



Sydney2030/Green/Global/Connected



# Economic Development Strategy

**Sydney's economy:  
global city, local action**

December 2013

*city of villages*

# Sydney Economic Development Strategy

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## Acronyms

ABS	Australian Bureau of Statistics
CBD	Central Business District
COAG	Council of Australian Governments
FTE	Full-time Equivalent
GDP	Gross Domestic Product
GRP	Gross Regional Product
GSP	Gross State Product
ICT	Information and Communication Technology
LGA	Local Government Area
RDA	Regional Development Australia

The Sydney Economic Development Strategy can be accessed on the City of Sydney website at [www.cityofsydney.nsw.gov.au](http://www.cityofsydney.nsw.gov.au)

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# Foreword



Sydney is Australia's global city, and the leading knowledge-based economy in the nation. More than \$100 billion per annum is generated right here. That's four-fifths of what the entire mining sector generates, and twice the size of the agricultural sector at farm gate.

Cities now compete on an international stage for ideas, investment, people and industry. Across the world, and particularly in our region, large talent pools of skilled workers combined with cutting-edge technologies are driving economic growth.

Over the last five years our city economy has proven its resilience by withstanding the global financial crisis. Nearly 2000 businesses were added to the city since 2007.

Major urban renewal projects across the City of Sydney are providing jobs and housing. Green Square, Australia's largest urban redevelopment project, is just 3.5kms from the city centre. The \$8 billion redevelopment will provide homes for 11,000 new residents and 22,000 new workers.

Sydney has a globally-competitive education sector that continues to invest in research and new facilities. We have a growing reputation for fostering innovation and start-up businesses. We are the international gateway to NSW and Australia, attracting 10.5 million visitors in 2012.

We know that what happens in our city centre affects the prosperity of metropolitan Sydney, of New South Wales and of Australia. That is why it is crucial we confront some of the challenges our growing city faces.

The City of Sydney's 10 year Economic Development Strategy will help deliver our vision for an even more dynamic, environmentally sustainable economy, and a liveable city that works for residents, workers, visitors and students. Action plans will support our current economic strengths such as the finance, tourism and retail sectors; and grow new, emerging sectors such as the night-time economy and green economy sectors.

We are already investing \$1.9 billion in a 10 year infrastructure program including Light Rail and the transformation of George Street; reducing regulatory barriers to encourage business; and reactivating places such as Oxford Street through support for cultural and creative businesses.

But there are challenges that need to be addressed to realise growth opportunities and maintain Sydney's global reputation for liveability.

Central Sydney is congested and more public transport options are needed. There is a rising need for affordable housing, particularly for key workers. And we need to decarbonise our economy and prepare for the consequences of a changing climate.

We need a long-term vision and carefully planned strategies to solve these kinds of issues. I am pleased to be releasing the City of Sydney Economic Development Strategy and look forward to working with you to realise the vision that we all share for Sydney.

**Clover Moore, Lord Mayor**

# 01 Sustainable Sydney 2030

*Sustainable Sydney 2030* is a plan for the sustainable development of the city to 2030 and beyond. It is an integrated plan that addresses the environment, society, culture and the economy and the interrelationships between them. It shows how bold ideas and good governance can transform Sydney for current and future generations.

*Sustainable Sydney 2030* was developed in 2007 with broad community involvement and support. It continues to evolve to meet changing needs, market dynamics, current and future challenges and opportunities.

*Sustainable Sydney 2030* recognises that a plan for the city has implications beyond the immediate area. The city is an employment and cultural focus for metropolitan Sydney and a key contributor to the Australian economy. The city's prosperity is inextricably linked to Australia's prosperity.

It is a plan for a Green, Global and Connected city.



## Green

The City will be internationally recognised as an environmental leader with outstanding environmental performance and new, green industries driving economic growth.

The City will reduce its greenhouse gas emissions, with a network of green infrastructure to reduce energy, water, and waste water demands, led by major renewal sites.

The City will help contain the Sydney region's urban footprint by planning for new housing opportunities integrated with vital transport, facilities, infrastructure and open space.



## Global

Sydney is Australia's most significant global city and international gateway with world-class tourism attractions and sustained investment in cultural infrastructure, icons and amenities.

The City will contain premium spaces for business activities and high quality jobs in the city centre and support social, cultural and recreational facilities to attract, nurture and retain global talent.

The City will embrace innovation and new generation technologies to connect it through new media and the web, stimulating creativity and collaboration.

The City will be part of global cultural networks and an active participant in global knowledge exchange.

## Connected

The city will be easy to get around with a local network for walking and cycling and transit routes connecting the city's villages, city centre and the rest of inner Sydney. The city will be easy to get to with an upgraded regional transit network that builds on the existing network, enhancing access to the heart of the city from across the region.

The City's distinctive Villages will continue to be strong focal points for community life and will encourage a sense of belonging. The Villages will be served by centres where services are concentrated, which will be interconnected and make a significant contribution to the city's liveability which, increasingly underpinning its global competitiveness.

The city will be diverse and inclusive. Relative equality will be improved by an increased share of affordable housing and better access to community facilities, programs and services across the city, with a consequent improvement in wellbeing. Cultural vitality will flow from high rates of participation in artistic expression, performance, events and festivals.

The City will commit to partnerships and cooperation between governments, the private sector and the community to lead change. The City is part of a wider national and global community and will pursue relationships with other Australian and international cities for cultural, trade and mutually beneficial exchanges.

## 02

# An Economic Development Strategy for the City

**“Most Australians live and work in cities. They are essential to generating growth and to creating and distributing opportunities. Cities are shaped by where people live, where they work, and how they get around. When these three things are in tune with the structure of the economy, cities operate efficiently and productively, and drive growth and innovation.”**



The City of Sydney Economic Development Strategy is the City's 10 year strategy to strengthen the city economy and support business. It centres on further improving the solid foundations for success; creating opportunities for individuals, businesses, the community and future generations and addressing the challenges that might otherwise limit Sydney's potential growth as a global city.

The Economic Development Strategy builds on the broad economic themes in *Sustainable Sydney 2030* and takes into account contemporary economic challenges. It provides an overview of the City of Sydney's economy today and identifies the future directions it may take.

It takes an integrated approach, on the understanding that the city economy is influenced by a range of factors such as liveability and amenity; access to affordable housing for key workers and childcare for parents; a diverse and well educated community as well as those more commonly associated with the economy such as market access, sector specialisation, innovation and productivity.

The Strategy sets out the City's vision for the economy of Sydney and the strategies and actions to achieve that vision. It is an overarching framework that guides the City's economic development initiatives and articulates the City's role, priorities and approach. It provides the rationale for engaging with identified priority sectors and delivering outcomes through detailed Action Plans.

