

SYD

The year travel returned

Annual Report 2022





The recovery begins



SYD

Contents

Performance highlights

- 02 Chair and CEO message
- 05 2022 highlights
- 06 Our purpose and values
- 08 Financial performance
- 10 Capital expenditure
- 12 Aeronautical services
- 15 Operations
- 16 Retail, property and hotels
- 18 Parking and ground transport
- 20 Sustainability

Acknowledgement of Country

Sydney Airport acknowledges the Traditional Custodians of the lands, waterways and skyways where we work and in which we live.

We pay respect to Elders, past, present and emerging, and recognise the continuation of cultural, spiritual and educational practices of First Nation peoples throughout Australia.



Chair and CEO message

2022 – the year travel returned

After two incredibly tough years of COVID lockdowns and travel restrictions, passenger numbers began to recover as borders re-opened and Australian and international visitors re-discovered air travel.



Geoff Culbert
Chief Executive Officer

David Gonski
Chair

2022 was a significant year for Sydney Airport and the aviation sector generally. More than 700 days after Australia's international border closed, we finally opened our doors to the world and started rebuilding the industry. While the reopening presented challenges, it was wonderful to see travellers back in the terminals, and the 800 businesses who operate at Sydney Airport restart after two years of being shut down.

Rebuilding the Workforce

The reopening of air travel presented operational challenges across the entire industry, and for the first half of 2022 the passenger recovery outpaced the workforce recovery. Around 15,000 jobs were lost across the precinct during the pandemic and rebuilding this workforce, in the tightest jobs market in almost half a century, was no easy task. Over the course of 2022, we steadily increased employee numbers and by the Christmas holidays we were largely back to 2019 levels of operational performance.

In December, our overall passenger traffic was 78 per cent recovered compared to pre-pandemic and we had recruited and trained the staff needed to effectively manage the demand. This was a positive finish to the year considering we were just 31 per cent recovered in January. Our operational recovery tracked closely to our workforce recovery – by the December school holiday peak, 95 per cent of domestic passengers were clearing security in less than five minutes.

We want to thank all our frontline teams and partners who worked around the clock to manage through this difficult period, with special thanks to the Sydney Airport staff who donned green vests and hit the terminals during our peak periods to ensure passengers were supported.

Aviation Recovery

In late 2021, passenger numbers hit their lowest point of the pandemic, at just 1 per cent of 2019 levels. Accordingly, we started 2022 with a significant challenge as global airlines brought fleets out of hibernation and made difficult decisions around which markets to prioritise. To position New South Wales as a destination of choice we partnered with the NSW Government to establish the Aviation Attraction Fund. The Government's \$60m contribution was dollar matched by Sydney Airport, creating a \$120m fund to propel the return of international airlines to Sydney. The success of the fund was evidenced by the fact that we saw capacity in some markets grow beyond pre-pandemic levels.

For the first time ever, the Republic of Korea became a five-airline market, alongside perennial favourite destinations Bali and New Zealand. We onboarded six new international airlines this year: SriLankan Airlines, T'way Air, Bamboo Airways, Thai AirAsia X, Batik Air and Vietjet. In 2023 we anticipate our international recovery will continue as more airlines and routes come online and capacity grows.

Restarting Capital Investment

With traffic growing we were able to restart our capital investment program in 2022. Our capital investment expenditure more than doubled from 2021 to \$305.9m and significant projects were delivered to enhance the passenger experience. We invested in the things that matter to our customers, including bathrooms and baggage systems in our T1 international and T3 domestic terminals.

The reinvigorated arrivals forecourt outside the T1 international terminal was completed in time for Christmas, creating a captivating first experience for our international travellers. More than 35,000 native trees, shrubs and grasses were planted by members of Wildflower – Gardens for Good, a social enterprise training Indigenous youth, and we are thrilled they will continue to care for our beautiful gardens. [\(page 28\)](#)

We executed on our strategy to re-position our T1 international terminal retail offer and unveiled our world leading luxury shopping precinct, which opened in December. This precinct now includes 20 of the world's most iconic luxury brands including Louis Vuitton, Gucci, Dior, Cartier, Hermes and Tiffany & Co. [\(page 17\)](#)

In a world marked by increasing threats and uncertainty, we also strengthened our resilience. We invested in new body scanners and hand luggage scanners at T3 domestic terminal and opened additional security lanes at T2 domestic terminal. We also enhanced our cyber threat detection and response capability to deliver a fully managed service allowing for 24/7 coverage of our technology. [\(page 22\)](#)

2022 total revenue¹

\$1.03bn

↑84% on 2021
↓(33%) on 2019

2022 total passengers

29.12m

↑266% on 2021
↓(34%) on 2019

EBITDA

\$740.7m

↑117% on 2021
↓(45%) on 2019

Financial and operational snapshot

We welcomed 29.12 million passengers through our terminals in 2022, and the return of passengers had a positive impact on all areas of our business with total revenue increasing to \$1.03bn. With airline capacity growing over the year, Aeronautical revenue increased to \$515.4m. The combined revenue of our Retail, Property, Parking and Ground Transport businesses increased to a total of \$514.6m. Having said that, we remain significantly below 2019 levels. We ended the 2022 year 33 per cent below 2019 on revenue, and 45 per cent below on EBITDA. This is a reflection of the fact that, while 29.2 million passengers was a significant improvement on 2021, it is still 15 million passengers below 2019 levels.

Sustainability

It is critical to our long-term success that we operate sustainably and grow Sydney Airport responsibly.

This was the first year of our 2022-24 Sustainability Strategy, which we announced in 2021, with a focus on three strategic pillars: responsible business, planning for the future, and supporting our people and communities.

Progress has been made in all the key sustainability targets set out in this strategy, including achieving Net Zero by 2030 for Scope 1 and Scope 2 emissions, and achieving gender balance across the business, with women making up 39 per cent of Sydney Airport's workforce in 2022.

Sydney Airport continued to be recognised as a sustainability leader in our sector across a range of ESG ratings and benchmarks, including ranking 1st globally in the Airports sub-industry sector, and as a Top-Rated Global ESG Performer.

We encourage you to read our 2022 Sustainability Report for more details on our targets, commitments, and performance.

