**
  - ▶ Driven by the Future Made in Australia policy, this industry will produce and export solar panels and wind power components and process Australia's critical minerals for distributed energy, such as large- and small-scale battery systems.
- 3 Aviation and avionics**
  - ▶ Building off the catalytic Western Sydney Airport and Western Sydney's strength in machinery and equipment manufacturing, this industry will create electronic systems and machinery for aircraft.
  - ▶ Western Sydney will also be home to advanced aviation technologies.
- 4 Warehousing and logistics**
  - ▶ The existing strengths of Transport and Warehousing and new logistical centres like Moorebank Intermodal will lead advanced systems based on robotics, artificial technology and advanced tracking mechanisms.
- 5 Advanced packaging**
  - ▶ Building off warehousing strengths and new technologies, Western Sydney can become a centre for advanced packaging.
- 6 Prefabricated and modular homes**
  - ▶ Western Sydney's strengths in construction and manufacturing can be harnessed to produce quality, affordable homes using advanced manufacturing techniques and export them to the world.
- 7 Health and social services**
  - ▶ The health care and social assistance industry is the largest employer in Western Sydney. It is also top 5 in value added and growing locally. The industry needs to accelerate faster than the population to ensure equity of access to these critical services.
- 8 Creative industries**
  - ▶ Great social infrastructure and creative industries are needed for Western Sydney's growing population, investment attraction and to retain our skilled workforce.



Table 4: Future industries and mobilising technologies

MOBILISING TECHNOLOGIES		GROWTH INDUSTRIES		SOCIAL INFRASTRUCTURE INDUSTRIES	
To support a range of future industries, we need Western Sydney capabilities in:	To support these technologies, we need sovereign capabilities in:	These technologies will support and drive developments in the following industries:		To attract investment and retain talent, Western Sydney needs supporting social infrastructure:	
Advanced Manufacturing technologies <ul style="list-style-type: none"><li>▶ sensors and data analytics</li><li>▶ advanced materials</li><li>▶ smart robotics and automation</li><li>▶ additive manufacturing (3D printing)</li><li>▶ augmented and virtual reality</li></ul>	Semiconductor components manufacturing and packaging	<b>Manufacturing</b> <ul style="list-style-type: none"><li>▶ Food product manufacturing</li><li>▶ Machinery and equipment manufacturing</li><li>▶ Construction manufacturing</li><li>▶ Mineral processing</li></ul>	<b>Health and social services</b>		
	Quantum technology for applications in computing, communications, sensing and measurement				
	Defence and aerospace				
	Warehousing and logistics				
	Quantum technology for applications in computing, communications, sensing and measurement	Aviation and avionics		<b>Accommodation and food services</b>	
		Packaging		<b>Creative Industries</b>	
	Renewables and the circular economy				
	Modular and prefabricated homes				
CAPABILITIES					
Many businesses are excelling in using these technologies, such as: <ul style="list-style-type: none"><li>▶ Romar Engineering</li><li>▶ Australis Engineering</li><li>▶ Medina Engineering</li><li>▶ Sevaan Group</li><li>▶ National Robotic and Automation Group</li><li>▶ Precision Metal Group</li><li>▶ Hitachi Group</li></ul>	Nascent capabilities within companies, such as: <sup>27</sup> <ul style="list-style-type: none"><li>▶ BluGlass Ltd</li><li>▶ Nesstronics</li><li>▶ Unitech Electronics</li></ul>	Existing strengths in manufacturing industries, warehousing and logistics, and packaging	Health and social services are an existing strength of the region but are still lacking in per capita terms in Western Sydney.		
		Increased links to global supply chains with the Western Sydney Airport			
		Existing companies in defence and aerospace, such as Thales and Raytheon. <sup>28</sup> Defence and aerospace are key industries for the Aerotropolis. <sup>29</sup>	Investment and funding are needed to boost health and social services, accommodation and food services and the creative industries.		
		Existing companies like Hitech Modular Homes, Modconn Living Solutions and Modtech Modular Buildings are investing in modular and prefabricated design and construction.			



**04.**

# How do we get there?

THE WESTERN  
SYDNEY ECONOMIC  
ACCELERATION ZONE

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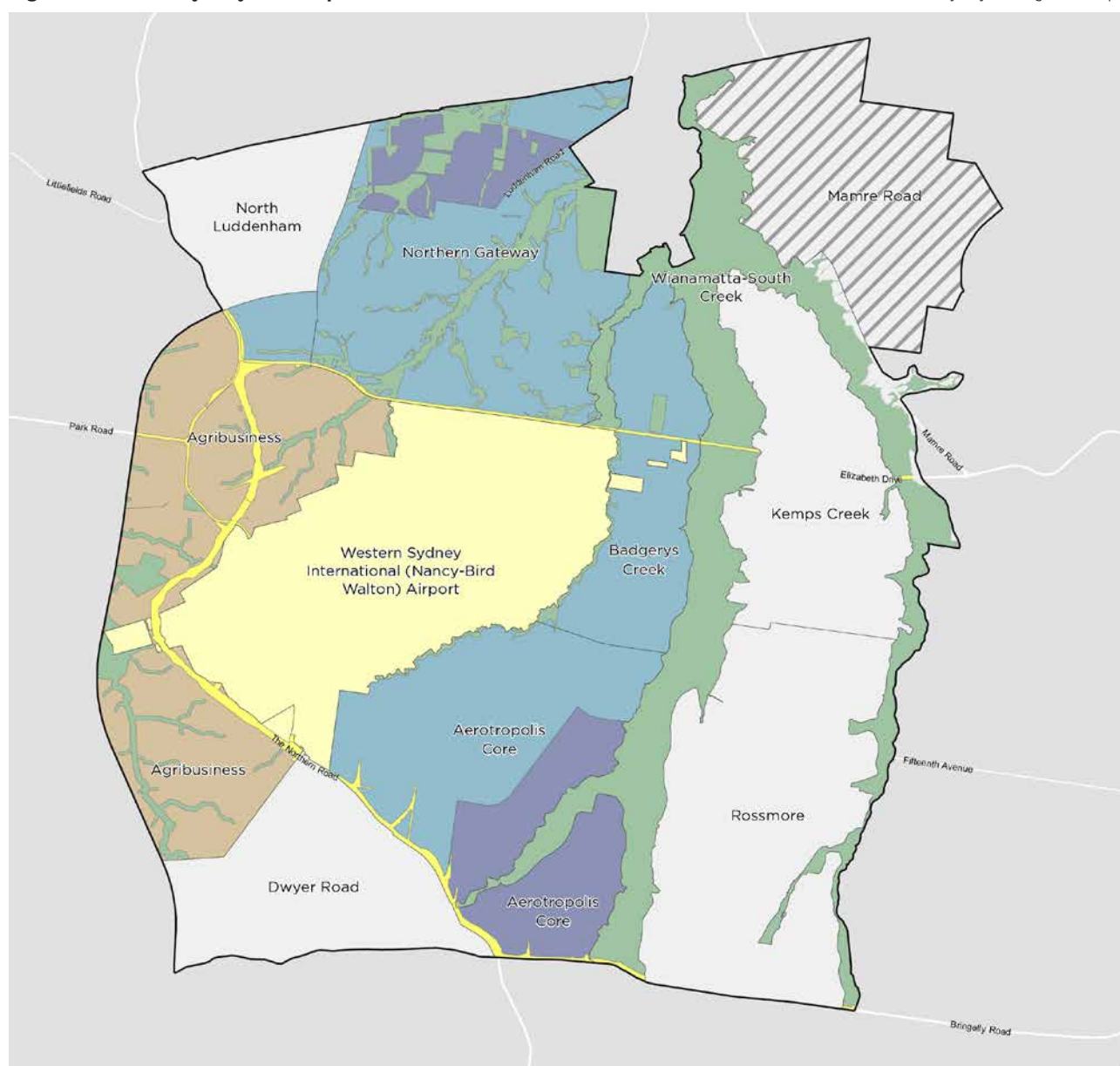
To create the industries of the future, there must be an acceleration of infrastructure development, funding and skills, which can be created in the **Western Sydney Economic Acceleration Zone (Table 5)**.

In contrast to a special economic zone and a reliance on tax credits and other special treatments, the Economic Acceleration Zone is a series of leaps. This levels up historical inequities and aligns infrastructure acceleration with Western Sydney's population share and growth.