03

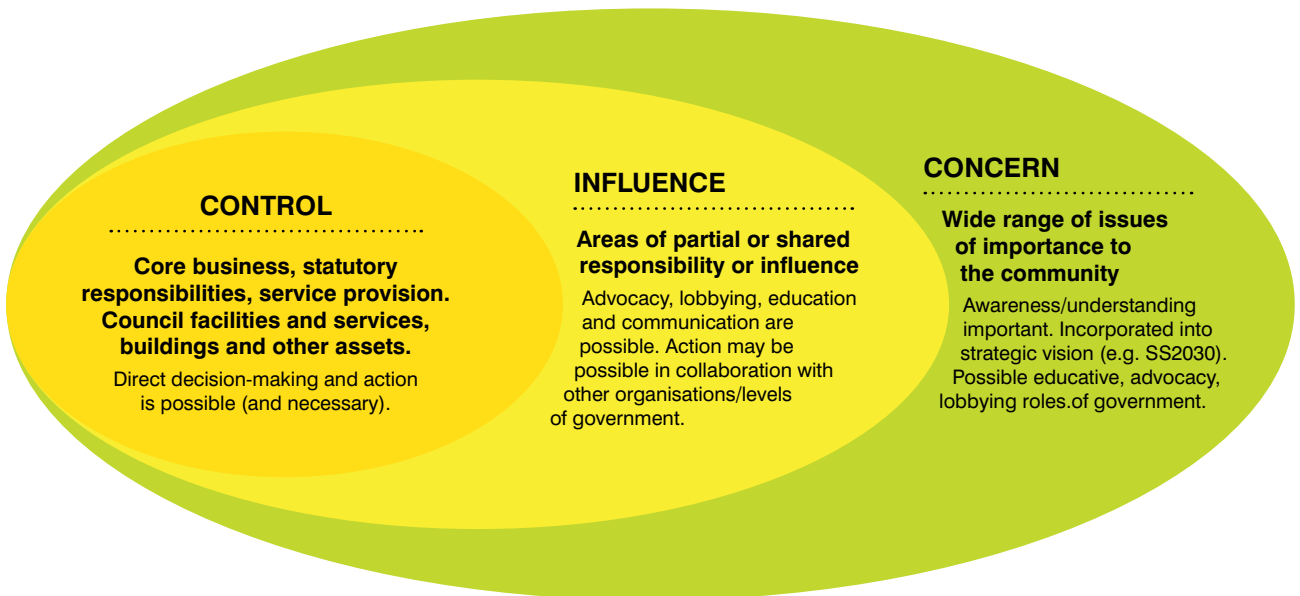
# The City's role in economic development

The strategic planning of a city involves all levels of government – federal, state and local – working in tandem in different, critical spheres. The City of Sydney is charged with a responsibility to engage in long-term strategic planning on behalf of the local community, and the one million workers, visitors and businesses who occupy the city each day and in doing so, address economic, social, environmental, cultural, civic leadership and land use issues in an integrated manner.

Many aspects of the city economy depend on the work of state and federal governments, for example, to provide the legislative frameworks and financial resources within which local authorities operate.

However, the City can make important and direct contributions to promote a vibrant and dynamic environment that facilitates economic growth, especially in the face of a changing business environment.

While there are limits to what Council alone can control or even influence, the City of Sydney is concerned with the full range of issues which affect the wellbeing of the city and its communities (see diagram below).





In delivering the Economic Development Strategy, the City's actions will include:

- › **Delivering programs and services** for the benefit of groups of businesses in priority industry and economic sectors;
- › **Direct investment** in infrastructure, assets, services, events and activity to improve the amenity, liveability and functioning of the City;
- › **Effective planning** to ensure the City's planning controls reinforce the role of the city as a primary centre for Metropolitan Sydney, and the preferred location for business, education, cultural and tourist activities;
- › **Marketing and promotion** to encourage investment, increased visitation, and business opportunities;
- › **Reducing regulatory barriers** to make it easier and more efficient to do business;
- › **Supporting others** through grants and sponsorships designed to catalyse activity, to assist organisations and individuals in delivering initiatives in their area and secure and support major events;
- › **Leading by example** to ensure that the City takes a leadership position in economic development initiatives through its own operations;
- › **Encouraging partnerships and collaboration** across all levels of government, with the private and non-government sectors to achieve common goals; and
- › **Advocating for change**, particularly where actions are the remit of other levels of government.



**Sydney is a globally competitive and innovative city, the premier place in Australia to live, work and visit. The city is renowned for its creativity and productivity, with an economy that is robust, resilient and dynamic.**

## 04

# What does success look like?

## Globally competitive

As a global city, Sydney will maintain strong linkages with international markets, increasing its interdependence on regional and global economies. The strength of these connections will be evident by the increased presence of large multinational corporations (particularly those who use Sydney as the base for regional headquarters), the number of globally competitive industries and an increasing number of international business and leisure visitors.<sup>2</sup>

Sydney will build on its already strong clusters of high value industries, fostering the strong networks of information, capital, people and activity that flow between them. In doing so, it will optimise the opportunities for innovation in products and processes that arise from the close proximity of businesses and workers. It will be a city where the exchange of ideas is encouraged and creativity valued.

A globally competitive Sydney will be a diverse city, with a community enriched by migration whether as permanent residents, students or as a result of international labour mobility. It will be an outwardly focused city.

To compete globally, Sydney must be a liveable city, a place where highly skilled and mobile workers sought after by business choose to live, where students want to study and where businesses and recreational travellers chose to visit.

## Dynamic and resilient

The City's aspiration is for an economy that is **robust**; where sustainable levels of growth are achieved over the full range of current and prospective industry sectors. An economy that delivers an increasing number of jobs so that the wealth generated provides opportunities for current and future residents of Sydney. An economy where entrepreneurs and new business entrants see opportunities and existing businesses are strong.

Ensuring there is strength and diversity across business sectors and within sectors will help the City's economy withstand shocks to one sector without disrupting the economy as a whole. Sydney has a high proportion of businesses in the finance and business services sector. A resilient future economy will continue to see the finance and business services sector grow as well as encourage growth in other sectors such as tourism, education and the creative and digital industries.

A **resilient** economy will provide employment opportunities that encompass all skill levels. It will support businesses of all sizes, from start-ups and small to medium enterprises through to the largest global corporations. It is an economy that is less vulnerable to, or recovers more quickly from, external shocks. Resilience also refers to income inequality and the importance of meeting the basic needs of all in society, including the resilience of the most disadvantaged to economic shocks.<sup>3</sup>



A **dynamic** economy is one that is responsive to market dynamics. This includes reacting swiftly and proactively to negative global circumstances or taking advantage of opportunities such as the growth in the green economy. A dynamic local economy has at its core the capacity to sustain, respond to and drive change, which is essential in supporting community wellbeing.<sup>4</sup>

**Productivity** and **innovation** are characteristics of dynamic and resilient local economies.

### A growth economy

#### 465,000 jobs by 2030

Enhancing the city's global competitiveness and fostering innovation to raise productivity will boost economic growth and provide more employment and business opportunities.