Safety

The safety and wellbeing of our passengers and employees is paramount and in 2022 several new practical initiatives were introduced to improve our safety culture.

We held regular safety inductions, workshops and 'Safety Talks' to help train the influx of new employees and airport partners, brought in to manage the rapid passenger recovery.

Every single leader at Sydney Airport completed at least one high quality health, safety, and wellbeing engagement per quarter, exceeding our target of 95 per cent. New safety targets for all employees were aligned to annual performance goals and objectives.

Community

2022 marked the second year of our Social Impact Strategy, and we centred our approach on being purpose-led across three pillars: people, procurement, and partners.

In total, we contributed \$3.4m of community investment and social and Indigenous procurement in 2022. This included \$1.1m worth of goods and services spent with social enterprises and Indigenous-owned businesses, exceeding our spend target by 85 per cent. We also supported organisations that help people with a disability, migrant and refugee communities, as well as victims and survivors of modern slavery.

As part of our reconciliation program, we welcomed our first group of incumbents for our Indigenous-identified apprentices into the Technical Services team and have introduced cultural training and workshops for their team members and mentors. We are also proudly empowering the next generation of aviation leaders through the Trevor Gerber SYD100 Scholarship program with UNSW, with our first recipient joining the Sydney Airport team in our graduate program after completing her studies.

Outlook

We expect our passenger numbers to continue to grow in 2023 with additional airlines and routes joining the schedule. It is unlikely we will reach 2019 levels, but the gap is closing.

As we look to the future, we can be proud of the resilience that every single member of the Sydney Airport team has shown through the most challenging time in our 103-year history.

Our ongoing focus is to support the recovery of the aviation industry and make a positive contribution to the economy, community, and environment in Sydney, NSW and Australia. Travel is now back and as our recovery continues, we are committed to living up to our purpose – to make Sydney proud every day.



Geoff Culbert
Chief Executive Officer



David Gonski
Chair

1. Excludes aeronautical security revenue and other revenue. EBITDA is defined as profit before depreciation, amortisation, net finance costs and income tax.



Highlights

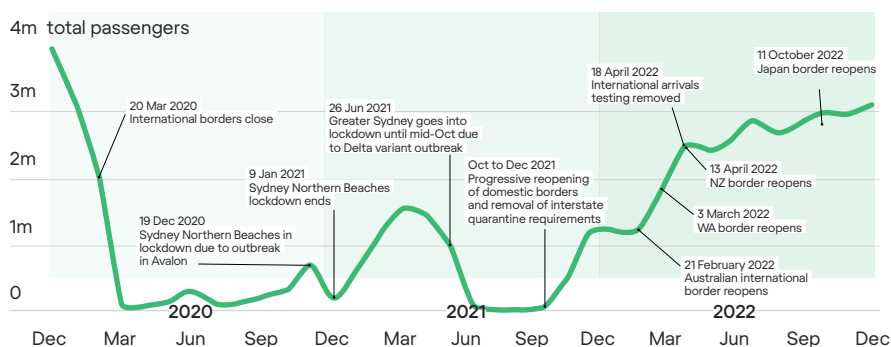
Aviation and operations

Aviation came back in 2022, with a sustained recovery as domestic travel restrictions ended and Australia opened its international border to the world.

Passenger movements

Total	Domestic	Regional	International
29.12m	19.04m	1.85m	8.23m
↑266% on PCP ↓(35.0%) on 2019	↑208% on PCP ↓(25.0%) on 2019	↑85% on PCP ↓(18.0%) on 2019	↑970% on PCP ↓(51.0%) on 2019

Monthly passenger numbers from 2020 to 2022



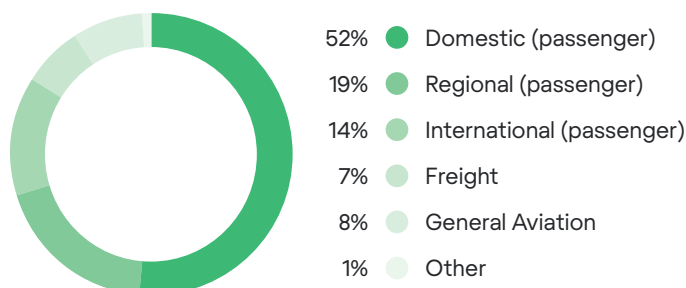
Passenger aircraft movements

Total	Domestic and regional	International
233.9k	195.4k	38.5k
↑136% on PCP ↓(26.0%) on 2019	↑124% on PCP ↓(17%) on 2019	↑228% on PCP ↓(51%) on 2019

Freight aircraft movements

Total	Domestic	International
18.5k	5.9k	12.6k
↓(25%) on PCP ↑94% on 2019	↓(10%) on PCP ↑39% on 2019	↓(30%) on PCP ↑138% on 2019

Movement splits 2022



Our purpose and values

With borders opening and COVID restrictions lifting, 2022 was the year travel returned to Sydney Airport. Our resilience was tested when passenger numbers soared well ahead of the workforce recovery, but our people continued to persevere and have each other's backs even on the most challenging days.

Our purpose

To make Sydney proud every day





Our values



Always do the right thing

Integrity and honesty are at the heart of everything we say and do.



Have each other's back

Working at Sydney Airport is a team sport. We care. We keep each other safe and well.



Do what you say

We challenge respectfully then collaborate to get to 'Yes'.
We commit and deliver.



Think like our customers

We walk in their shoes and
always strive to improve.

Financial performance

The recovery begins



In 2022, Sydney Airport's pandemic recovery began with the passenger recovery bringing dormant business back to life.

Total revenues

2022 marked the first year of our recovery, with passenger traffic increasing from 2021 as our international border opened and travel restrictions eased. As a result, our Aeronautical revenue increased to \$515.4m for the full year, excluding security revenue, however, this was still 30 per cent down on 2019.

The passenger recovery also flowed through to our other businesses, which all improved their performance on 2021, however continued to track well below 2019 levels. Property and car rental revenue was \$206.6m, which was 18 per cent down on 2019. Parking and ground transport revenue was \$129.3m, 20 per cent lower than 2019. Our retail revenues totalled \$178.7m, which was 52 per cent down on 2019.