The Economic Acceleration Zone is also not limited to one area in Western Sydney. Bradfield City and the Aerotropolis are obvious starting points (Figure 3). However, the Economic Acceleration Zone encompasses all of Western Sydney. It particularly strengthens existing and proposed precincts such as the Westmead Health Precinct,<sup>30</sup> the Hawkesbury Agri-Tech Hub<sup>31</sup> and the South West Sydney Community and Justice Precinct.<sup>32</sup>

**Figure 3: Western Sydney Aerotropolis**

Source: The Western Sydney Planning Partnership <sup>33</sup>



#### Land Zone

#### Western Sydney Aerotropolis

Western Sydney Aerotropolis

Precinct Boundary

Agribusiness

Enterprise

Environment and Recreation

Mixed Use

Special Purpose 1

Special Purpose 2

Relevant LEP Zone

Mamre Road (under WSEA SEPP)

Table 5: The Western Sydney Economic Acceleration Zone

STRATEGIC OBJECTIVES		VISION		TOP-LINE MEASURES OF SUCCESS							
Western Sydney will position itself as an internationally competitive industrial powerhouse at the forefront of innovation and technology. We will ensure the people of Western Sydney can access the skills, education, reskilling and retraining needed for future jobs, fostering high-quality employment and economic growth to build a more prosperous community. Western Sydney will get a fair share of government funding for physical and social infrastructure to drive innovation, productivity and growth in Australia.				<ol style="list-style-type: none"> <li><b>Jobs</b> – A successful peripheral-to-core economy transformation will achieve a 1:1 jobs-to-worker ratio in Western Sydney</li> <li><b>Value</b> – Western Sydney will grow faster than and catch up to the Rest of Sydney</li> <li><b>Income</b> – GRP per capita will converge to the rest of Sydney</li> <li><b>Productivity</b> – Western Sydney will have faster growth in worker productivity than the Rest of Sydney</li> <li><b>Professions</b> – the level of managers and professional workers will be comparable to the Rest of Sydney</li> <li><b>Qualifications</b> – Western Sydney's worker qualifications will catch up to the Rest of Sydney</li> <li><b>Participation</b> – A transformed Western Sydney economy will have the same labour force participation rate as the Rest of Sydney</li> <li><b>Creativity</b> – Western Sydney will receive creative industry investment comparable to the Rest of Sydney</li> </ol>							
LEAPS		DESCRIPTION		ALIGNMENT TO MEASURES OF SUCCESS							
				1	2	3	4	5	6	7	8
<b>LEAP 1:</b> Create a 30-year infrastructure compact	Western Sydney must have a joint federal-state government-resourced infrastructure advisory body. This council would comprise the Western Sydney public sector, local government, industry and community representatives. It would inform, evaluate and assist in accelerating priority initiatives under the Infrastructure Funding Compact, as well as attract industry and investment.	A 30-year infrastructure funding compact will be a federal-state-local government agreement co-signed by industry, community and related peaks that sets out immediate and decadal physical and social infrastructure priorities and funding commitments based on evidence, per capita equity and targeted areas of economic acceleration.		✓	✓	✓	✓	✓	✓	✓	✓
<b>LEAP 2:</b> Establish a Western Sydney Infrastructure Advisory Council				✓	✓	✓	✓	✓	✓	✓	✓
<b>LEAP 3:</b> Accelerate technological innovation, digital skills and agility		Digital, technology and language skills and literacies will be accelerated to prepare the workforce for the future industries of Western Sydney. The leap will advance science, technology, engineering and mathematics (STEM) education in schools and small-to-medium-sized enterprises (SMEs). WSU Study Hubs will lead language, leadership and entrepreneurial skills in the community. The WSU Indigenous Centre of Excellence will lead cross-cultural learning.			✓	✓	✓	✓	✓	✓	✓
<b>LEAP 4:</b> Strengthen capability links into international supply chains		The Future Made in Australia policy, AUKUS Pillar 2 and the NRF will be distributed to create clearly delineated precinct-based advanced manufacturing specialisations and smart and rapid logistics hubs. An industry package will drive advanced manufacturing, semiconducting and quantum computing industries. Western Sydney will become the facilitator of the national industry priorities, coordinating and distributing manufactured products from the Hunter, Illawarra and Central West through the Western Sydney Airport to the world.		✓	✓	✓	✓	✓	✓	✓	✓
<b>LEAP 5:</b> Secure a fair share of creative industry funding		A fair share of the creative industry funding will foster identity, promote Indigenous culture and drive innovation in Western Sydney, sell Western Sydney to the world and attract and retain talent.					✓	✓	✓	✓	✓
<b>LEAP 6:</b> Benchmark and target investment and infrastructure delivery		None of the targets and leaps will be achieved without accountability. Western Sydney University will hold decision-makers to account by benchmarking and targeting investment and infrastructure delivery. We will produce biannual report cards tracking eight measures of success, including economic growth, local income, local jobs, worker productivity, qualifications, professions, labour force participation and creative arts funding.		✓	✓	✓	✓	✓	✓	✓	✓





## LEAP 1



# Create a 30-year Western Sydney Infrastructure Funding Compact

## Current state

Current infrastructure funding models for Western Sydney are unfair and unsustainable. As a result, Western Sydney's economy is not agglomerated. There are few precincts of specialisation where businesses can learn from and collaborate, and supply chains can congregate to reduce transaction costs.

When economies are not agglomerated, it is difficult to match labour skills to business needs. Worker productivity and the return on investment are lower than in agglomerated regions, which reduces investment. Residents find it more difficult and costly to attend work, which reduces labour force participation. There are also fewer leisure and recreational choices.

As described in Figure 2, there is a lack of equity in access to social infrastructure in Western Sydney such as health and social services compared to the Rest of Sydney. Similarly, housing is spread throughout Western Sydney at low densities and in places without access to adequate transport and social services.



## Future state

Recent infrastructure spending in Western Sydney is welcome. Over \$5.6 billion in Commonwealth investment to establish the Western Sydney International (WSI) airport will catalyse change in the region and drive many new industries. The supporting road and rail infrastructure is worth more than \$26 billion in NSW Government funding.<sup>34</sup> But more needs to be done.



**To make the leap from a peripheral to a core economy, Western Sydney needs a more agglomerated region.**

The future agglomerated Western Sydney will see the development of new industry precincts where businesses will benefit from network externalities and improved connections to suppliers. Workers will travel smaller distances to work and use less time travelling for business needs. New rail corridors will allow residents to match their skills to their professions.

A more agglomerated Western Sydney economy will attract investment because worker productivity and return on investment will be higher. There will be more local jobs with effective transport networks and greater economic growth. More company headquarters will be established in Western Sydney, and there will be more managers and professionals in the region and higher household income.

Critically, more funding for social infrastructure in health and social services will ensure equity of access for Western Sydney communities. Housing infrastructure will be appropriate for Western Sydney's climate, come at lower cost through modular and prefabricated design and be in places that align with other forms of physical and social infrastructure.



## Leap 1: Create a 30-year Western Sydney Infrastructure Funding Compact

This leap will create a 30-year infrastructure compact for the targeted and enhanced connectivity of people, places and industry. The leap will be a federal-state-local government agreement, co-signed by industry, community and peak bodies in Western Sydney that sets out immediate and decadal infrastructure priorities and funding commitments.

It will be funded by allocating federal and state infrastructure funding using a per capita model. Due to lags in infrastructure funding, it is appropriate to use future population shares to allocate funding, such as 2036, when Western Sydney is predicted to be 10 per cent of the Australian population and 34 per cent of the NSW population.

The funding commitments will be based on evidence of the greatest benefit for Western Sydney's economic acceleration. However, the principal funding model will be based on per-capita equity and population growth.



**The compact will take the politics out of Western Sydney infrastructure decisions and provide parity and certainty to investors.**

The compact will involve a 30-year public and road transport plan to accelerate growth and build from recent transport developments. Rail routes will link the north and south of Western Sydney, and the southwest corridor will be connected to the WSI airport. The compact will ensure that all new projects are state-significant projects to fast-track infrastructure investment. New skills and employment lands will be created with integrated energy, water and waste infrastructure to attract investment.

The funding compact will also target social infrastructure needs in Western Sydney and ensure equity of access to well-located and well-designed homes suitable for Western Sydney's climate, and the health, education and social services needed for quality livelihoods.

The funding compact would also support the development of the community and justice precinct in Campbelltown and health precincts to drive innovation and education in these critical services.