The target in *Sustainable Sydney 2030* identifies the city will contain at least 465,000 jobs, including 97,000 additional jobs (from the 2006 base), with an increased share in finance, advanced business services, education, creative and digital industries and tourism sectors.

Key determinants of maximising long-term economic development:

- Human capital, particularly education and skills
- Sustainable communities (economically, environmentally and socially)
- Access to markets (international, national and regional)
- Comparative advantage (of industry sectors, products or services) and business competitiveness
- Effective cross-sectoral and intergovernmental partnerships (including through place-based approaches)

Department of Regional Australia, Local Government, Arts and Sport, Regional Economic Development Guide.

## 05

# An overview of the City economy

**“Each city represents an economic ecosystem in its own right, built around mutually supportive economic and social strengths as well as an intertwined fabric of jobs – not just the professionals in bright skyscrapers but all those who turn the lights on every morning, from retailers and teachers to nurses and cooks, from crime fighters to street cleaners. Maintaining healthy balance is a cornerstone of urban resilience.”<sup>5</sup>**



Sydney is Australia’s largest and only global city. It is the leading knowledge-based economy in the nation, with the greatest share of knowledge-intensive services jobs of all Australian cities.<sup>6</sup> It is recognised as the only global city in Australia with global linkages maintained through networks, connections, the export of advanced services and cultural exchange.<sup>7</sup> As the heart of Sydney, the city economy shares these qualities.

Sydney possesses important economic advantages, including a mature commercial environment that is regionally-focused, servicing the Asia-Pacific region. Sydney has a sophisticated, cosmopolitan and highly-skilled pool of workers attracted by economic opportunities and Sydney’s unique lifestyle and physical attributes, including a world class natural environment and climate. This combination makes Sydney one of the most attractive cities in the world.

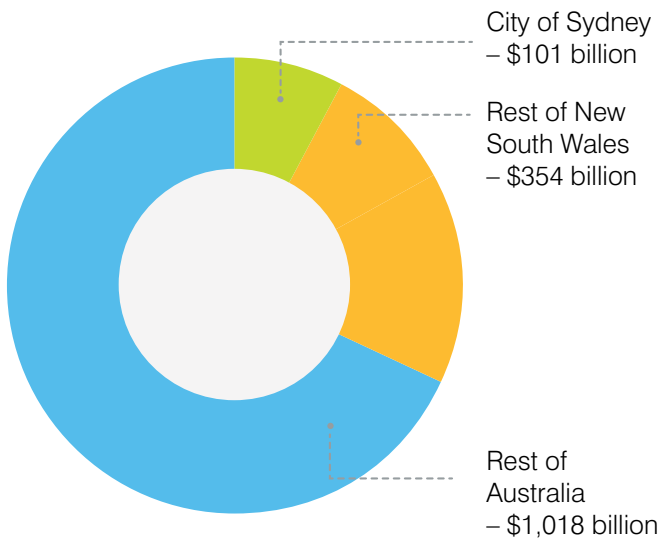
As the core of Australia’s global city, the city economy drives the metropolitan Sydney economy and contributes significantly to the NSW and Australian economies.



**Economic output**

In 2011–12 the City of Sydney’s economic output was forecast to be \$100.8 billion<sup>8</sup>. This represents 7 per cent of the Australian economy (\$1,473 billion)<sup>9</sup> and almost a quarter of the NSW economy (\$455 billion)<sup>10</sup>, shown in Figure 1.

**Figure 1: City of Sydney contribution to Australian GDP 2011–12**



**Key industries**

Sydney is the leading knowledge-based economy in the nation. The City of Sydney economy is highly service-oriented with this type of activity comprising almost 91 per cent of the economic output<sup>11</sup>. Analysis by Deloitte Access Economics shows that the economy is dominated by a number of mature and high value industries:<sup>12</sup>

- The city is home to Australia’s largest and most globally connected finance and insurance district, accounting for 43 per cent of the city economy. As a leading regional financial centre, a high proportion of multinational banks and financial institutions with a presence in Australia have headquarters or offices in the city.
- Professional, technical and scientific services contribute to around 13 per cent of economic output – this includes the provision of business advisory, accounting, legal, scientific and engineering related services; and
- Australia’s largest digital community is also situated in the city. Information, media and telecommunications businesses currently generate approximately 11 per cent of economic activity.

The city has dynamic industry hubs focused on the provision of tourism and education services. Sydney is the major destination in Australia for overseas leisure and business arrivals, with over 4.24 million visitors staying in city hotels in 2012. It has been estimated that 16 per cent of the city workforce is dependent on tourism and business visitation.<sup>13</sup>

Further supporting its strong global linkages is the tertiary education sector, which currently has approximately 35,000 international students enrolled at city-based tertiary institutions.



**Employment**

The economy within the City of Sydney local government area provides over 437,000 jobs in a range of industries and across all skill levels, offering diverse opportunities for a diverse community.<sup>14</sup>

The finance and professional services industries dominate Sydney’s global centre and attract high-skilled workers from across the world. More than 39 per cent of city workers or close to 173,000 people are employed in these sectors, which encompass finance and financial services and professional and business services. This is an increase of more than 26,000 jobs across these sectors in the period 2007 – 2012; a time when it could have been expected that job numbers may have declined.<sup>15</sup>

The city is also a leader in the creative industries and digital economy and attracts highly skilled creative and technical specialists. Combined, creative and information, communication and telecommunications industries account for more than 14 per cent or more than 61,000 city jobs.<sup>16</sup>

The higher education and research sector accounts for more than 26,000 workers – approaching 6 per cent of the city workforce.

Importantly, these already strong sectors have continued to grow between the census periods, adding almost 10,000 additional jobs over a five year period.