To support our tenants, we continued to offer abatements as passenger traffic recovered throughout the year. Our revenue levels continue to be impacted by the effects of the abatements support we provided to our customers during 2020, 2021 and 2022.



Total revenue¹**\$1.03bn**↑84% on 2021
↓(33%) on 2019Aeronautical¹**\$515.4m**↑183% on 2021
↓(30%) on 2019

Property and car rental

\$206.6m↑20% on 2021
↓(18%) on 2019

Parking and ground transport

\$129.3m↑224% on 2021
↓(20%) on 2019

Retail

\$178.7m↑8% on 2021
↓(52%) on 2019

Capital investment

\$305.9m↑55% on 2021
↓(3%) on 2019

EBITDA

\$740.7m↑117% on 2021
↓(45%) on 2019

1. Excludes aeronautical security revenue and other revenue.

Capital expenditure

Building for the future

After two years of COVID we restarted our capital investment program, with \$305.9m put towards projects focused on asset resilience, safety, security and improving the customer experience.



The indigenous-led not for profit team from Wildflower – Gardens for Good oversaw the landscaping of the T1 international forecourt.

T1 international terminal forecourt reconstruction

The reconstruction of stage one of the T1 international terminal forecourt was completed in December, and involved the planting of 35,000 native plants, laying of 7,200 sqm of pavers and the installation of 8,500 sqm of new roofing sheets. This new functional green space is a place where people can gather, celebrate, and reconnect after arriving on a long-haul flight. For more on the Indigenous elements and sustainable features see [page 28](#) of this report.

Runway re-sheet project

The reconstruction of the main runway northern concrete threshold and resurfacing of the central part of the main runway and associated taxiways was completed in April 2022. These upgrades will extend the life of the runways and improve resilience.

T3 domestic terminal security upgrade






New 3D body scanners and CT hand luggage scanners were installed at security at T3 domestic terminal in June. One of the key benefits of the CT scanners is that passengers do not have to remove aerosols and laptops from their hand luggage. This is because the scanners provide a rotating high-resolution view deep inside cabin bag instead of the flat two-dimensional imaging of conventional scanners.

T1 international terminal luxury precinct redevelopment

The transformation of the duty-free T1 luxury precinct was completed in December, creating a unique luxury shopping destination for international travellers with access to 20 of the world's most exclusive brands. To enhance the space, the ceiling height was more than doubled to almost 10 metres and the precinct footprint was increased to 2,700 sqm. Read more about the new precinct on [page 17](#) of this report.

Capital projects

In 2022, a range of projects designed to improve operations and the customer experience were initiated and substantially progressed.

Category	Project Description	Benefits	Timing
 Airfield	Runway works	Concrete threshold reconstruction and Runway resurfacing program works to extend the runway life and improve resilience	Completed mid-2022
		Rolling program for reconstructions, slab replacements and preventative surface works	Ongoing to 2027
		Upgrade of all runway lights to more energy efficient LED light fixtures	Ongoing to mid-2023
	Apron projects	SE Sector Apron construction and T1 Pier B south apron construction to improve operations	Ongoing to mid-2025
	Bussing lounge	Upgrading T1 international terminal bussing lounge to enhance passenger experience	Ongoing to end-2024
 Terminal work	Baggage	New conveyor sort line at T2 domestic terminal to improve outbound baggage capacity and system resilience	Ongoing to mid-2024
	Terminals	Redevelopment of the T1 international terminal duty-free and luxury precinct to enhance passenger experience	Completed Dec-2022
	Forecourt	Construction of a new T1 international terminal forecourt to create a green space for international travellers	Completed Dec-2022
	Security	T3 domestic terminal security screening upgrade with installation of 3D scanners to improve operations	Completed mid-2022
 Technology	Campus LAN	Critical infrastructure upgrades to improve technology resilience	Ongoing to end-2024
	Cyber resilience	Enhancements to improve Sydney Airport's cyber resilience	Always ongoing
 Power	Electricity supply	Upgrades to substations and associated high voltage infrastructure that feeds into both terminal precincts and the airfield	Ongoing to end-2025
 Landside operations & transport	Roads and access	Sydney Gateway works to relocate services and prepare sites for handover to Transport for NSW completed ahead of schedule	Ongoing to mid-2024
		Development of ground transport solutions at the domestic precinct to improve traffic flow, aligned to the completion of the Gateway project	Ongoing to end-2024

Aeronautical services

The return of passenger traffic

After nearly two years of lockdowns and travel restrictions, passenger numbers began recovering quickly in 2022 with strong demand for domestic travel and international carriers reactivating services.

Domestic travel recovery

Australians regained their appetite for domestic air travel in 2022 after being forced to stay at home for most of 2020 and 2021. Domestic passenger flights accounted for 52 per cent of our total annual air traffic movements in 2022, up 10 percentage points when compared to 2021.

In March, Western Australia was the last state to lift interstate travel restrictions, and the April school holidays marked the first holiday period since Christmas 2019 when all domestic borders were open without quarantine or testing requirements. As a result, domestic passenger numbers soared to 85 per cent recovered in April compared to 2019 levels and remained steady throughout 2022.

Welcome back world

Australia's international border reopened to vaccinated tourists on 21 February after closing almost two years earlier on 20 March 2020. This announcement came sooner than anticipated and we had to move quickly to work with our airline partners to bring back services to meet demand.

Although the Australian border was open, travel restrictions and warnings remained in key markets including New Zealand, Japan, and the U.S., which impacted the trajectory of the overall international traffic recovery. While many of these eased in the months to follow, for all of 2022 the border to China remained closed.

Rebuilding capacity on international routes and reconnecting key markets was a high priority for us in 2022.

Aviation Attraction Fund turbocharging the aviation recovery

To support and expedite the recovery of the aviation industry, the NSW Government created a first of its kind \$60m Aviation Attraction Fund, which Sydney Airport dollar matched.

This fund is being used to rebuild capacity from key tourism markets by targeting the re-establishment of connections with these markets as well as new airlines and routes into New South Wales.

At the end of 2021, Sydney Airport's international seat capacity was only 22 per cent recovered with many international carriers having halted operations or running severely limited services.

By December 2022, international seat capacity was 70 per cent recovered, with the Aviation Attraction Fund helping airline networks to rebuild back into Sydney, supporting the recovery of international tourism, business travel, student travel and supporting the broader New South Wales economy.