### Actions and Timelines

1. Establish the per-capita equity funding and distribution model: immediate
2. Create the governance model for the compact: 1 year
3. Establish the funding compact: 1–2 years
4. Establish all new projects as state significant: 2–3 years
5. Operationalise the compact: 3–30 years
6. Monitoring and evaluation: 3–30 years

### Responsibility

- ▶ Federal government  
– Department of Infrastructure, Transport, Regional Development, Communications and the Arts
- ▶ State government – NSW Department of Planning, Transport for NSW, Sydney Water
- ▶ Local government  
– Western Sydney councils
- ▶ Western Sydney University

### Funding

- ▶ 10% of federal physical and social infrastructure funding per annum for 30 years
- ▶ 34% of state physical and social infrastructure funding spending per annum for 30 years



## LEAP 1

# Create a 30-year Western Sydney Infrastructure Funding Compact

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Current models of infrastructure funding for Western Sydney are unfair and unsustainable. A 30-year Infrastructure Funding Compact will be a federal-state-local government agreement co-signed by industry, community and related peaks that sets out immediate and decadal transport, housing and social infrastructure priorities and funding commitments based on evidence, per capita equity and targeted areas of economic acceleration. It will take the politics out of Western Sydney's infrastructure decisions and provide the parity and certainty necessary to unleash the region's unlimited potential.



## LEAP 2

# Establish a Western Sydney Infrastructure Advisory Council

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### Current state

“Western Sydney is often “on the menu” but not “at the table” when it comes to infrastructure decisions.”

As a peripheral economy, Western Sydney lacks a coordinated voice for infrastructure, industry development and economic acceleration. Local councils and authorities, the state government, community groups and Western Sydney think tanks often compete against for infrastructure funding. All these potential agents of change have different priorities and different relative power. Often, infrastructure decisions are made without Western Sydney being ‘at the table’. This leads to a state where infrastructure is not optimised for broad regional acceleration.

Similarly, investment attraction is inhibited by many competing and divergent voices in international supply-chain circles. This reduces investment attraction to the region.

### Future state

As a core economy, Western Sydney will have a coordinating body for the region’s infrastructure priorities. This coordinating body will optimise infrastructure spending to benefit Western Sydney’s acceleration.

Western Sydney will attract large international investments and company headquarters for multinationals. Western Sydney will be known as a place to test technology and establish advanced manufacturing facilities in internationally known precincts of specialisation. Western Sydney will be a technology accelerator.

This will lead to more company headquarters, more professional jobs, jobs closer to home and higher household incomes.



## Leap 2: Establish a Western Sydney Infrastructure Advisory Council

The region needs a strong voice in infrastructure planning to ensure that investments are optimised for economic acceleration. At the same time, Western Sydney needs a coordinated voice that can sell the region's unique combination of skills, industries and cultures to the world.



**The advisory council will be a joint federal-state government-resourced infrastructure advisory body.**

The council would comprise Western Sydney public sector, local government, industry and community representatives. It would inform, evaluate and assist in accelerating priority initiatives under the Infrastructure Funding Compact.

The advisory council will oversee industry attraction (domestic and international) and create a place-based Western Sydney Investment Concierge, which will leverage major infrastructure projects to sell the region to the world. The concierge will develop an investment prospectus, and the council will attract international investment by creating public-private partnerships and co-investment models funded by the Future Made in Australia policy, the NRF and the AUKUS Pillar 2.

Funding will be derived under a per-capita model from the Future Made in Australia policy, AUKUS Pillar 2, and the NRF. Western Sydney must receive 10 per cent of these funds to match the population share of the region. Western Sydney must receive 33 per cent of State government industry and investment attraction funding to match the share of the NSW population. A proportion of these funds will be allocated to leaps 2 and 4.

### Actions and Timelines

1. Establish the Western Sydney Infrastructure Advisory Council: 1-2 years
2. Create the Western Sydney Investment Concierge: 2-3 years
3. Establish a Western Sydney prospectus: 2-3 years
4. Establish public-private partnerships, co-funding and co-investment mechanisms for new capital and international investment attraction: 3-10 years
5. Create an Indigenous business procurement policy for all government funded industry and investment attraction projects.

### Responsibility

- ▶ Federal government  
– Department of Infrastructure, Transport, Regional Development, Communications and the Arts
- ▶ State government  
– Bradfield Development Authority
- ▶ Local government – Western Sydney councils
- ▶ Industry
- ▶ Community
- ▶ Western Sydney University

### Funding

- ▶ Future Made in Australia funding - \$2.27 billion over 10 years
- ▶ NRF funding - \$1.5 billion dedicated to Western Sydney
- ▶ AUKUS Pillar 2 funding - 10% of annual budget
- ▶ State government - 33% of industry funding must be allocated to Western Sydney annually.





## LEAP 2



# Establish a Western Sydney Infrastructure Advisory Council.

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Western Sydney needs to 'be at the table' on infrastructure funding decisions, and not simply 'on the menu'. Western Sydney must have a joint federal-state government-resourced infrastructure advisory body. This council would comprise Western Sydney public sector, local government, industry and community representatives. It would inform, evaluate and assist in accelerating priority initiatives under the Infrastructure Funding Compact, and could bring additional capacity in industry attraction (domestic and international) and place-based Western Sydney investment concierge, leveraging major infrastructure projects.

## LEAP 3



# Accelerate technological innovation, digital skills and agility.

## Current state

Western Sydney's workforce has become more qualified, but qualification levels remain below those of the Rest of Sydney. For example, in 2021, 68 per cent of resident workers in Western Sydney held a Certificate III or above qualification compared with 79 per cent in the Rest of Sydney.<sup>35</sup> Leaders in Western Sydney indicate that incorporating new technology in their businesses is hindered by a suitably skilled workforce that can adapt to and fully utilise new technology.

Western Sydney's labour force also lacks leadership and entrepreneurial skills. While Western Sydney's resident workers have more qualifications in information and engineering technology (16%) than the rest of Sydney (13%), there are far fewer people with qualifications in management and commerce, society, culture and the creative arts (29% versus 42% in the Rest of Sydney).<sup>36</sup>

There are also cultural and language barriers for Western Sydney workers, and migrant skills are not fully utilised. A recent report highlighted that 44% of migrants and refugees in Australia are employed in roles below their skill level – this costs the Australian economy \$9 billion per year.<sup>37</sup> As a centre for migrant intake, Western Sydney stands to benefit greatly from migrant skill recognition.

## Future state



**The Western Sydney economy will transform with a highly skilled workforce and qualifications equal to the Rest of Sydney.**

There will be more qualifications in technical fields in Western Sydney, which is imperative for the agile adoption of new technology. But the proportional qualifications in entrepreneurship and leadership will increase to the level in the Rest of Sydney.

Migrant skills will be fully recognised and utilised, and this will be enhanced by cross-cultural learning, including with Aboriginal people through multiple Indigenous Centres of Excellence throughout Western Sydney.

New models of education will encourage lifelong skill development in an enhanced model of industry-led micro-credentials delivered free to Western Sydney residents and SMEs.

In turn, there will be greater regional innovation, fewer skills gaps and supply constraints in technology-enhanced industries and greater labour force participation. Western Sydney will be agile and able to incorporate new technology into new global innovations.





### Leap 3: Accelerate technological innovation, digital skills and agility.

New education models at all levels are needed to drive innovation and incorporate digital technologies into targeted Western Sydney industries. Western Sydney University will work with TAFE NSW, industry, community and migrant groups and federal and state education departments to deliver a program of targeted assistance and generic skill development.

The current and future industry-based precincts in Western Sydney are the rallying points for industry attraction and skills uplift programs, which will be targeted to meet national policy objectives.

Alignments to AUKUS Pillar 2, the NRF and Future Made in Australia, leveraged via connected precincts at Bradfield, Liverpool, Westmead and emerging sites must be the focal point.

Leap 3 will boost STEM skills for young women and offer scholarships for women in construction to address skills gaps. Programs to support the recognition of migrant qualifications will be established. The National Education and Training Model will be fully developed to offer industry-led micro-credentials for lifelong learning.

