

6 April 2023

To all airline customers of Sydney Airport Corporation Limited at Sydney (Kingsford Smith) Airport

Conditions of Use update effective 1 May 2023

Sydney Airport (SYD) is conducting a consultation process with Air Operators to update key terms and conditions for the Sydney Airport Conditions of Use (version 3.5), to reflect updated assumptions post the COVID-19 pandemic and which are proposed to be implemented from 1 May 2023 (Conditions of Use (version 4.0)). This consultation process has included the provision of detailed consultation materials to Air Operators outlining the basis for the proposed contractual and pricing changes and the opportunity for Air Operators to provide feedback. The feedback period has now closed. We have made some further amendments to the Conditions of Use (version 4.0) in response to feedback received from Air Operators, specifically to clauses 4.7 and 14.3(d).

Attached with this letter is the updated Conditions of Use (version 4.0), which will be effective from 1 May 2023. This will also be published on SYD's website.

Proposed charges update from 1 July 2023

SYD wishes to provide further information on the annual charge update process applicable to the model that underpinned the pricing set out in the consultation materials sent to Air Operators on 3 March 2023 (and attached again for convenience) and consult Air Operators of the next proposed charge update to the Conditions of Use (version 4.1).

The consultation materials sent to Air Operators on 3 March 2023 regarding proposed charges effective 1 May 2023 were based on a number of assumptions set as at 30 June 2022, and referenced a 3-year building block model commencing 1 July 2022. The building block model included charge escalation linked to increases in Consumer Price Index (CPI) on both 1 July 2023 and 1 July 2024. The proposed charges are consistent with the Aeronautical Pricing Principles (APPs) and reflect SYD's view on the efficient costs of providing aeronautical services.

In accordance with the model, SYD proposes to escalate the COU charges set out below at CPI from 1 July 2023. SYD proposes to use the most recent “All Groups – Australia CPI” to determine the Proposed charge from 1 July 2023. In this instance the most recent “All groups CPI” is December Quarter 2021 to December Quarter 2022, which is 7.8%¹.

The table below sets out a summary of the current COU charges, the charges effective from 1 May 2023, and the proposed charges from 1 July 2023.

Proposed changes to charges effective 1 May and 1 July 2023

| Charge Type | Charge description | Current Charge | Charge from 1 May 2023 | Proposed charge from 1 July 2023 |
|--|---|---------------------------------|---------------------------------|----------------------------------|
| Passenger Charge – International Services comprising of Terminal and Runway Charge | Applies to all Embarking Passengers and Disembarking Passengers, but excludes Transit Passengers, Transfer Passengers, Infants and Positioning Crew | \$32.95 per passenger | \$39.00 per passenger | \$42.04 per passenger |
| | | \$36.25 per passenger (inc GST) | \$42.90 per passenger (inc GST) | \$46.25 per passenger (inc GST) |
| Comprising of: | | | | |
| International Terminal | Applies to all Embarking Passengers and Disembarking Passengers, but excludes Transit Passengers, Transfer Passengers, Infants and Positioning Crew | \$21.21 per passenger | \$25.92 per passenger | \$27.94 per passenger |
| | | \$23.33 per passenger (inc GST) | \$28.50 per passenger (inc GST) | \$30.74 per passenger (inc GST) |
| International Runway | Applies to all Embarking Passengers and Disembarking Passengers, but excludes Transit Passengers, Transfer Passengers, Infants and Positioning Crew | \$11.74 per passenger | \$13.08 per passenger | \$14.10 per passenger |
| | | \$12.91 per passenger (inc GST) | \$14.39 per passenger (inc GST) | \$15.51 per passenger (inc GST) |

Feedback requested on proposed changes

SYD welcomes any comments or feedback that you have in relation to the proposed charges from 1 July 2023. Please direct any feedback, questions or comments which may arise to SYD’s COU mailbox, Conditions.use@syd.com.au in line with the proposed timetable below.

¹ [Consumer Price Index, Australia, December Quarter 2022 | Australian Bureau of Statistics \(abs.gov.au\)](https://abs.gov.au)

| Date | Description |
|----------------------|--|
| 6 April 2023 | SYD provides notification of COU changes and prices effective 1 May 2023 following due consideration of feedback received through the consultation process, and consults on proposed charges update from 1 July 2023 foreshadowed in previous consultation materials |
| 30 April 2023 | Written feedback to be supplied to SYD by air operators |
| 14 May 2023 | SYD to provide written responses to questions and issues raised by air operators and interested parties after due consideration |
| 31 May 2023 | SYD to provide notification of COU prices effective 1 July 2023 following due consideration of feedback received through the consultation process |
| 1 July 2023 | New COU pricing to become effective |

Following its consultation with airline customers, Sydney Airport will, in accordance with current practice, make an independent decision about any variations to its aeronautical charges and notify those variations to its airline customers in accordance with the COU. Airlines should also make independent decisions in relation to Sydney Airport's charges.

This information, together with any feedback provided to Sydney Airport, satisfies consultation for the purposes of clauses 1.3, 8.1 and 8.2 of the Sydney Airport Conditions of Use (COU).

Sincerely,



Greg Botham
Chief Commercial Officer