New routes and opportunities

Airlines stepped up international seat capacity throughout 2022 to cater for the increased demand with several routes nearing pre-pandemic capacity by the end of the year. Several routes also had stronger passenger volumes than 2019 with the launch of new services and tapping into the pent-up demand for travel.

Passengers to the Pacific Islands were 104 per cent recovered in December compared to pre-pandemic December 2019, with Fiji Airways increasing capacity beyond 2019 levels. The volume of passengers to Canada in December 2022 exceeded pre-pandemic levels by 34 per cent, with Air Canada increasing services and Qantas adding year-round services to Vancouver.

By December 2022, the entire South East Asian region had grown 2 per cent above the corresponding month in 2019 from a passenger perspective. The Indian subcontinent, one of Sydney Airport's largest and fastest growing markets, performed strongly, with India being 102 per cent above 2019 levels, largely due to Qantas launching inaugural services to Bangalore and the strong passenger performance of Air India's services.

After borders and testing requirements were removed in the third quarter, a rapid recovery from the Korean market was assisted by new services from Qantas, Jetstar and the arrival of t'way Air late in the year. Sydney was selected by this new low cost carrier for its first long haul service. The Seoul-Incheon route has quickly grown from a two to five airlines route and joins only Auckland and Singapore with such a range of airline choice.

The Vietnamese market experienced a strong surge in capacity, with numbers in December 2022 above 2019 levels, due to new services from Bamboo Airways combined with Vietnam Airlines restoring all its pre-pandemic flights. The volume of passengers to Vietnam as a result of strong demand and new services was 25 per cent above pre-pandemic levels. VietJet has also announced it will launch inaugural services to Sydney and it will be the fourth airline to join the popular Sydney to Ho Chi Minh route in April 2023, increasing the seat supply on one of Sydney's most important growth markets.

Passengers to and from the Americas were 80 per cent recovered by December 2022 with all the North American airlines putting additional seat capacity on for the peak season; Delta Air Lines' seat capacity increased by 20 per cent in December compared to the same time pre-pandemic, Air Canada by 48 per cent and American Airlines by 5 per cent.

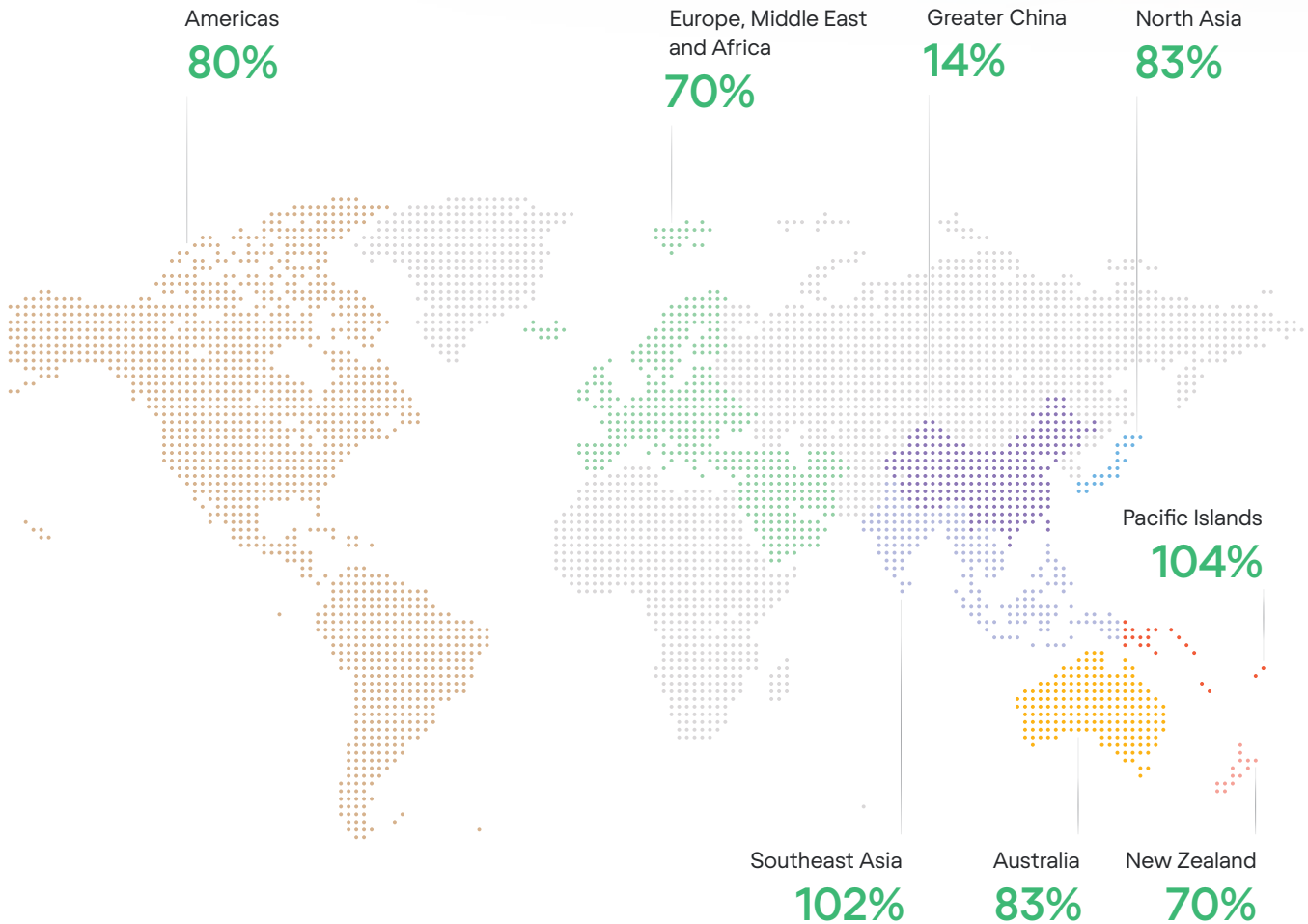


SYD

Sydney Airport
welcomes
Bamboo Airways

Passenger recovery

December 2022 versus December 2019 (%)



Restoring the balance

In the post-pandemic recovery, international passenger traffic significantly skewed towards Australian residents going overseas, rather than foreign residents visiting Australia.