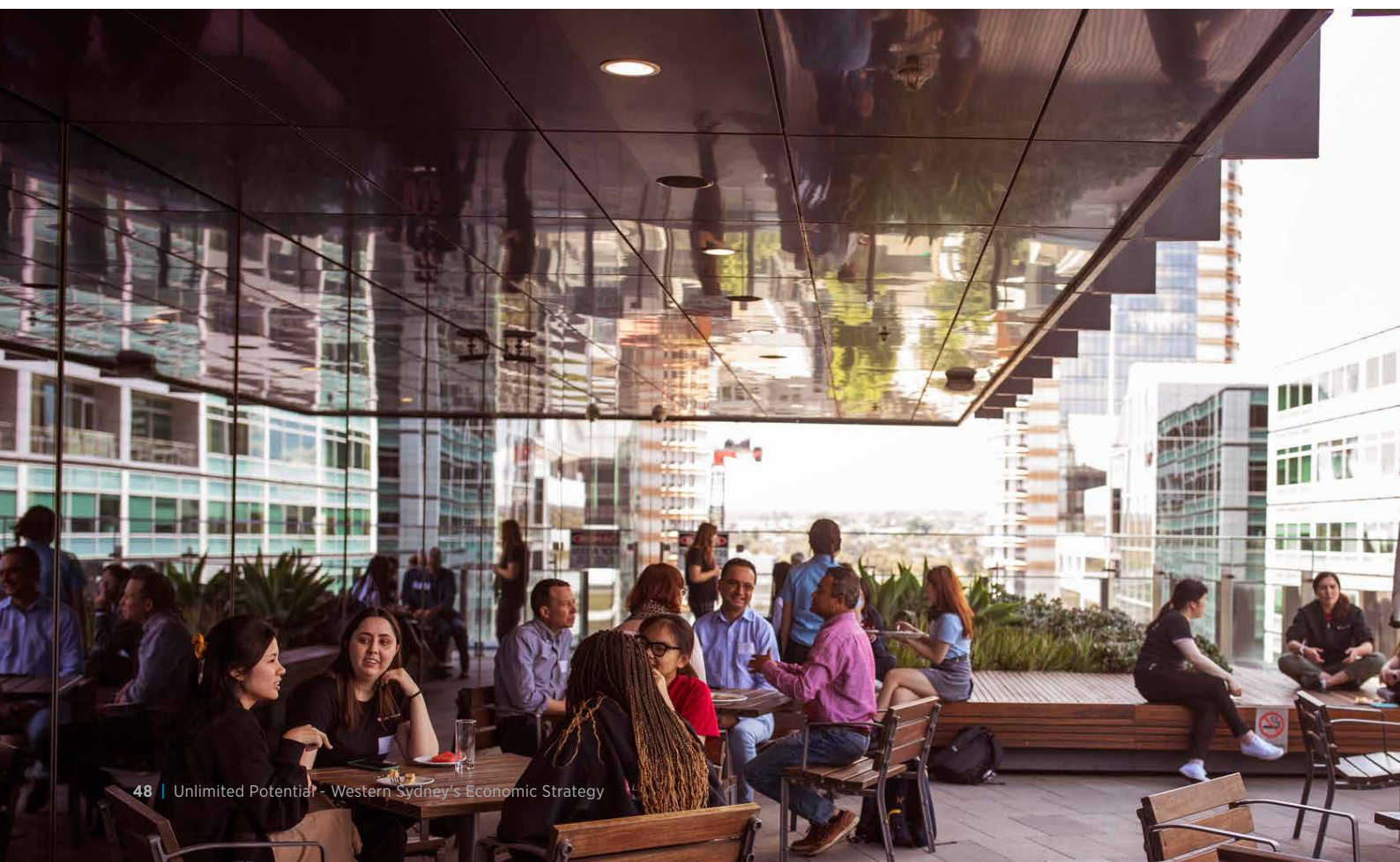
The Indigenous community is a larger share of the Western Sydney population (2.1%) than in the Rest of Sydney (0.9%) and must benefit from the economic transition through increased access to skills, education and capacity building. The Indigenous Centre of Excellence at Western Sydney University will offer cross-cultural learning and capacity building in cultural

activities. More government funding is needed to support Indigenous students at university and in TAFE courses. Western Sydney will strive for higher attainment targets than the Universities Accord and Closing the Gap due to the larger proportion of Indigenous people in Western Sydney.

Technology skills will be enhanced through technology placements for high school students and new apprenticeships in technology fields. WSU Study Hubs will lead leadership and entrepreneurial skills, and a new literacy bus will deliver language skills to the community.

New centres of excellence in teaching and learning, and in primary healthcare and nursing are needed to fill critical skills gaps and drive innovation. The education and health sectors are already major employers in Western Sydney and represent a larger share of the economy than in the Rest of Sydney. Western Sydney University is seeking \$67.5 million from the Federal government to create the Centre for Nursing, Midwifery and Multicultural Health in Bankstown to prepare the next generation of health professionals. This and other new centres of excellence will drive innovation in teaching and primary healthcare, attract and concentrate talent, and upskill the workforce through research, world-class facilities and innovative education.

Leap 3 will transform the resident workers of Western Sydney into an agile workforce that can adapt to new technology and innovate for global supply chains.



## Actions and Timelines

1. Create a co-designed STEM program in 20 high schools targeting young women: 1-2 years
2. Develop a scholarship for women in construction: 1-2 years
3. Establish programs to support recognition of overseas qualifications: 1-2 years
4. Establish the National Education and Training Model as an ongoing skills training support for SME upscaling: 1-2 years
5. Establish the Indigenous Centre of Excellence at Western Sydney University to promote cross-cultural learning and education: 1-2 years
6. Boost Indigenous student enrolments in University courses to 3.5% of total enrolments and target 75% of First Nations people aged between 25 and 34 years with a tertiary qualification (Certificate III and above) by 2031.
7. Expand the apprenticeship model to technology fields and increase construction apprenticeships by incentivising the female workforce: 2-5 years
8. Create a new literacy bus for mobile digital and language literacy: 2-5 years
9. Establish WSU study hubs and offer leadership and entrepreneurial skills to the community: 2-5 years
10. Develop a placement program for high schools in the digital
11. Fund and create the Centre for Nursing, Midwifery and Multicultural Health in Bankstown. Create the Centre for Teaching Excellence. 2-5 years.

## Responsibility

- ▶ NSW Department of Education
- ▶ Federal Government
- ▶ Bradfield Development Authority
- ▶ Western Sydney University
- ▶ TAFE NSW
- ▶ Migrant groups
- ▶ Centre for Western Sydney

## Funding

- ▶ 10% of the federal government's skills and training budget must be allocated to Western Sydney annually.
- ▶ 33% of the state government's skills and training budget must be allocated to Western Sydney annually.





# CENTRE FOR NURSING, MIDWIFERY, AND MULTICULTURAL HEALTH

Western Sydney University is seeking \$67.5 million from the Federal government for the development of the Centre for Nursing, Midwifery, and Multicultural Health, to be located in Bankstown.

Leveraging long-term partnerships between Western Sydney University and Local Health Districts (LHDs), the Centre for Nursing, Midwifery, and Multicultural Health will enable industry-engaged research and teaching across areas of priority for south-west Sydney, such as ageing and mental health, as well as supporting innovation and cross-disciplinary engagement through a focus on 'the future of nursing'.

The Centre will focus on innovative research, cross-disciplinary collaboration, and world-class educational programs, preparing the next generation of health professionals.

The purpose-built facilities will be equipped with cutting-edge flexible spaces, including virtual and simulated environments, which will support both students and health professionals through undergraduate, postgraduate, and Continuing Professional Development (CPD) programs.

The Centre will also offer community health services, including wellness programs, clinics, and health promotion initiatives for individuals, families, and communities across Western Sydney.

**“ As Australia’s most culturally diverse region, Western Sydney is ideally placed to lead innovations in nursing, midwifery and wider healthcare. ”**





LEAP  
3

## ACCELERATE TECHNOLOGICAL INNOVATION, DIGITAL SKILLS AND AGILITY

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Western Sydney's labour force must become more technologically adept, innovative and agile. This will lead to greater innovation in the region, fewer skills gaps and supply constraints in technology-enhanced industries, and entry into global supply chains. Western Sydney University will work with TAFE NSW, industry, community and migrant groups and federal and state education departments to boost STEM skills and develop technology placements in high schools. The National Education Training Model must be fully developed to deliver advanced technology skills to SMEs. WSU study hubs and a mobile language bus will deliver generic leadership, entrepreneurial and language skills.



## LEAP 4



# Strengthen capability links into international supply chains.

## Current state

Western Sydney's businesses are under-engaged in global supply chains.

Western Sydney's total domestic and international exports in 2023 were 31 per cent of total output compared to 44 per cent in the Rest of Sydney. International exports comprised just 8 per cent of the total output.<sup>38</sup>

Encouragingly, the vast majority of international exports are from key sectors in manufacturing (53%), wholesale trade (17%), transport, postal and warehousing (15%) and the international-to-domestic export ratio has been growing.

However, there is a lack of multinational companies with headquarters in Western Sydney. International investment is low, and many innovative manufacturers remain outside of global supply chains.