Tourism, culture and leisure related jobs total more than 26,300 and the combined sectors of retail, personal services and food and drink total more than 53,000. Together, these industries account for approximately 18 per cent of city jobs and provide employment opportunities for a broad level of skills. Importantly, the sectors are still growing; with some 17,000 more jobs in 2012 than 2007.<sup>17</sup> People working in these industries – particularly in accommodation, food service and retail – are also likely to live in the city, with two-thirds residing in the area.<sup>18</sup>

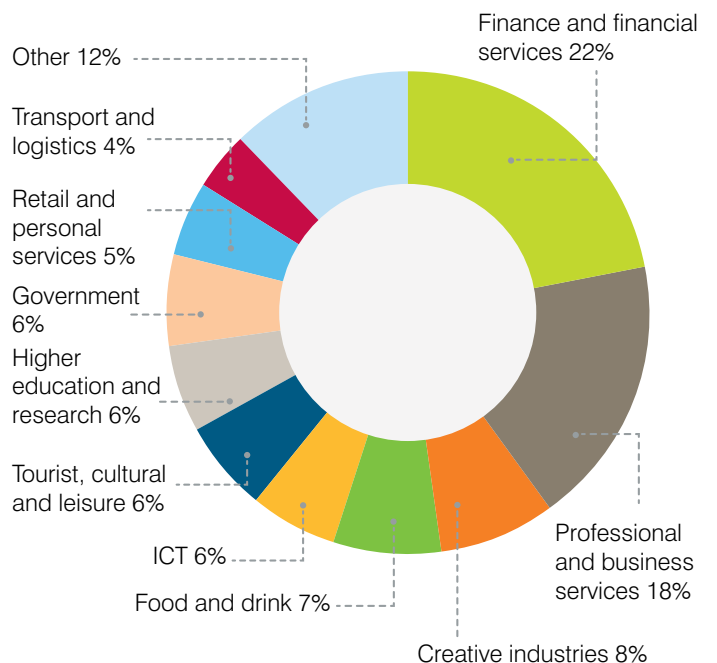
Other important sectors of employment include: government, with more than 25,800 jobs (6 per cent); transport and logistics (more than 16,700 jobs or 4 per cent of the workforce); and health with more than 15,000 jobs (approximately 3.5 per cent).

The remaining almost 39,000 jobs are distributed across a variety of sectors, none of which represents more than 2 per cent of the total workforce.

The changing nature of employment opportunities also reveals a decline in the number of jobs across some sectors when the 2012 results are compared with those of 2007. Government related employment has declined by more than 5,000. Manufacturing, transport and logistics and utilities are other sectors that have also experienced a decline in job numbers.

Figure 2 shows the top industries by employment in the city.<sup>19</sup>

**Figure 2: Employment by City-Based Industry Sectors 2012**



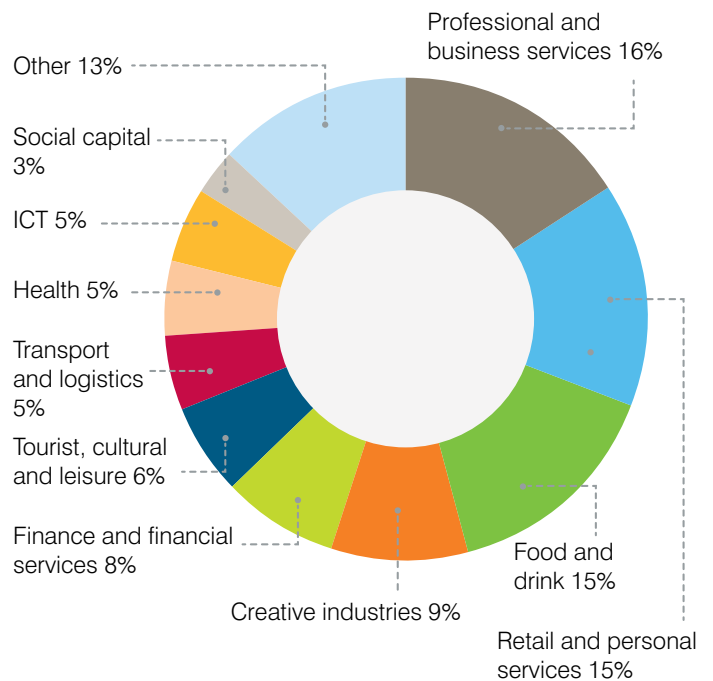


**Business mix**

There are approximately 21,600 individual businesses in the city, ranging from entrepreneurial start-ups and business incubators to multinational corporations spanning a variety of industries. This is an increase of more than 2,000 businesses since 2007.<sup>20</sup>

The breadth and diversity of the business mix provides employment opportunities for people of various skill levels, critical in cultivating a resilient economy. The business diversity is also an essential attractor to the city, adding vibrancy and vitality to the city environment. Almost a third of all businesses in the city are part of the retail and personal services or hospitality industries (food and drink particularly) and play an integral role in enhancing the liveability and amenity of the city, illustrated in Figure 3.<sup>21</sup> Although the retail industry is not one of the higher contributors to the economic output of the city, its important role as a contributor to the vibrancy and liveability of the city for residents and visitors make it a key priority industry for the city.

**Figure 3: Business mix by industry sectors 2012**





### Metropolitan Sydney linkages

The City's economy has direct linkages to metropolitan Sydney in terms of the location of its workforce and for our residents who work across metropolitan Sydney. On any typical day, over 1.2 million Sydneysiders (including over 900,000 non-City residents) use the City of Sydney to conduct business, to learn, to shop, to visit one of the iconic attractions in the city, to go to an event, a theatre show, a restaurant or a small bar. That represents almost a quarter of all metropolitan Sydney residents.

The City of Sydney also plays an important metropolitan role as it is the place where business to business linkages are most evident. The City is home to Sydney's and the nation's financial and business services sector as well as being Australia's economic and tourist gateway to the world. The primacy of business to business linkages within the City of Sydney is fundamental to the functioning of the entire metropolitan economy. The City of Sydney has also seen a resurgence in city retailing and international retailers locating in our CBD increasing the attraction of the city for shoppers and visitors.

### Global linkages

Sydney is described as Australia's global city and it can be argued that it is Sydney's strong international linkages that lead to this recognition.<sup>22</sup> According to Loughborough University's 'Global and World Cities' research, Sydney is ranked as the seventh most connected city to the global economy.<sup>23</sup> It is ranked behind New York and London and alongside Tokyo, Paris, Hong Kong and Singapore. It is one of only seven 'alpha+' world cities, which is the second highest classification for global cities. Only London and New York rank as an 'alpha ++'.

Sydney's global connectivity is based around the dominance of advanced service industries such as finance and business services. Sydney's high ranking is founded particularly on Sydney's connections with a number of Asian cities, which have all risen markedly in the world rankings.

In 2012 Sydney was ranked 11th of 27 world cities in the Price Waterhouse Coopers (PWC) 'Cities of Opportunity' global ranking. Sydney is ranked behind New York, London, Toronto, Paris, Stockholm, San Francisco, Singapore, Hong Kong, Chicago and Tokyo.

Sydney ranked first for sustainability and natural environment and third for demographics and liveability and health, safety and security. These are a good proxy for quality of life and make Sydney one of the best cities in the world to live.