In January 2022, 43 per cent of inbound travellers to Sydney Airport were foreign residents. In a positive sign, by December that had rebounded to 52 per cent. This balance of arriving and departing passengers supports the airlines to sustain and grow these services but also delivers strong benefits for the New South Wales tourism sector and economy broadly. By focussing on recapturing overseas markets, we contributed to both the State and national economy.

When the border to China closed in February 2020, so did the door to one of our most important markets. Reviving and growing the greater China market is crucial to our recovery. Supporting the Chinese airlines we partner with and ensuring Sydney is a priority in restarting their networks will be a strategic focus in 2023.





Operations

Rebuilding the workforce

Building back the workforce to manage the rapid return of passengers was one of the key challenges of 2022, after almost half of the jobs across the airport were lost during the pandemic.

Building back the workforce

The aviation industry was challenged by the tightest labour market Australia had seen in almost half a century. At Sydney Airport, the labour shortages had a major impact across operational processes as the passenger recovery tracked well ahead of the workforce recovery. The airport labour force was severely reduced during the COVID pandemic when about 15,000 jobs across around 800 organisations were lost.

Sydney Airport jobs fairs

Restoring the workforce when unemployment was at near record lows was a complex task. To help attract the staff needed to operate the airport effectively, two jobs fairs were held in June and September with more than 40 of the airport's biggest employers taking part. While many of the roles that did not require security clearance or extensive training were filled quickly, the more technical jobs took longer to recruit for as they involved extensive testing and training.

Following the June jobs fair, around half of the workforce lost during the pandemic was recovered, and by September, following the second jobs fair, the workforce was steadily building back to pre-pandemic levels.

In the last quarter of the year, the airport and our partner agencies and organisations had the staff in place to effectively manage the ongoing demand for air travel. This included the addition of around 350 new Certis security screening staff throughout 2022. By the Christmas holiday travel rush, the airport was approaching pre-pandemic employment numbers of 33,000 workers, and as a result operational performance significantly improved.

Managing the rapid return of travellers

While the workforce was being rebuilt, operational processes were evolved to help deal with the congestion caused by the rapid return of domestic travellers in the first half of 2022. An additional 60 customer service representatives were deployed in the terminals every day during the peak.

Passenger arrival guidance was increased with the airport recommending domestic passengers arrive two hours ahead of departure, and international passengers three hours before their flight. Queuing systems were reconfigured, and priority security screening lanes were introduced to prioritise passengers with imminent departures.

Terminal signage was overhauled to help guide passengers and assist the flow of foot traffic. Surge resourcing was also deployed to support in-house baggage teams, to increase the resilience of our baggage system. Ground transport operations were adapted to activate an alternate domestic taxi drop off area, to reduce vehicle traffic on the domestic departure's roadway during the peak times of 4am and 7am.

Continuous improvement efforts also focused on realising gains through deep analysis of operational performance data. Incremental improvements were made across the passenger journey using a methodical approach including staff coaching, equipment and infrastructure modifications and process optimisation. Frontline teams were equipped with access to real-time data allowing them to make proactive and optimised operational resourcing decisions.

By the December school holiday period, the airport had the staff and processes in place to deal effectively with the huge volume of passengers for Australia's first Christmas without COVID restrictions in three years. In December, 95 per cent of domestic passengers cleared security within 5 minutes, with the remaining 5 per cent processed in less than 15 minutes.



Retail, property and hotels

Commercial business rebound

With passengers returning to travel, the commercial businesses across Sydney Airport rebounded in 2022, with new retail and hotel developments enhancing the customer experience.

Getting back to business

In 2022, our commercial businesses rebounded as passenger numbers increased, however, overall annual revenue was still below pre-pandemic levels.

We were delighted that by December, 83 per cent of retailers across all terminals were open for trade, after supporting them with \$344m of rental relief since 2020.

Our property portfolio performance neared pre-pandemic levels, with 95 per cent occupancy after the addition of new airlines and strong demand from industrial operators. The rental car recovery was strong with sales turnover edging towards 2019 levels.

With the return of tourists and corporate travellers, the hotel business recovered during the year. Occupancy rates were 57 per cent for the year, an increase of 29 per cent on 2021 figures.





SYD X – the new T1 international terminal luxury precinct

In December 2022, construction was completed on SYD X, the redeveloped T1 international terminal shopping precinct offering Australia's largest collection of luxury brands.

Years of planning went into delivering the new 2,700 sqm precinct to house twenty of the world's most sought-after luxury brands including Louis Vuitton, which opened its first retail travel store in the Southern Hemisphere, as well as Gucci, Dior, Hermes, Tiffany & Co and Cartier which will open in 2023.

With a double-sided streetscape, the elliptical design of SYD X makes it quick and easy for international passengers to navigate. International travellers can now enjoy curated brands, culinary and luxury experiences, as we continue to innovate and position Sydney Airport as a key player on the world stage of luxury.



Heinemann Tax & Duty Free partnership extended and expanded

In an Australian first, Heinemann signed an agreement to open a department store concept at the T2 and T3 domestic terminals, scheduled to open in August 2023.

The concept spans more than 2,270 sqm across both terminals and will offer a full suite of fashion, accessories, watches, jewellery, perfumes, cosmetics, skincare, confectionery, wines and spirits.



Aerotel – Australia's first in-terminal hotel

We now boast another Australian first, a hotel inside an airport terminal, with Aerotel opening in August 2022 at T1 international terminal.

Positioned just a minute's walk from the arrivals gate and 100 metres from international check-in, Aerotel offers travellers unparalleled convenience. The hotel is located conveniently for arriving passengers to refresh and recharge.

There are 15 ensuite rooms catering for solo passengers and couples, and for added convenience guests can book a room on an hourly basis.



Parking and ground transport

Delivering on demand

In 2022, we saw the highest-ever average number of public vehicles parked in our terminal car parks, with a noticeable shift in passengers choosing to take personal transportation in response to COVID.

To improve traffic circulation and help customers save time, a new car parking guidance system was activated that allows drivers to see the number of available spaces on each level when entering the P7 car park. Clear dynamic signage was also installed on each level, with prominent signage at the entrance.