## Future state

Western Sydney will become a powerhouse in advanced manufacturing with the catalysing impact of the Western Sydney Airport and appropriate investment attraction mechanisms.

The WSI airport will catalyse new industries, and international exports will continue to grow in Western Sydney. Clearly delineated precinct-based specialisations, for instance at Bradfield, Liverpool and Westmead, will be leveraged via the new airport in smart and rapid logistics hubs.

Customer fulfilment centres proximate to the airport will deploy air and technology-infused systems to generate additional productivity and logistics scale.

Building from the Future Made in Australia policy, AUKUS Pillar 2 and the NRF, Western Sydney businesses will enter global supply chains in advanced manufacturing, defence and aerospace, prefabricated and modular homes and advanced electronics, logistics and packaging.

This will lead to more high-valued production in Western Sydney and new company headquarters. There will be more managers, professionals and greater investment.

Western Sydney will become Australia's centre of innovation, and the Western Sydney economy will drive diversification and technological innovation in Australia.

## Leap 4: Strengthen capability links into international supply chains

Western Sydney is the major centre of manufacturing for the NSW economy. Many manufacturers have invested in advanced manufacturing techniques. However, the region remains outside important global supply chains such as semiconductors, defence and renewable energy technology. Leap 4 will create the conditions for Western Sydney businesses and industries to enter global supply chains.

Leap 4 requires significant federal and state government investment to strengthen capability links into international supply chains. In particular, the Future Made in Australia policy, AUKUS Pillar 2 and the NRF will be distributed to create clearly delineated precinct-based advanced manufacturing specialisations and smart and rapid logistics hubs.

A targeted industry package is required to support the development of advanced manufacturing, semiconducting and quantum computing. These industries drive value added in the manufacturing, logistics, defence, energy and packaging industries. The industry package will support the growth of local manufacturers and incentivise investment from multinational companies, allowing Western Sydney to enter global supply chains.

The industry package will be funded using the NRF, Future Made in Australia and AUKUS Pillar 2. Western Sydney should receive 10 per cent of this funding per annum. In total, \$2.27 billion of the Future Made in Australia funding must be allocated to Western Sydney over the next 10 years. This compares to the recent

allocation of more than \$460 million to the Californian-based company PsiQuantum to establish Quantum facilities in Queensland.

In addition, \$1.5 billion of the NRF must be dedicated to Western Sydney industry, including these mobilising technologies of advanced manufacturing, semiconducting and quantum computing.

Precincts connected to transport and leveraging surrounding logistics capacity, at sites like Moorebank, Wetherill Park and Kemps Creek will be critical.

Western Sydney's strategic location needs to be recognised by government to ensure the region becomes the facilitator of the national industry priorities. Western Sydney University will play its part through the creation of the Advanced Manufacturing Tech Jobs Accelerator. Western Sydney University is seeking \$16 million from the Australian Government to match \$16 million from a consortium of partners to create the Accelerator in Bradfield, which will supercharge manufacturing innovation.

 **Western Sydney will coordinate and distribute manufactured products from the Hunter, Illawarra and Central West through the Western Sydney Airport to the world.**





## Actions and Timelines

1. Distribute funds from Future Made in Australia, AUKUS Pillar 2 and NRF to create precincts of specialisation in strategic locations throughout Western Sydney: 1–5 years.
2. Create an industry package to encourage upscaling of local companies and multinational investment in the advanced manufacturing, semiconducting and quantum computing industries using NRF, Future Made in Australia and AUKUS Pillar 2 funding.
3. Provide guided advice to local companies on how to scale up and enter global supply chains via the Western Sydney Investment Concierge: 2–10 years.
4. Incentivise a prefabricated and modular housing industry in Western Sydney: 2–5 years.
5. Create an Indigenous business procurement policy for all government funded industry projects

## Responsibility

- ▶ NRF
- ▶ Australian Government
- ▶ Bradfield Development Corporation
- ▶ Advanced Manufacturing Research Facility
- ▶ Advanced Manufacturing Centre of Excellence
- ▶ Industry
- ▶ Western Sydney Investment Concierge
- ▶ Western Sydney University
- ▶ The Centre for Western Sydney

## Funding

- ▶ Future Made in Australia - \$2.27 billion over 10 years
- ▶ NRF - \$1.5 billion dedicated to Western Sydney
- ▶ AUKUS Pillar 2 - 10% of annual budget
- ▶ State government - 33 per cent of industry funding must be allocated to Western Sydney annually.



# ADVANCED MANUFACTURING TECH JOBS ACCELERATOR

Through Launch Pad, Western Sydney University's (WSU) technology business incubator, WSU is seeking coinvestment from the Australian Government to establish the 'Advanced Manufacturing Tech Jobs Accelerator' at the new smart city of Bradfield.

**Planned to be located within the new Advanced Manufacturing Research Facility, the Accelerator will drive two distinct streams of activity:**

1. Transforming the existing manufacturing sector by shifting traditional industry to advanced manufacturing
2. Establishing new and emerging technologies with a key focus on semiconductor advanced packaging

**The Accelerator will supercharge manufacturing innovation in the region, providing a key platform to deliver four key goals:**

1. Fast-track advanced technology skills development to build the manufacturing workforce of the future
2. Boost support for start-ups, scale-ups and SMEs to drive new business growth
3. Grow and curate the innovation ecosystem to connect businesses to talent, investment and technology
4. Drive technology development through enhanced industry-university collaboration

“The Advanced Manufacturing Tech Jobs Accelerator will supercharge manufacturing innovation, establish an advanced packaging semiconductor industry, and create a global hub for advanced manufacturing in Western Sydney.”

WSU is seeking \$16 million from the Australian Government in co-investment that will be matched by a consortium of partners (\$32m project total) to build the facility, which will include a semiconductor training lab, deep-tech business incubator, and a rapid prototyping pod, amongst other facilities.







LEAP  
4

## **STRENGTHEN CAPABILITY LINKS INTO INTERNATIONAL SUPPLY CHAINS**

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Western Sydney's businesses are under-engaged in global supply chains. With strengthened skills and technological capability, Western Sydney will be able to build and expand links into international supply chains.

Clearly delineated precinct-based specialisations at, for instance, Bradfield, Liverpool and Westmead will be leveraged via WSI Airport. An industry package will drive advanced manufacturing, semiconducting and quantum computing industries. Western Sydney will facilitate the Future Made in Australia policy and AUKUS Pillar 2 for Australia and enter global supply chains in advanced manufacturing via smart and rapid logistics hubs.

## LEAP 5



# Secure a fair share of creative industry funding

## Current state

Western Sydney does not receive its fair share of creative industry funding. This is best reflected in the statistic that Western Sydney has 10 per cent of Australia's population but received 3.4 per cent of national arts funding between 2015 and 2022. In contrast, the Rest of Sydney has 8.5 per cent of the population yet received 23.5 per cent of national arts funding. This disparity extends to other funding sources for the arts and creative industries.<sup>39</sup>

This historical lack of funding has left Western Sydney without a significant creative industry, which is a key factor in an innovation economy. For example, the creative and performing arts industry contributes less than 0.1 per cent to Western Sydney's total value added.<sup>40</sup>

The creative industries are a key source of regional identity, which is lacking in Western Sydney. There is a lack of celebration of Indigenous cultural heritage and knowledges and the diverse cultures of the region. This is a missed opportunity because the creative industries attract people from other parts of Sydney to the region via domestic and international tourism, which boosts GRP. The creative industries create the imagination economy needed for innovation and productivity.



## Future state

Western Sydney will receive its fair share of creative industry funding for the creative and performing arts, internet and traditional publishing, broadcasting, motion pictures and sound recording. These industries will help create Western Sydney's identity to sell the region to the rest of the world.

There will be more cultural event spaces and museums, as well as more festivals celebrating the unique and multiple cultures of Western Sydney.

A rich and diverse creative and cultural economy will be created which foregrounds Indigenous cultural knowledges, diverse creators, digital media, music, and independent content production.



**The Indigenous Centre of Excellence at Western Sydney University will create cross-cultural learning. It will be expanded to key regions throughout Western Sydney to celebrate the diverse Indigenous cultures of the region.**

Western Sydney will be a place where people from the Eastern region travel to participate in cultural events and international tourists start and end their journeys.



## Leap 5: Secure a fair share of creative industry funding

Western Sydney must receive per-capita equality in creative industry funding. This needs to be an immediate action by all state, industry and federal funding bodies. Funding allocations must be based on population size and growth. The current inequitable funding of the creative industries reflects the historical centrality of the Sydney CBD, which must be corrected if Western Sydney is to drive innovation in Australia and attract and retain talent.

