

Variation to T2/T3 Ground Access Solutions and Hotel Major Development Plan

Insert the following new section 4.2A on page 68:

4.2A Sydney Airport will no longer proceed with Projects 3, 4 and 7

Sydney Airport has decided to no longer proceed with the following projects, none of which have commenced:

- Project 3: P1 East redevelopment, as outlined in section 4.2.4
- Project 4: Ground Transport Interchange (GTI), as outlined in section 4.2.5
- Project 7: Hotel, as outlined in section 4.2.8

This decision was made for the following reasons:

a) COVID-19 had a significant impact on travel patterns to and from Sydney Airport and resulted in a reassessment of the need to proceed with the three uncommenced projects.

COVID-19 significantly disrupted aviation activity, prompting a reassessment of infrastructure needs. During the pandemic passenger numbers dropped to around one percent and flights to less than 10 percent of pre-pandemic levels. By the end of 2024, volumes had partially recovered with passenger numbers at around 93 percent and flight numbers around 94 percent of pre-COVID levels.

This shift in travel behaviour has had lasting effects. Rail usage declined, while private vehicle and rideshare usage increased. These trends were already emerging prior to the pandemic.

Sydney Airport is considering improvements to ground transport infrastructure and facilities in the T2/T3 Precinct. This process will be undertaken in the context of finalising the new *5-Year Ground Transport Plan* and accompanying *20-Year Ground Transport Development Plan*, both of which will form part of the next Sydney Airport master plan. This will involve extensive engagement and consultation with the community and key stakeholders.

b) Future development of the P1 West site.

In 2023, Sydney Airport announced that the 54-year-old P1 West car park had reached the end of its operational life. Demolition was completed in mid-2024, and planning is now underway to determine the site's long-term development pathway through the master planning process.

Sydney Airport is in the process of deciding what long-term development(s) will proceed on the site and the long-term development pathway for the site is being determined through the master plan process that is now underway.

While the former P1 West site is outside the project area for this MDP, its redevelopment would have likely affected the three uncommenced projects requiring changes beyond what would not have been considered minor for the purposes of s.95(1) of the *Airports Act 1996 (Act)*.

c) Sydney Gateway opening

The NSW Government's \$2.6 billion Sydney Gateway project, completed in late 2023, connected the T2/T3 precinct to Sydney's motorway network. The construction of the new Deborah Lawrie Flyover significantly affected Sydney Airport's ability to deliver Project 4 - the Ground Transport Interchange (**GTI**) - as originally proposed.

As a result, the GTI can no longer be delivered as originally envisaged and will require modification to include additional functionality. Sydney Airport's new *Master Plan 2045* and forthcoming Eastern Expansion Project MDP will include the alternative project for this site.

d) T2/T3 Integrated Operations Precinct Project

Subject to approval, Sydney Airport will commence the T2/T3 Integrated Operations Precinct Project within the next two years.

Consistent with both the existing *Master Plan 2039* and proposed new *Master Plan 2045*, this project will link the existing T2 and T3 Domestic Terminal buildings between Keith Smith Avenue and Shiers Avenue. This will facilitate the transfer of domestic and regional passengers, provide new larger aircraft gates and allow the precinct to accommodate international flights.

As the project is major airport development for the purposes of the Act, it will require the preparation and approval of a new major development plan (**MDP**), a process that has now commenced with public exhibition of a preliminary draft MDP expected from mid-2026. This new MDP will also include the proposed future development of the P1 West site and other ground transport improvements in the T2/T3 precinct, rendering the three uncommenced projects in this original MDP redundant.