Efficiency also improved with an increase in pre-booked parking in the second half of 2022, following a targeted marketing campaign. We also opened a rebranded and refreshed SYD valet service in October at the international precinct.

In December 2022, the 54-year-old P1 domestic car park was closed. The car park will be demolished and redeveloped, with the project to be used as a catalyst for improving the experience for customers and operators in the domestic precinct.



Sydney Gateway project on track

By the end of 2022, more than half the work was completed on the Sydney Gateway project to transform the way motorists travel to and from the airport.

When completed in late 2024, Sydney Gateway will provide toll-free connections to Sydney Airport's domestic and international terminals, improving connections to the Airport precinct while providing a high-capacity network and more reliable journeys.

Achievements during 2022 include the installation of six concrete girders of the new 16 span viaduct into the domestic precinct, the construction of six new bridges, the completion of the first section of road widening on Qantas Drive, ground improvement works, the diversion of a major high pressure gas pipeline on Qantas Drive and the completion of diversions works to provide access for road construction.



Sustainability

Working for a better tomorrow

Prioritising sustainable business strategies and practices is key to our long-term success and the delivery of our purpose: to make Sydney proud every day.

2022 performance highlights

Over

\$1.1m

in social and Indigenous enterprise spend, ↑ from \$569,034 in 2021

More than

4,000

health and safety training hours
↑ 28% from 2021

Ranked

1st

globally in Airports sub industry sector,
and as a Top-related Global ESG Performer



Sydney Airport is committed to creating a sustainable future for our customers, people, partners and communities. This year we implemented our new 2022-24 Sustainability Strategy focused on three strategic pillars: responsible business, planning for the future, and supporting our people and communities.

Sustainability is integrated across Sydney Airport's business strategy and identified as a key enabler to its successful delivery.

This year we continued to implement projects and procedures to improve our sustainability performance. The following summarises our performance in key areas throughout the year. For more information about our material sustainability issues and performance this year, please see our 2022 Sustainability Report and our 2022 Response to the recommendations of the Task Force on Climate-Related Financial Disclosures.





2022-2024 sustainability targets

Responsible business



Safety

Zero class 1¹
injuries for employees
and contractors

≥95% of people leaders
complete at least one
high-quality health, safety
and wellbeing engagement
per quarter

Planning for the future



Resilience

**50% reduction in
Scope 3 emissions**
from airport ground
operations by 2025^{3,4}

Minimum 5 Star Green rating
New Buildings

Support 10%
Sustainable Aviation Fuel
globally by 2030

Supporting our people and communities



People

40 | 40 | 20
gender balance⁶ across
SYD's leadership and overall

≥80%
employee engagement

≥15 training hours
per employee per annum



Environment

Net zero
by 2030 for Scope
1 and 2 emissions

100% renewable
electricity by 2025

YOY² reduction
in emissions/m² and
potable water use

YOY² reduction
in waste to landfill



Customer experience

≥4.5 out of 5
average customer
satisfaction score⁵



Community

10% YOY
increase⁷ contribution
in community value⁸

10% YOY
increase in spend
with social and
Indigenous enterprises

1. Injury or illness which results in a fatality, total permanent disability, or permanent partial disability.
2. Year on year, 2019 baseline.
3. Airport ground operations covers emissions from third party energy use, ground service equipment, Auxiliary Power Units (APU), waste, engine testing and fire training.
4. 2019 baseline.
5. Calculated ACI's Service Quality survey metrics
6. 40 per cent male, 40 per cent female, 20 per cent either gender, aligned to Workplace Gender Equality Agency.
7. 2021 baseline.
8. As measured and verified by Business For Societal Impact.

Sustainability

Making meaningful change

Safety

We recognise that a strong safety culture plays a vital role in improving performance. Every day, our team is out on the airfield enforcing safe behaviours and this year, we recorded 16,370 aviation safety hours.

Several safety initiatives were promoted, including safety culture workshops and a quarterly safety newsletter, 'Below the Wing'.

We celebrated Airport Safety Week and National Safety Month in October by hosting a series of activities for employees and airport partners to collaborate and improve safety awareness. After such a challenging couple of years, our theme this year was 'Refocus, Re-educate and Reconnect'.

'Safety Talks at the Van' were held for construction and maintenance contractors and airfield workers. We focused on trends and behaviours, foreign object debris (FOD) walks with stakeholders, a FOD museum, and a runway safety walk.

One hundred per cent of our people leaders completed at least one high-quality health, safety and wellbeing engagement per quarter, exceeding our target of 95 per cent. We also established new safety targets for all employees and people leaders in their annual performance goals and objectives for 2022.

Technology and cyber security

We significantly uplifted our cyber threat detection and response capability by onboarding a new partner, CyberCX, to deliver a fully managed service allowing for 24/7 coverage of our technology. This service has been rolled out across 2022, with further enhancements to detecting threats in the operational technology networks planned in 2023.

Our Network Transformation project progressed throughout 2022, with each of our access and distribution rooms receiving a refresh to ensure they meet the requirements of the airport, from power and cooling through to networking.

We also replaced a further 500 prior generation network devices with new technology that requires less cooling and uses less power.

Across the year, more than two tonnes of old equipment and e-waste was recycled by our business partners.

Improving climate resilience

As Australia's major gateway airport, we recognise our infrastructure is critical, and in 2022 we remained focused on reducing our emissions, building operational resilience, and adapting to the projected impacts of a changing climate.

This year, emissions under our operational control increased in line with the operational recovery post-pandemic. In 2021, we announced our intention to achieve net zero emissions under our operational control by 2030 (Scope 1 and Scope 2 emissions). In addition, our commitment to achieve carbon neutral certification under the Airport Carbon Accreditation (ACA) program in 2025 is a major milestone on our pathway to net zero by 2030.

We commissioned an in-depth study to further develop our Net Zero 2030 Roadmap and assessed the more strategically significant and capital-intensive measures needed.



Emergency Management Exercise

In October, Sydney Airport conducted a biannual full-scale emergency exercise with the emergency agencies to test response procedures and protocols. This year the emergency exercise focused on the recovery phase of a simulated aircraft crash landing of an international trans-Tasman flight. The emergency exercise used a mock aircraft fuselage with debris and injured passengers. It was a valuable opportunity for all agencies to understand the investigation processes and roles and responsibilities each agency has, as well as testing their own response.