New cultural industry hubs will be the centrepiece of growth in the creative industries in Western Sydney. The hubs will be modelled on the facilities of the WSU Indigenous Centre of Excellence and include facilities for event and meeting spaces, an art gallery and studios, a performance theatre, research and education.

The model for the Indigenous Centre of Excellence will be replicated in other parts of Western Sydney to create cross-cultural learning in the diverse Indigenous cultures.

New festivals and events will be immediately created to celebrate the diverse cultures of Western Sydney and promote the region to the world.

### Actions and Timelines

1. Drive equitable funding in arts and culture and establish the Western Sydney Creative Future Fund: 1-2 years
2. Create new festivals and events based on the diverse cultures of Western Sydney: Ongoing
3. Create new cultural industry hubs with facilities for event and meeting spaces, art galleries and studios, a performance theatre, education and research: 2-4 years.
4. Create new Indigenous Centres of Excellence in Liverpool, Campbelltown, Penrith, Hawkesbury: 5-10 years
5. Deliver an annual Western Sydney State of the Arts oration: Each year

### Responsibility

- ▶ NSW Department of Creative Industries, Tourism, Hospitality and Sport
- ▶ Arts Council of Australia
- ▶ Indigenous Centre of Excellence and Western Sydney University
- ▶ Migrant groups
- ▶ Western Sydney councils

### Funding

- ▶ 10% of federal government spending on the arts and creative industries annually
- ▶ 33% of NSW Government spending on the arts and creative industries annually

## INDIGENOUS CENTRE OF EXCELLENCE AT WESTERN SYDNEY UNIVERSITY

The Indigenous Centre of Excellence will be located on Darug land at Western Sydney University's Parramatta South Campus and is due for completion in 2026.

The Indigenous Centre of Excellence will be a dynamic space where culture, knowledge, and community intersect. It will serve as a hub for celebrating Indigenous heritage, fostering understanding, and promoting resilience.

The state-of-the-art facilities will include event and meeting spaces, an art gallery and studios, a performance theatre, Badanami or The Centre for Indigenous Education, and the Indigenous Research Institute, amongst other facilities.

The Indigenous Centre of Excellence will be a place where contemporary Indigenous expression thrives, knowledge is shared, and connections are made.

“ Indigenous culture will take centre stage. ”

The Indigenous Centre of Excellence was funded by the NSW Government, which provided \$78 million, and Western Sydney University.



Image: Made in the West Film Festival, Behind the Scenes of the film 'A Bird's Eye View: The Art of Rhonda Sampson', directed by Bina Bhattacharya, 2022.





LEAP  
5

## SECURE A FAIR SHARE OF CREATIVE INDUSTRY FUNDING.

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Western Sydney does not receive its fair share of creative industry funding. The creative industries are a key source of value, tourism and regional identity, which are lacking in Western Sydney. Western Sydney must receive per-capita equality in creative industry funding based on population size and growth. Fair funding will correct the historical centricity of the creative arts in the Eastern region of Sydney to create identity and drive innovation in Western Sydney, sell Western Sydney to the world, promote Indigenous cultures and knowledges, and attract and retain talent.

## LEAP 6



# Benchmark and target investment and infrastructure delivery

## Current state

There is a lack of accountability for Western Sydney's progress in infrastructure development, funding equality, skills alignment and future industries. There is no benchmarking of success and no targets for international and domestic investment or sustained infrastructure delivery.

The lack of accountability leads to a lack of progress that will see Western Sydney follow a business-as-usual path to a future peripheral economy.

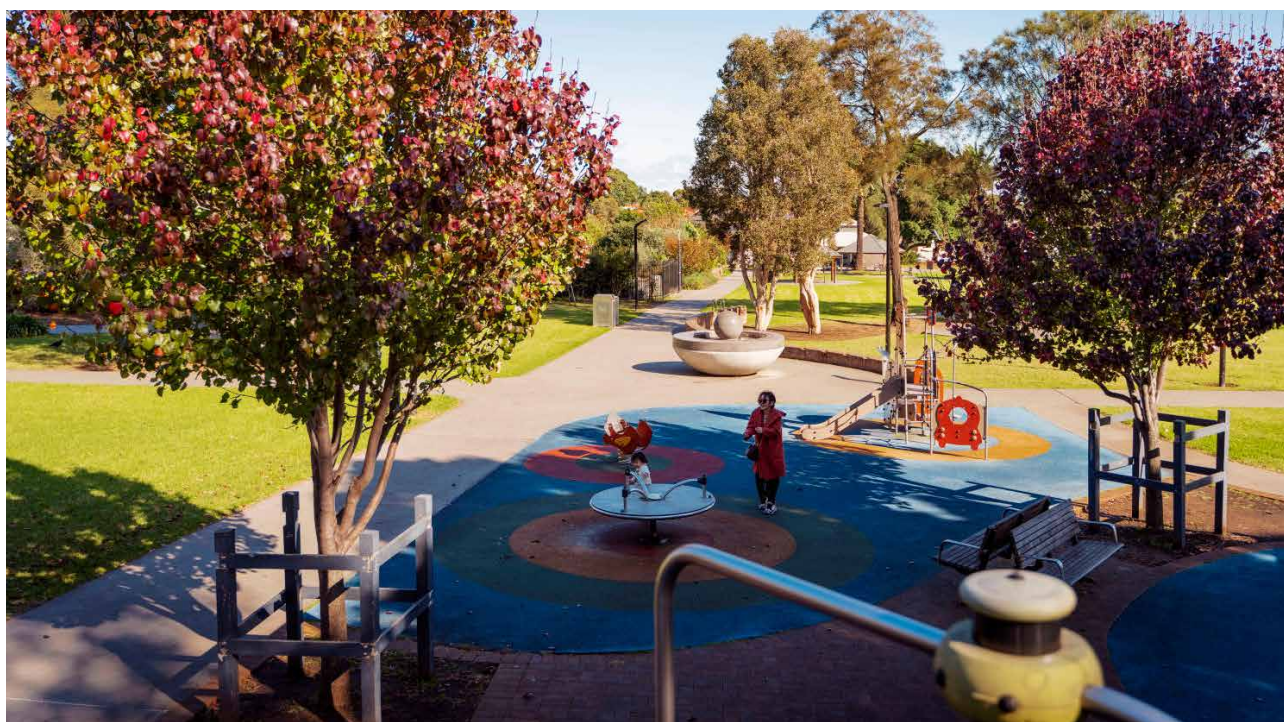
“ Without profound effort targeting investment and infrastructure delivery, we will sleepwalk into the future. ”

## Future state

Western Sydney will objectively evaluate and review progress with the clarity to adapt and pivot as necessary in service of agreed goals.

Having developed and delivered our eight indices of success, participants in Western Sydney's future will monitor progress, and the community, the media, industry peaks and think tanks will hold the government to account.

Benchmarking and targeting new investment and infrastructure delivery will improve our eight indices of success, and Western Sydney will transition from a peripheral to a core economy.





## Leap 6: Benchmark and target investment and infrastructure delivery

Western Sydney University has developed the Western Sydney 'Unlimited Potential' Indices.

The Centre for Western Sydney will issue a biannual report on these indices to build accountability, identify gaps or lags, support progress and inform policy, planning and program implementation.

The Centre will hold an annual 'State of the Economy' address to chart the region's transition from peripheral to core economy, grow industry attraction, drive skills acceleration, generate heightened investment and expand international connections.