Quality of life and high levels of urban amenity are characteristics that many professionals and businesses appear to be searching for, placing Sydney in a strong position to gain a large share of future jobs.<sup>24</sup>

However, Sydney ranked very low in cost and transportation and infrastructure, coming second last and fourth last, respectively. The increasing costs of living and doing business in Sydney, coupled with poor transportation and infrastructure, are a worrying trend and are significant challenges pushing Sydney down six places in the overall global rankings from last year. This highlights the importance and urgency in addressing these concerns to ensure a more conducive business investment climate.





**Global centre, Village economies**

The City of Sydney local government area has a global centre (or CBD), surrounded by a number of unique local Village economies. Together they make up global Sydney.

The Villages have a distinct and diverse character and were all addressed in the *Sustainable Sydney 2030* vision. These Villages are based around key community 'main streets' and local economies and include: Redfern Street; Macleay Street and Woolloomooloo; Harris Street; Crown and Baptist Streets; Glebe Point Road; Green Square and City South; King Street; Oxford Street; CBD and Harbour; and Chinatown and CBD South.

The global centre contributes substantially to the overall city economy at \$75 billion per annum. It is home to the headquarters of almost 40 per cent of the top 500 Australian corporations. As a leading regional financial centre, about 70 per cent of banks and financial institutions with a presence in Australia have headquarters or offices in Sydney's global centre.<sup>25</sup> Almost half of all the multinational corporations with a presence in Australia also have their regional headquarters in the city.

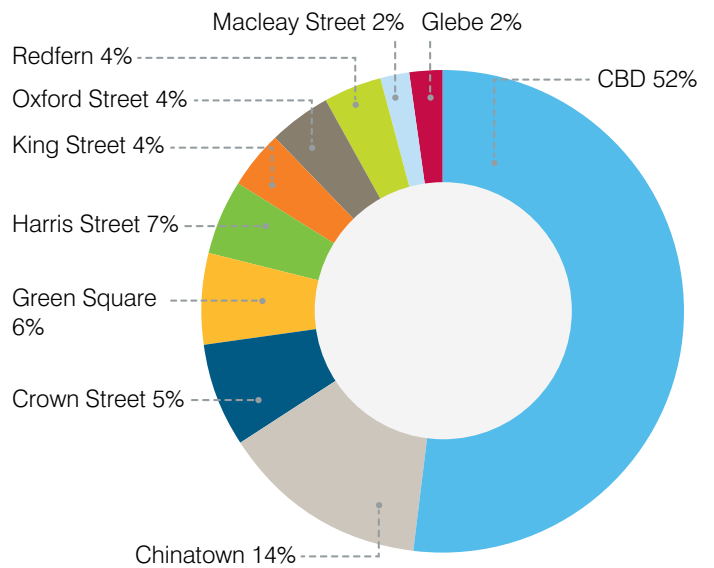
The Villages also play a fundamental role, collectively generating a quarter of the city's output or \$25 billion per annum.

Not only do the local Villages contribute to economic output, they are integral to the culture, community and liveability of the city, enhancing the wellbeing of residents and workers. The Villages are renowned for their bespoke and finegrain establishments that offer workers and residents places to meet, socialise and share ideas – all critical to the innovation process.

The Villages are employment hubs, accounting for almost 35 percent of jobs (more than 151,000) outside the CBD and Chinatown (Figure 4 below).

Importantly, each Village has a distinctive economy and its own specialisation. The industry mix and dominant industry varies from creative industries to education, highlighting a distinctive feature of the city economy – the need for development of industry clusters or activities.

**Figure 4: Employment by location 2012**





**Industry clusters**

Underpinning city productivity and innovation advantages are the development and encouragement of clusters – places that support the exchange of ideas through the interaction of people and innovation from the interaction of business.

The City is home to a number of industry clusters either linked by supply chains or by competitive complementarities. Clusters range in scale and can be as small and localised as a street, or extend to the size of several suburbs.

There are four significant and strategic industry clusters:

- Financial services and ancillary business and professional services hubs within the northern part of central Sydney;
- Creative industries hub in Surry Hills, Chippendale and Moore Park (see Box 1);
- Education and knowledge economy hub extending from the universities through Broadway to Newtown; and
- Digital industries hub that extends from Ultimo-Pyrmont through Eveleigh (Australian Technology Park) and Green Square.

The significant growth in employment in the finance and professional services industries, when combined with growth across education and research and the creative and digital sectors, indicates the already significant industry clusters have grown stronger over the past five years. This points to an economy that is resilient and able to withstand shocks. It also indicates an economy that has potential for innovation within sectors and more importantly, across sectors.

These clusters are illustrated in Figure 4. There are also a number of retail and entertainment clusters within the City that are fundamental attractors to the City.

**Figure 4: Industry clusters in the City of Sydney Local Government Area (LGA)**



Source: City of Sydney, Floor Space and Employment Survey 2012



The City's industry clusters greatly increase the transmission of ideas into innovation and provide a sound productivity base to realise the potential of the city economy.

The mixture of creative people and the financial and business activity within cities also forges important innovations in ideas and the applications of those ideas into products and processes (see Box 1). Cities are where innovation happens.

**Box 1: the City's creative industries and digital economy clusters**

At a national level, 2011 Census employment and start-up data indicates that Sydney is the creative and innovation capital of Australia. The city acts as the focal point for many of these knowledge based clusters.

The Census data reveals that on an occupational basis, 13.4 per cent of Australia's Arts and Media Professionals are employed in the City of Sydney LGA (and over 44 per cent of Sydney's total employment in this group). In both cases, this is more than double the general employment shares of 4 per cent and 21.5 per cent respectively.

As a percentage of total Australian employment in specific industries in the creative sector and digital economy, the City of Sydney comprised:

Specific industry	% employment of Australian industry
Internet publishing and broadcasting	56
Publishing	17
Information, media and technology	15
Creative and performing arts	11
Motion picture and sound recording	14
Library and information services	7

In the City, this concentration is reinforced by strong localised and specialised clusters.

In Chippendale and Redfern, around 20 per cent of the workforce is in the creative industries. In Surry Hills, this creative industries proportion rises to 30 per cent of the workforce. In Ultimo-Pyrmont almost 20 per cent of workers are employed in the digital economy.



**The city community**

The City is home to almost 185,000 people. It is also the workplace of over 437,000 workers, accounting for almost 4 per cent of the Australian workforce.<sup>26</sup> This makes the City the most densely employed and economically active location in the country.<sup>27</sup>

Over 60% of city residents in the workforce are employed locally and work in the City, the highest percentage of any LGA in metropolitan Sydney.<sup>28</sup> This minimises the personal and environmental costs of travel, with over 30 per cent of city residents taking public transport to work.<sup>29</sup> Additionally, “when people work locally they are embedded in the local community and are more inclined to contribute to the social life of the community and retail spending is retained.”<sup>30</sup>

The City’s population is also relatively young, highly educated and multicultural. The median age is 32 years old and 32.9 per cent of city residents are university or tertiary educated versus 14.3 per cent nationally.<sup>31</sup>

Approximately half of the City’s residents were born overseas, arriving predominantly from China, England, New Zealand, Indonesia and Thailand. This makes the City highly multicultural and diverse (Table 1). This reinforces long-standing cultural ties and Sydney’s global connections.