In 2022, we completed LED lighting upgrades to P6 and P7 car parks, Blu Emu car park, T1 international terminal departures, arrivals, staff screening, T2 domestic terminal baggage hall and Regional Express screening, and some T3 domestic terminal gates. The energy efficiencies gained by replacing existing fluorescent lighting with almost 7,300 LED lights, saving approximately 3,586,000 kilowatt hours of electricity consumption and over 2,600 t CO₂e per annum¹.

Environment

Our risk-based approach to environmental management is detailed in the Airport Environment Strategy (AES) 2019-2024, which can be found on our website. Sydney Airport is on target to deliver all objectives outlined within the term of this AES.

Water

Total water consumption in 2022 was 590,930 KL. This is around 16 per cent below an average year (2019). However, our potable water consumption increased by 27 per cent from 2021 to 411,373 KL. These rates reflect the continuing operational recovery post-pandemic.

Our onsite water treatment plant at the T1 international terminal treats wastewater from the terminal for re-use in cooling and toilet flushing. This year, 30 per cent of water at the T1 international terminal precinct was recycled.

Waste

Sydney Airport generated 4,707 tonnes of waste², which was again down on an average pre-pandemic year (2019), and our recycling rate was 44.9 per cent.

This year we expanded our organics recovery program to T2 and T3 domestic terminals after a successful trial at T1 international terminal. 171 tonnes of organic waste was recovered this year, representing a 201 per cent increase from 2021.

We also coordinated the transition away from single-use plastics by all retail tenants, in line with the NSW Government single-use plastic ban, which came into effect in June.

Biodiversity

The Sydney Airport Wetlands (including Engine Ponds East and West, Mill Pond and Mill Stream) are an important ecological resource and are classified as an Environmentally Significant Area under the Airports Act 1996.

We continue to undertake biodiversity regeneration works within the riparian zone of the wetlands and aquatic weed reduction. During the year, we also engaged Wildflower – Gardens for Good to organise a voluntary tree planting day for Sydney Airport employees at Engine Ponds East. Wildflower is an Indigenous-owned and managed not-for-profit that provides young people valuable employment and education opportunities.

Sydney Airport employees helped plant native shrubs and grasses with the Wildflower team. All up, 10,000 tube stock were planted mostly comprising the Eastern Suburbs Banksia Scrub plant community type. This is an endangered habitat consisting of only minor pockets of land scattered around eastern Sydney.



1. Calculated using the New South Wales grid emission factor, February 2023.

2. Excludes quarantine waste, which cannot be recycled due to quarantine restrictions and requirements.

Sustainability

Our people

Our people were presented with yet another challenging year as our workforce continued to rebuild to keep up with the strong demand for travel.

2022 highlights

75%

employee engagement
score

39%

gender balance
↑ from 36% in 2021

Launched

new 'Leadership Footprint' and
development programs

In 2022, we were proud to launch our 'Leadership Footprint', which creates a clear road map for how we grow and develop our leaders at the airport.

More than half of the targeted leaders attended a Leadership Footprint development program in 2022 with the remaining ones attending a program as they continue to roll out in 2023. Our Learn@SYD (Learning Management System) training offering was expanded, and more than 20 hours of training were delivered per employee this year.

We were very close to achieving our company-wide target of 40:40:20 gender balance for the year, with women in our workforce increasing 3 percentage points from last year to 39 per cent. Sydney Airport was ranked in the top 100 companies globally for gender equality by Equileap, a leading provider of data and insights on gender equality.

To better support employees juggling their work and family care needs, we were listed as a certified Family Inclusive Workplace, which is a joint initiative led by United Nations Children's Fund (UNICEF) Australia and Parents At Work.

In our employee engagement survey we achieved a score of 75 per cent this year, which was a 5 percentage point increase from pre-pandemic 2019.





Creating new career opportunities

We were delighted to welcome our first group of Indigenous-identified apprentices in 2022, as part of our reconciliation journey. They have been learning practical skills, working towards earning TAFE certification in Electrotechnology Electrician and Engineering – Mechanical Trade, respectively.

As the newest members of our Technical Services team, we provided support and mentoring for these young men. This included cultural capacity training and workshops for the broader team with our partner, The Gujaga Foundation, which leads all language, culture and research activities from within the La Perouse Aboriginal community. The apprentices were also given the opportunity to connect with Aboriginal youth who are in out-of-home care as part of our partnership with ID Know Yourself.

The apprentice scheme, along with our SYD100 scholarship and graduate program ensures we foster a diverse next generation of people to lead us into the future. For more details see the Community section on [page 28](#) of this report.

Customer experience

In 2022, we saw an unprecedented surge in passenger volumes at Sydney Airport. To give our customers the best possible experience, our staff volunteered their time in terminals, donning the green 'SYD support' vest for early morning, late night, and weekend shifts across the school holiday peak periods from April to September. More than 140 staff volunteered their time across 175 shifts.

Sydney Airport invested heavily in projects to enhance our customers' experience at the airport, including a redesigned T1 International forecourt and the completion of our new T1 luxury precinct, which offers travellers the largest collection of luxury brands in Australia.

We also focused on improving the airport experience for those requiring extra support when travelling, such as nervous flyers and passengers with hidden disabilities. Working in partnership with our hidden disabilities consultant, Autism Spectrum Australia (Aspect), Sydney Airport ran another year of its Hidden Disabilities training program, including face-to-face training for internal staff and airport stakeholders, and the launch of a new online training module for airport partners.



Sustainability

Community

\$3.4mcontributed to the community
↑ from \$2.4m in 2021**\$1.1m**worth of goods and services
purchased from social and
Indigenous enterprises**846**hours in employee
volunteering**Social impact and
community investment**

Our contribution to the community totalled \$3.4m this year, including both community investment and social and Indigenous procurement, as verified by Business for Societal Impact (B4SI).

This includes \$2.2m of cash, time, in-kind donations, and management costs. Sydney Airport also facilitated additional contributions to our community from our people and customers to the value of \$90,795 which is referred to as leverage in the B4SI framework.