### Actions and Timelines

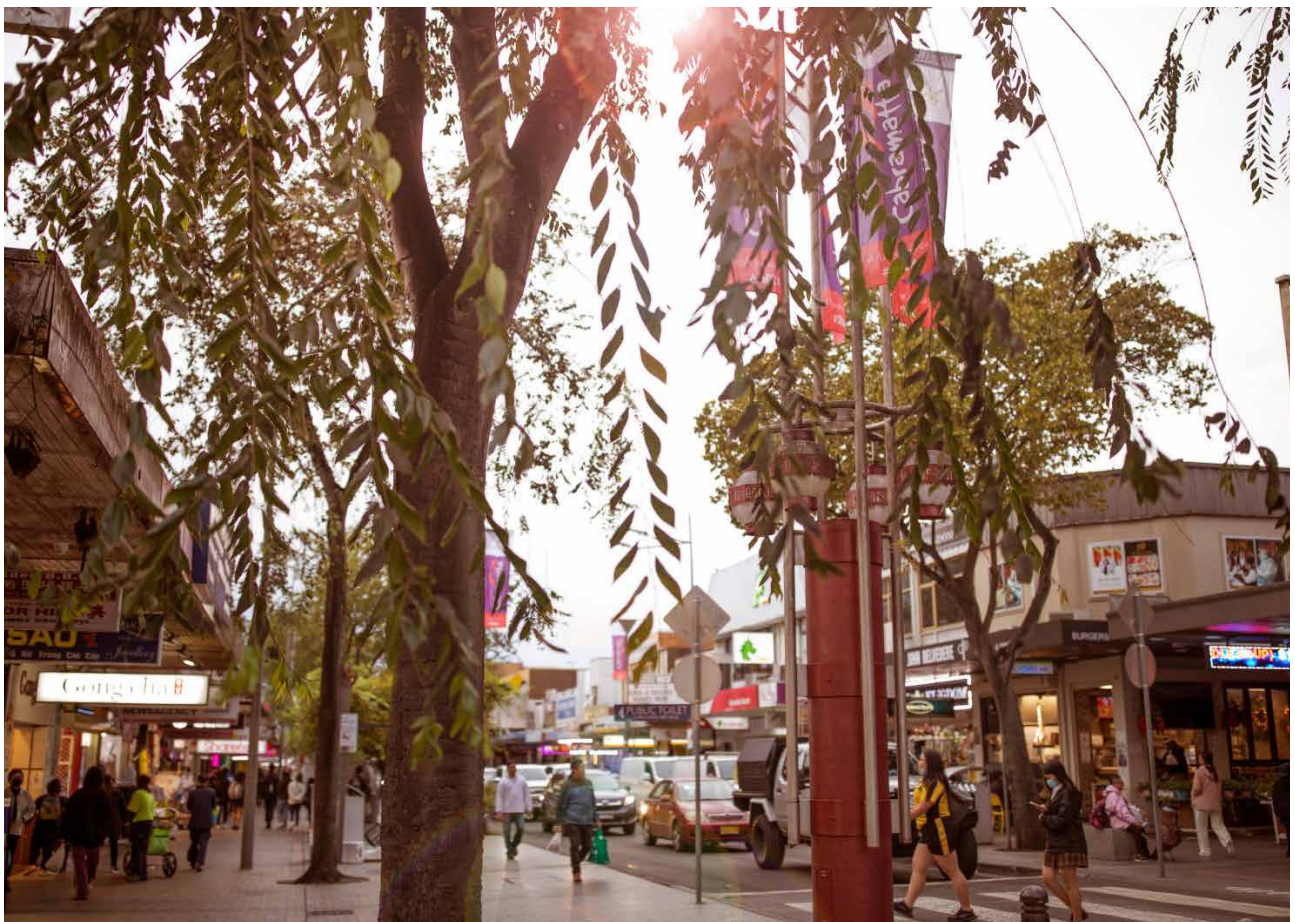
1. Develop the Western Sydney eight indices of success: Completed
2. Produce biannual reports on the eight indices of success: 2026 and every two years afterwards
3. Hold annual State of the Economy addresses: 2025 and every year afterwards

### Responsibility

- ▶ Western Sydney University
- ▶ Media
- ▶ Industry peaks
- ▶ Centre for Western Sydney

### Funding

- ▶ Western Sydney University funding





LEAP  
6

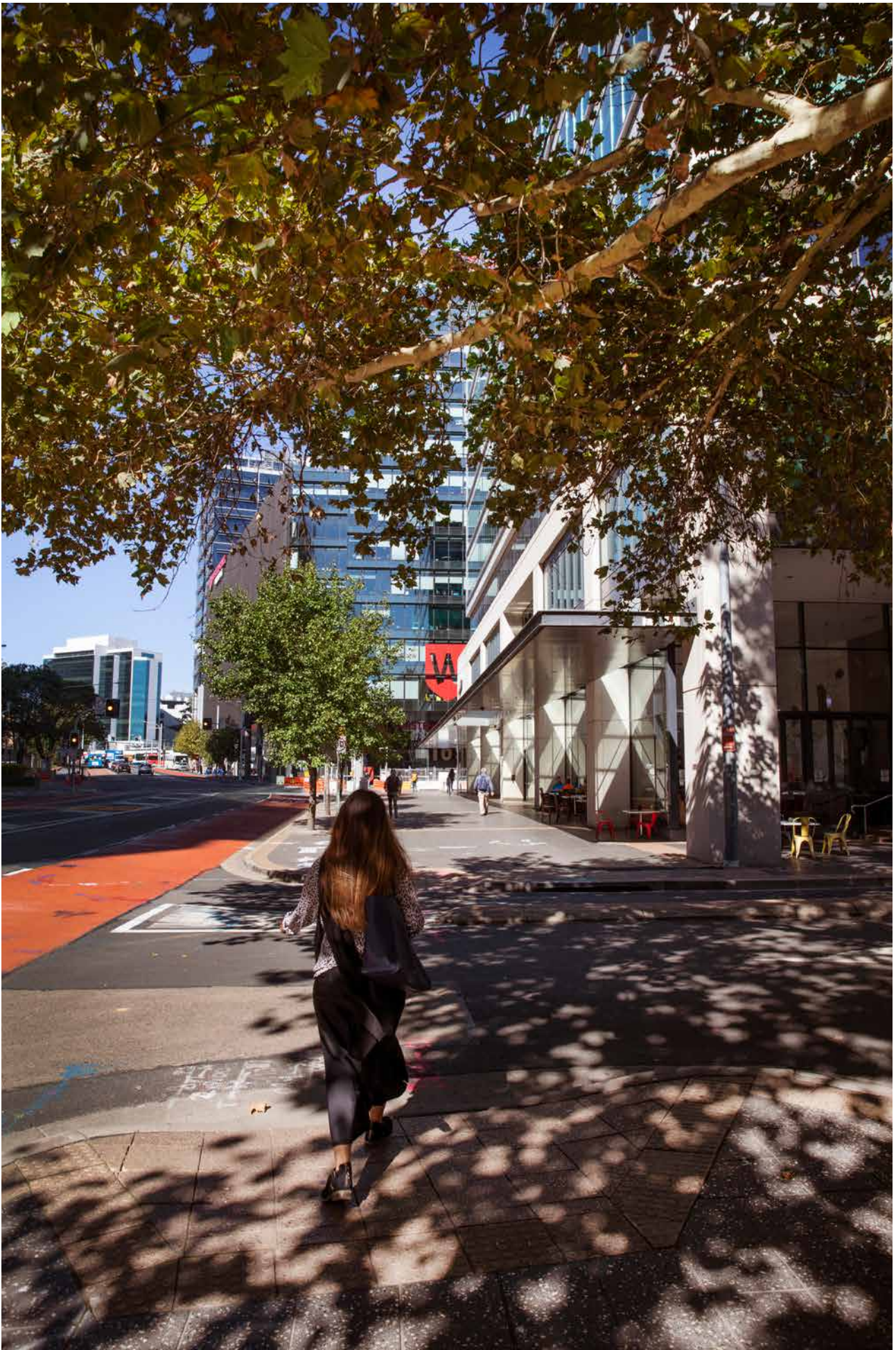


## BENCHMARK AND TARGET INVESTMENT AND INFRASTRUCTURE DELIVERY

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There is a lack of accountability for Western Sydney's progress in infrastructure development, funding equality, skills alignment and future industries. We will hold decision-makers to account by benchmarking and targeting investment and infrastructure delivery. We will produce biannual report cards tracking eight measures of success, including economic growth, local income, local jobs, worker productivity, qualifications, professions, labour force participation and creative arts funding.









05.

# Western Sydney University's role in the transition

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The Unlimited Potential Economic Strategy will increase the prosperity of the Western Sydney community. Lives and livelihoods will be improved through good quality and high-paying jobs closer to home. Physical housing and social infrastructure will be equivalent in quantity per capita and quality to the Eastern core of Sydney. Skill acquisition will break the cycle of economic disadvantage for many residents. These outcomes will improve social cohesion, resilience and wellbeing.

Western Sydney University will play a role in the transition by tracking outcomes, lobbying for change, facilitating and coordinating key leaps, and providing new education models needed for precinct activation.

The Centre for Western Sydney will lead the benchmarking exercise and hold decision-makers to account by creating and reporting on the Unlimited Potential Indices in leap 6.

Western Sydney University will work with industry and TAFE to develop targeted education programs to support digital skills and language literacies, entrepreneurship and leadership, commencing out of the Fairfield Study Hub, as outlined in leap 3.