**Table 1: City of Sydney demographic information – Australian Bureau of Statistics, Census of Population and Housing, 2011**

Country of birth	City of Sydney (%)	NSW (%)	Australia (%)
Australia	50.9	72.8	74.0
<b>Other top responses</b>			
China (incl. Hong Kong)	7.5	3.0	1.9
United Kingdom	6.6	4.2	5.4
New Zealand	3.8	1.8	2.4
Indonesia	2.5	0.4	0.3
Thailand	2.5	0.3	0.2
<b>Language, top responses (other than English)</b>			
Chinese languages	10.4	4.5	3.2
Thai	2.4	0.2	0.2
Indonesian	2.1	0.4	0.3
Korean	1.9	0.7	0.4
Spanish	1.5	0.8	0.6

The migrant population is highly educated and a valuable resource for employers requiring well-educated, multilingual employees. About one in five Sydney residents who speaks a language other than English at home holds a bachelor or higher degree. Sydney account for almost half the Australian capital cities total of all Asian-language speakers with academic qualifications, many of whom reside in the City of Sydney itself.

# 06 Opportunities and challenges

## Foundations of success: What we need

The *State of Australian Cities* report notes that the productivity of cities is affected by many factors, including efficiency of infrastructure, connectivity between businesses, people and their skills, ideas, goods and services, liveability and community wellbeing. Equally important is innovation, because the generation of ideas and transmission of new technologies underpins productivity gains.<sup>33</sup>

In order for the City to remain globally competitive in the 21st century, it requires strong foundations across the economy, including:

- Skilled workforce underpinned by education, training and immigration;
- Diverse, accepting and multi-cultural residential population;
- Financial base and infrastructure to convert ideas into innovation;
- Creative base supporting culture and innovation;
- Sustainable infrastructure for water, waste and energy;
- Sustainable physical connectivity through transport and pedestrian network systems and connection to broader metropolitan/regional economies;
- Virtual connectivity through strong telecommunication networks and systems;
- Global linkages – direct connection and accessibility to important export markets;
- Localised cluster development – enhancing connectivity and collaboration, spatial facilitation of innovation;

**“Cities provide economies of scale, agglomeration, and localisation; they provide efficient infrastructure and services through density and concentration in transportation, communications, power, and human interactions... They attract talented and skilled labour that allows specialisation in knowledge, skills and management capabilities... Cities are the driving forces of national economic development.”<sup>32</sup>**

- An adequate supply of housing for a range of household types and lifestyle choices;
- Strong and integrated strategic planning at the federal, state and local government level to direct the future development of cities; and
- The exchange of tacit and explicit knowledge flows raising Sydney’s profile as a global and intelligent city with strong connectivity and networks with other global cities and major trading partners.

Finally, the most resilient economies are those in which citizens feel they have a stake economically, politically, and socially. Consequently, broader factors such as liveability and democratic governance become important contributors to economic development.

Ensuring that the city continues to have strong foundations of success is critical for the future growth of the city economy and to underpin the City’s focus for action.



**Future growth: Where we're going**

The Deloitte Access Economics' report, *The City of Sydney Economy in 2030: a foresighting study*, examined the major pressures, challenges and opportunities facing the City economy between 2012 and 2030.

The report analysed and forecast the prospective growth for seven key sectors: finance and professional services; education services; creative industries and the digital economy; tourism; retail; health services; and building and construction services. These sectors currently comprise around 73 per cent of the city economy and are estimated to have a combined output of \$109 billion by 2030.<sup>34</sup>

These seven sectors are important due to their contribution to economic output, employment opportunities and for their role in creating a resilient and diverse economy. This provides the impetus for, and focus of, the City's actions.

By 2030 if conditions are favourable, growth of these sectors and economic output could reach:

Sector	Estimated value added	Share of value added	Average annual growth rate from 2012
Finance and professional services	\$83.5 billion	56.1%	2.8%
Creative and digital industries	\$14.9 billion	10%	3.4%
Education services	\$4.5 billion	3%	2.5%
Retail	\$3 billion	2%	2.8%
Tourism	\$2.8 billion	1.9%	3.1%
Health services	\$2.5 billion	1.7%	3.5%
Building and construction services	\$369 million	0.2%	2.3%

By 2030 the City economy is forecast to have grown significantly and could potentially reach \$166 billion in economic output, an average increase of 2.8% from 2012 to 2030.<sup>35</sup>



### Key economic trends: What's driving change

In identifying the potential of the City economy, the Deloitte Access Economics report examined the key trends that currently appear to have greatest influence over the economy's future prospects. These include:

–**New patterns in the global economy:** the rapid industrialisation of large Asian emerging and developing economies, predominantly China and India, is transforming the structure of the world economy. Industrialisation and increasing wealth in emerging Asian countries will drive greater demand for services and may lead to already dominant sectors such as finance and professional services in the city, becoming even larger or changing their focus of activities. There may be increased specialisation within industries, more acute focus on Asian markets, and more demand for high skilled workers. In the long run, tourism and education are likely to see better market conditions as incomes increase across Asia;

–**Demographic trends influencing the city economy, at a local level and compared with a national level:** Australia's population is growing and ageing. Within New South Wales, the City of Sydney has the fastest growing and youngest population on average of any LGA. This means the City will need to accommodate a larger resident and worker community over the next two decades and will be less exposed to the direct pressures of population ageing. However, the City's younger residential base accounts for only a moderate portion of total economic activity in the area, with most output directly centred around the city's commuter workforce. This raises challenges in the form of: an ageing City workforce that is likely to be subject to skills shortages; changing demand for goods and services to suit an older population; and pressures on health services. Despite these challenges, the City's relatively younger age profile may become a competitive advantage — not only relative to other Australian capitals but also other global cities, with many key economies facing more acute ageing pressures;



–**The impact of technology in transforming how businesses operate and individuals conduct their daily lives:** the ongoing development and adoption of advanced information technologies may generate profound changes to the city economy over the next two decades, given the City's high value and leading edge services structure. The adoption of new ICT technologies can play a large role in driving increased productivity, competition and specialisation – including taking advantage of the city's international linkages to operate as part of global and increasingly fragmented supply chains. These advancements will arise from the introduction and the rapid deployment of new products and services, such as: intelligent systems; advancements in mobile communications; cloud computing; e-commerce and retailing; and teleworking, etc; and