This year marked the second year of our Social Impact Strategy, and we maintained our focus on the airport's purpose, to 'Make Sydney proud every day.' We centred our approach on being purpose-led across three pillars: people, procurement, and partners.

We outlined one strategic outcome to connect with our purpose and align to our Sustainability Strategy – to support our community and use our spend for good. To achieve this outcome, we set two targets:

- Increase our contribution to the community by 10 per cent each year
- Increase our annual procurement with Indigenous businesses and social enterprises by 10 per cent each year

Diverting our spend for good

Purpose-led procurement is a key pillar of our strategy, and we continued our efforts to drive broader social impact from our spend across the year. In 2022, we purchased \$1.1m worth of goods and services through social enterprises and Indigenous-owned businesses, exceeding our spend target by 85 per cent. Diversifying our supply chain had a significant impact on key areas of need in the community including people with a disability, migrant and refugee communities, and victim/survivors of modern slavery.

Our teams continued to work with social and Indigenous enterprises, growing our existing relationships and creating new connections with organisations including The Freedom Hub, Kulbardi Water, Baidam Solutions, Aruma (Aussie Biscuits), Safety Pro Australia, TwoGood Co and many more. These organisations delivered 10,300 hours of employment for beneficiaries and 103 hours of training through Sydney Airport's social procurement spend.

**Supporting future aviation leaders**

We continued our long-standing partnership with The University of New South Wales (UNSW) and our commitment to supporting diversity in future aviation leaders. In 2022, we awarded the third Trevor Gerber SYD100 Scholarship to Jessie Huynh, a first-year Bachelor of Commerce / Aviation (Management) student at UNSW.

Jessie's fascination of airports started at a young age with weekly trips to Mascot to watch planes take off and land where she dreamt of being part of the world of aviation.

To strengthen the pipeline for incoming aviation students, we took part in UNSW's Current Affairs in Aviation short course for high school students. Our General Manager of Operations spoke to students about work-integrated learning, career pathways and graduate attributes the industry values.

This year the airport also provided guidance on creating industry-ready graduates through UNSW's Industry Advisory Committee.





Manmeet's journey: from scholarship recipient, to intern, to employee

With a passion for aviation, Sydney Airport is proud to have Manmeet Kaur join our team. Manmeet's journey began with the airport in 2020, when she was awarded the inaugural Trevor Gerber SYD100 Scholarship. Before Manmeet could drive a car, she could fly a plane and it is this enthusiasm for aeronautics that will ensure a bright future for Manmeet in the industry.

In 2022, as part of her studies at UNSW, we welcomed Manmeet for a 10-week internship to gain invaluable workplace skills and professional development with our operations team. After graduating, Manmeet will join us as a full-time employee in 2023, as part of our graduate program.

At Sydney Airport we are committed to supporting future leaders, like Manmeet, by creating genuine employment pathways.



Sustainability

Community



Members of the Wildflower – Gardens for Good team working on the new T1 international forecourt.

Broadening our Indigenous connection

In 2022, we continued to meaningfully engage with Sydney's Indigenous community, beginning new partnerships with ID Know Yourself and Wildflower – Gardens for Good.

ID Know Yourself is a not-for-profit organisation that supports Aboriginal children in Out of Home Care. The program aims to establish belonging by helping the children build connection to culture and identity, while facilitating the development of practical life skills and building independence.

Our partnership sees the program's mentees visit Sydney Airport to meet our team and learn about how an airport operates both inside the terminal and on the airfield. The partnership connects our Indigenous staff members with the Sydney community and provides mentoring opportunities.

CEO Isaiah Dawe visited Sydney Airport for National Reconciliation Week to share his story and how he founded ID Know Yourself.

Our T1 international terminal arrivals forecourt project was a challenging, large-scale project, where members of the Wildflower – Gardens for Good team oversaw the landscaping of 35,000 new plants.

Our ongoing partnership with Wildflower during the maintenance period aims to provide safe and meaningful work for people facing barriers to employment.

We are proud to celebrate the language of our local community in our refreshed T1 international terminal arrivals forecourt and collaborated with our long-standing partner, Gujaga Foundation to include a connection to Dharawal language and culture. A feature of the new arrivals forecourt is several statuesque Cabbage Tree Palms, called dharawal by the Aboriginal people of Gamay, Botany Bay:

“Dharawal is... the name of the Cabbage Tree Palm, the overarching spirit ancestor (totem) for people that speak the Dharawal language and belong to the Dharawal nation.

First Nations uses of the Cabbage Tree Palm (include) 'baskets from the leaves; eat the middle of the trunk; ropes, nets and traps from leaf base.' These plants are landscape markers for Dharawal campsites. They are also Dharawal ceremonial trees.”

Source: Elders of La Perouse Aboriginal community through Gujaga Foundation.



Passengers will also be welcomed to Sydney in Dharawal through sandstone inscriptions throughout the forecourt:

**naggangbi,
gamay nhay**
Hello/Welcome this is
Botany Bay

**gamaydha
dharamabi
njinjang**
You are standing here
at Gamay

Source: Elders of La Perouse Aboriginal community through Gujaga Foundation.

Engagement with our local community

The Sydney Airport Community Forum (SACF), which is convened by the Australian Government, met once during 2022. SACF comprises state and federal Members of Parliament representing electorates in the vicinity of the airport as well as local mayors and other community representatives. As a member of SACF, Sydney Airport provides regular updates on relevant airport-related matters including ground transport and other development plans as well as aircraft noise and other environmental issues.

Sydney Airport engages separately with the local community about development or other projects at the airport that temporarily change the pattern of aircraft noise in areas around the airport. For example, due to essential maintenance work being undertaken on the main north-south runway, the limited numbers of overnight freight and other aircraft allowed to operate during the curfew must instead operate from the parallel north-south runway. Sydney Airport distributes community notices to affected local communities in advance to advise them that there will be a temporary change in aircraft noise distribution.

We worked closely with Bayside Council to progress local community projects being funded by Sydney Airport under the joint Sydney Airport – Bayside Council Community and Environmental Projects Fund. Created in 2018, Sydney Airport provides, through Council, more than \$1m per annum for the Fund. Key community projects being funded include the upgrade of the Botany Aquatic Centre and tree planting in the Sir Joseph Banks Reserve.

SYD