Western Sydney University will also deliver the Indigenous Centre of Excellence and work to spread the model throughout Western Sydney to support Indigenous capacity building, cross-cultural learning, and Indigenous self-determination.

The University will create centres of excellence in teaching and primary health care, such as the proposed Centre for Nursing, Midwifery and Multicultural Health, and promote technology acceleration through the Advanced Manufacturing Tech Jobs Accelerator.

The Centre for Western Sydney will also lead a key recommendation from the Unlimited Potential roundtables to listen to the people of Western Sydney, because communities need a say in their region's future.

**For an economic transition to be successful, the people affected by the transition must be empowered to determine the direction of transition and their own futures.**

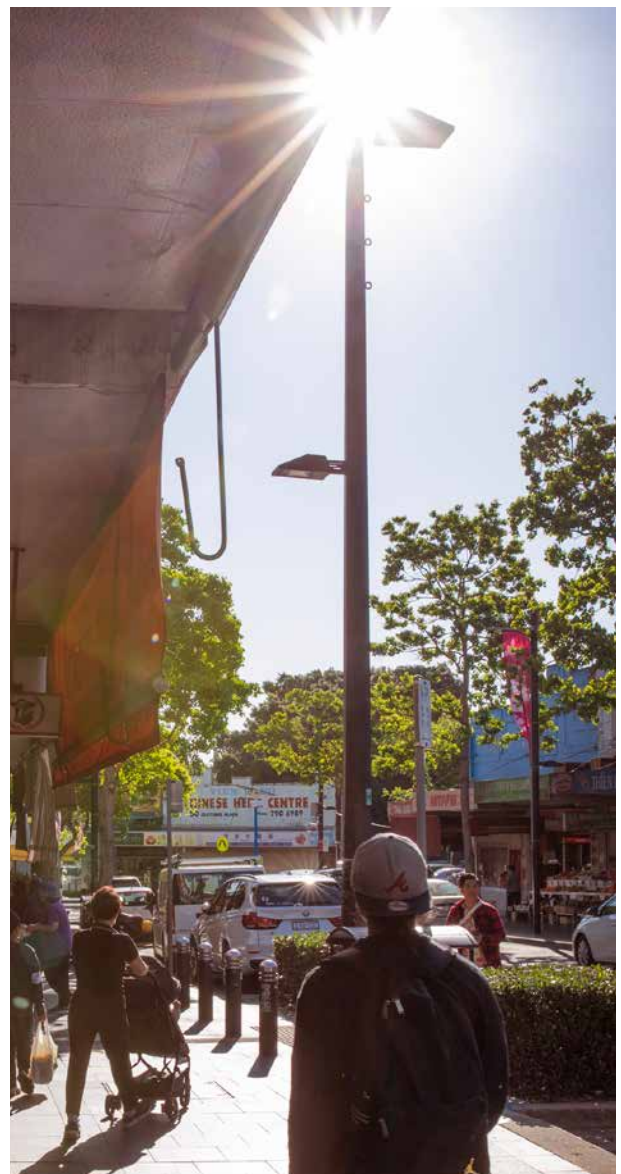
To track outcomes and ensure that people have a say in their futures and feel empowered, Western Sydney University and the Centre for Western Sydney will conduct a community sentiment audit at regular intervals.

Many groups in Western Sydney engage authentically with the community and record this engagement in annual publications. Western Sydney University will create the annual sentiment audit by collating the community engagement of:

- ▶ Community groups
- ▶ Indigenous Elders
- ▶ Local councils
- ▶ State government
- ▶ Aboriginal corporations and land councils
- ▶ Business chambers
- ▶ Faith-based groups
- ▶ Sporting groups and organisations

This will ensure there is no missing middle in the community voices. The future of Western Sydney will not be driven by vested interests, large corporations or the loudest minorities. All members of the community will drive it.

The Western Sydney Infrastructure Advisory Council will, in turn, be informed by the community sentiment to prioritise funding. The Unlimited Potential project will draw from the community sentiment and be a living strategy to improve the wellbeing of the people of Western Sydney.



# Professor Andy Marks



Our region is at a critical juncture. If nothing is done, Western Sydney's undeniable assets will be underutilised and its dynamic aspirations unfulfilled. We cannot allow that to happen.

**If the leaps detailed in this report are actioned, Western Sydney will transition from a peripheral to a core economy.** It will become an internationally competitive industrial powerhouse at the forefront of innovation and technology.

Western Sydney University is fully committed to collaborating with our communities, industry and government partners to realise our region's Unlimited Potential.

**That starts with this strategy.**



Vice-President, Public Affairs and Partnerships,  
Western Sydney University

Executive Director, Centre for Western Sydney









# Unlimited potential state *versus* business-as-usual

The Western Sydney Economic Acceleration Zone and its six leaps will attract investment and lead to greater business density and agglomeration. This will improve productivity and lead to more jobs closer to home. More company headquarters will be centred in Western Sydney, with the associated higher-paying jobs in core economies. The Western Sydney workforce will have higher labour force participation, more qualifications and higher incomes.

To model the future economy with and without the accelerator, we draw from economic growth theory. Growth in gross domestic product and income is a function of productivity growth, and growth in labour and capital. We concentrate on three mechanisms:

1. A **growth in productivity** as measured by the growth in value added per worker. Productivity growth is embedded in the new investment arising from the accelerator and Leaps 1–6. Productivity growth also increases due to agglomeration or business density, which is implied in Leap 1. More businesses will be centred in Western Sydney, and they will effectively be closer together, or more agglomerated, due to infrastructure improvements. Agglomeration leads to improvements in productivity.<sup>41</sup> The improved resident worker qualifications in Leap 3 are a further source of productivity growth.

To model productivity growth out to 2036, we compare the current rates of worker productivity in Western Sydney and the Rest of Sydney, as indicated in Table 1. The growth from \$128,452 to \$167,510 per worker is a compound annual growth rate of 2.06 per cent in worker productivity. This is above the current rate of productivity growth in most industrialised economies. However, the accelerator will increase the industrialisation of Western Sydney at a sharper pace because there is unlimited potential for improvements in connectivity and worker qualifications. Western Sydney experienced greater growth in worker productivity in a number of years since 2006, including 3.4 per cent in 2020/21 and 2.9 per cent in 2021/22. However, worker productivity varies significantly year on year and has risen by a compound growth rate of 0.9 per cent from 2006 to 2023 (versus 0.8% in the Rest of Sydney).<sup>42</sup> This highlights the need for the Western Sydney Economic Acceleration Zone, which will benefit NSW and Australia as the economy diversifies.

2. An **increase in labour force participation** as measured by the ratio of working residents to population. As described in Table 1, the ratio of working residents to population is far lower in Western Sydney than in the Rest of Sydney. This is due to the distance to work, a lack of connectivity and lower qualifications, all of which will be amended by the Western Sydney Economic Acceleration Zone. Thus, we assume the same ratio for Western Sydney as currently occurs in the Rest of Sydney (0.58 working residents per one member of the population).
3. An **increase in population** as predicted in the NSW Department of Planning estimates. The population is expected to grow to 3.2 million people by 2036 from 2.6 million in 2021.

These three relatively modest assumptions have been used to construct a future Western Sydney economy under the unlimited potential scenario with the Economic Acceleration Zone and its six leaps. The business-as-usual scenario assumes similar productivity and labour force participation levels as today with a growth in population. The unlimited potential scenario assumes labour force participation and productivity levels equivalent to the Rest of Sydney. Thus, the estimates are real (rather than nominal) changes to the economy.

Finally, the estimates for qualifications in 2036 are derived from the Rest of Sydney's qualifications level. Western Sydney has already experienced faster growth in qualifications than the rest of Sydney from 2011 to 2021 and will catch up with Leap 3.





SHINE  
LAWYERS

**Table 6: The future economy of Western Sydney in 2036 with and without the Western Sydney Economic Acceleration Zone**

Economic measures	Business-as-usual scenario	Unlimited potential scenario
Size of the economy (jobs)	1,279,219	1,809,610
Growth in the economy per annum (GRP)	\$199 billion	\$379 billion
GRP per capita (income per person)	\$62,549	\$119,144
Worker productivity	\$124,402	\$167,510
Jobs-to-worker ratio	0.81	0.98
Qualifications (percentage of resident workers with bachelor's degrees in 2021)	37.5%	55.6%
Labour force participation (working residents-to-population ratio)	0.42	0.58

Source: Centre for Western Sydney, 2024. Modelled data.



First Building, Bradfield City Centre. Courtesy of the Bradfield Development Authority



# ENDNOTES

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