–**Consequences of climate change abatement and adaption policies, especially those associated with transport and the built environment:** the current climate change abatement and adaption policies are not expected to exert a profound structural effect, nor a prolonged negative economic effect on the city economy, according to Deloitte Access Economics<sup>36</sup>. The current national abatement policy in Australia is the carbon price mechanism, introduced in July 2012. Deloitte Access Economics baseline modelling of the city economy has incorporated this, based on the Australian Government's Cleaner Energy Future and Renewable Energy Target policies. Modelling suggests that following a small initial adjustment period, which slightly lowers industry growth rates in 2013, the city economy will revert to its longer term growth path by 2020. While energy efficiency and emission reduction measures will see changes to the way many city-based activities are currently undertaken, the economic composition of the city will not be drastically altered. Building on its structural advantages, the City is also in a position to capitalise on new commercial opportunities offered by the transition to a carbon constrained future. These opportunities will most likely emerge in new service areas like carbon reduction technology, energy efficiency, construction and design services and the development and trading of new financial instruments.<sup>37</sup>





### Challenges: What we need to address

Sydney currently faces a number of challenges, which if not addressed, will reduce the likelihood of the City economy reaching its full potential by 2030.

These include:

- Transport congestion and lack of connecting infrastructure to manage the additional density of people and activity attendant upon space-constrained economic success. Such transport inefficiency could not only affect global competitiveness, but also reduce amenity which adversely affects the capacity of the city to attract necessary skills and investment;
  - The high cost of doing business, informed by high property, rental and service costs;
  - Decreasing housing affordability and the impacts on the economic functioning of the city and the social, cultural and environmental impacts on individuals and the larger community; and
  - Maintaining a stock of affordable creative spaces, to maintain the range and diversity of social, cultural and economic activity critical to innovation.
- In addition, there are a number of areas that require ongoing vigilance to ensure that Sydney retains its competitive advantage:
- Failure to transition to an economy based on environmentally sustainable principles would constrain the competitive development of the City and have adverse effects on the broader development of innovative activity;
  - Inadequately or inconsistently addressing issues of amenity in the city would reduce the capacity in future to attract business, residents and skilled workers;
  - There is a continuing need to monitor and review planning policies to ensure the provision of adequate floor space capacity for business; and
  - There is a continuing need to recognise in a timely manner, potential capacity constraints arising from market drivers, skill development, land use delivery and development, critical infrastructure support and the need to transport sufficient workers and visitors into the city economy on a daily basis.
- Recognition of these challenges, and subsequent measures to address them, are fundamental to the growth of the city economy.

## 07

# Achieving the vision

This Economic Development Strategy identifies three strategic priorities that will deliver the results needed to achieve the vision for Sydney's future economy.

The strategic priorities focus on building on the economic foundations for success, taking action to address the challenges, and taking full advantage of the opportunities for our economy. The strategic priorities are:

1. **Strengthen Sydney's competitiveness:** through the creation of a city that encourages business investment, attracts visitors and has the amenity and liveliness sought by current and future residents;
2. **Improve productivity and capacity:** through investment in the productive, transformative and social infrastructure needed to unlock the city from congestion, to keep people and goods moving, increase knowledge and capital flows, to enable full participation in the workplace and to enable workers at all levels to live close to their work; and
3. **Promote opportunity:** build on strong regional, national and global links and cross sector networks, support the continued development of strong industry clusters, encourage partnerships and collaborate and work to strengthen the established sectors as well as the entrepreneurial and small business community within the City.



## Action Plans

Action Plans will be formed to analyse in detail the contemporary issues faced by mature **industry sectors**, **new and emerging sectors** and the **development of places**. The Action Plans will set out the projects and programs designed to respond to those challenges and opportunities.

## Evidence-based

The City commissioned Deloitte Access Economics to provide expert analysis in *The City of Sydney economy in 2030: A foresighting study*. The report identified the major trends, challenges and issues facing the economy over the next two decades.

The City used this research to build upon the position set out in the City's Economic Development Framework, prepared by Strategic Economics in 2007.

To inform the Action Plans, the City is undertaking an extensive consultation program with private enterprise and the community across a wide range of industries to understand and respond to the issues facing the identified priority sectors.



### Alignment with NSW Government priorities

The City recognises its position within metropolitan Sydney, New South Wales and greater Australia. The Economic Development Strategy is designed to align with the policies of the NSW and Federal Governments.

In particular, it has been designed to assist the NSW Government to deliver on *A Platform for Growth: The NSW Economic Development Framework (2012)*. This framework is built on five key principles designed to make it easier to do business in NSW and to position NSW industry for long-term global competitiveness through innovation and productivity<sup>38</sup>.

### Partnership approach

In delivering this Strategy the City cannot act alone. At all times, the City will seek to create strong partnerships and networks with industry, government, community and other stakeholders so that through our combined efforts more can be achieved.

The City will work in partnership with other metropolitan Sydney stakeholders where appropriate in achieving the vision for a strong economy.



08

# Priority one – strengthen Sydney’s competitiveness

**“Local economic development techniques should focus on the long-term drivers of prosperity and sustainability, and the need to generate continued investment by leveraging unique assets and otherwise untapped resources”.**<sup>39</sup>

A key driver of the city economy is the demand and competition from emerging and developing economies such as China and India. There is considerable structural change occurring with the advancement of these and other large Asian economies.

At the same time as this regional shift in economic power is occurring, there are higher levels of globalisation in product and financial markets and lower barriers to global trade. This results in a higher level of economic interdependence that links countries and regions more closely together.

In response, Australia’s and Sydney’s economies have become more highly connected globally, with rising levels of trade intensity and greater opportunities to supply resources and high value services.<sup>40</sup>

For the city, the greater demand for services may further concentrate dominant mature sectors such as finance and professional services or spur on the development of emerging or maturing sectors such as the digital and creative sectors. Other sectors such as tourism and education may also benefit from rising incomes across Asia as international visitors and students generate demand and spend in Sydney.

Deloitte Access Economics believe this could lead to an increase in the proportion of service industries and with higher degrees of specialisation within industries, thus creating a greater demand for highly skilled workers.

With an increased reliance on and closer economic ties to a dominant Asian market also comes increased exposure and susceptibility to Asia’s economy, particularly when the Asian economy slows or where Asian sensitive macro events occur. Consequentially, the city’s finance and business services sector could be adversely affected economically. The city could experience a more acute impact due to the dominance of the finance and professional services sector.



To take advantage of these strong economic growth opportunities and counter the potential risks, the City is uniquely placed to act.

It is recognised that in this globally connected world, the quality, amenity and liveability of a city contributes to the attraction of business investment, workers and visitors. There is also a strong complementarity between the needs of city residents and business.

It is entirely within the City's remit to focus on the development of the city. The City of Sydney leads the strategic development of the city; takes responsibility for the public domain and the level of activity within it; delivers an exceptional program of events and activation; is focused on expanding the late night economy; strives to continually remove barriers to greater innovation and flexibility; supports others through grants and sponsorships; is leading the development of major urban renewal projects; and can leverage the City's property assets to effect positive change in targeted locations.

Similarly, the City's focus on supporting the continued growth and development of industry sectors such as retail, tourism, education, and the creative and digital industries supports the need for a diverse economy. This ensures the city has the capacity to withstand a shock to one sector without disrupting the entire functioning of the economy as a whole.

The actions of the City within this priority are focused on the following:

- A liveable city;
- A lively and active city;
- Driving outcomes through property;
- Achieving balanced growth;
- Delivering new residential and commercial areas;
- Making it easier to do business;
- Advocating and catalysing change; and
- Promoting the city.



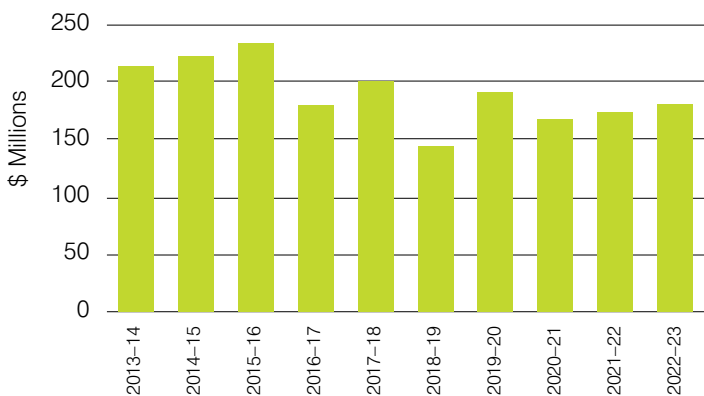
**A liveable city**

The unique asset that is the City of Sydney public domain and the activities that take place within it contribute to the productivity and liveability of the city.

The City has an extensive capital works program planned or in progress that includes public domain master planning and development, the creation of pedestrian and cycling networks, traffic calming initiatives, the creation of new public squares and public places; the revitalisation of laneways and fine grain spaces; and new and upgrades to existing recreational and community facilities.

Between 2013–14 and 2022–23, the City is forecast to spend an average of \$188 million per year on its capital works program (Figure 5).

**Figure 5: City of Sydney Capital Works Expenditure (forecast) 2013–2023**



Source: City of Sydney 2013

The amenity of the City's public places is delivered through investment in new and refurbished assets. The City is committed to delivering a strategic and well-resourced program of maintenance and upgrade works, as well as the daily cleaning and servicing at a standard comparable to other global cities.

Major projects planned or underway include:

- In conjunction with the NSW Government, transforming George Street into a pedestrian, retail and light rail boulevard, linked to major public squares at Circular Quay, Sydney Town Hall and Central, and a major network of revitalised laneways. The City is contributing \$220 million for public domain works. Construction is scheduled to commence in 2015;
- Implementation of the Chinatown Public Domain Plan, designed to improve the footpaths, streets, and public spaces in Chinatown; encouraging their use by pedestrians and cyclists, activating underutilised spaces and supporting the development of the area for business, the community and visitors.
- Development and implementation of a legible way finding system for central Sydney;
- Oxford Street cultural precinct development will continue. This has already delivered a number of initiatives including low cost and subsidised live and work spaces for artists and creative enterprises and the redevelopment of the Burton Street Tabernacle as a performing arts venue for community arts organisations.



### A lively and active city

Major public events contribute to the liveliness of the City and deliver economic benefits from overnight visitors.

The City will continue to deliver New Year's Eve, Christmas, Art and About and Chinese New Year and support the work of Destination NSW in securing premiere musicals and creative events for Sydney. In 2012–13 the City spent over \$12.45 million on delivering major events, in addition to the City's investment of more than \$10 million annually as a supporter of public art, festivals, events, celebrations and other community activities, all of which increase the cultural and street life of Sydney.

The City will work with event organisers and the business community to leverage events, to ensure that the events deliver significant economic outcomes for Sydney.

Major new projects planned or underway include the positioning of Sydney as a global city retail destination and a place to experience Christmas in the Southern Hemisphere.

### Driving outcomes through property

The City is a major property owner across the LGA and its portfolio includes commercial properties as well as community facilities. When clusters of properties are within a small area (in Lower Oxford Street for example), the City can influence the quality, amenity, economy and character of that neighbourhood. The City will use its portfolio productively, providing a balance between the financial returns and broader economic and social outcomes achieved through making space available for social and creative enterprise.

In conjunction with private property and business owners, the City will work on short and long term solutions to activate underutilised property, to attract and retain the right mix of tenants and to implement sustainability programs.



### Achieving balanced growth

The City will use its strategic land use planning controls to ensure the long-term productive capacity of the City is optimised; ensuring there is capacity for the projected growth of jobs to reach the target of 465,000 full and part-time jobs by 2030<sup>41</sup>; and a further 61,000 residents (from the 2012 estimates to a total of 246,000)<sup>42</sup> by 2030.

This will enable diversity in supply of large and small scale developments, encouraging active street frontages, and balancing the often competing needs of residents and business who exist in close proximity.

A City Plan has been developed. It is the culmination of over five years work to consolidate three sets of local planning controls that currently apply within the City.

Major projects planned or underway include:

- A comprehensive review of the central planning controls – the ‘Central Sydney Planning Review’, which includes involvement from key stakeholders such as the Property Council of Australia and the state government. Key objectives of the review are to reinforce the attractiveness of Sydney as a location for global business enterprises, to ensure that the City’s planning controls can positively influence Sydney’s functioning as a global city, and that there is sufficient development capacity for employment growth in central Sydney; and
- Delivering the Employment Lands Study to assess the long-term demand for industrial and business zoned land in the City and make recommendations about future land use controls.

### Delivering new residential and commercial areas

Major urban renewal projects are catalysts for change in the city. Green Square, Barangaroo and the redevelopment of the Sydney International Convention and Exhibition Centre are just some of the significant projects that change the productive capacity of the city.

Led by the City and delivered in partnership with the NSW Government and private developers, Green Square is an \$8 billion redevelopment of a 292 hectare site which takes in the suburbs of Alexandria, Beaconsfield, Rosebery and Zetland. It is forecast to accommodate 22,000 jobs, 20,000 new homes, including hundreds of affordable housing units for key workers and be home to 40,000 new residents by 2030.

Barangaroo is a 22 hectare site on the western edge of central Sydney. A NSW Government initiative, it will be transformed over the next decade to a commercial and residential precinct where it is expected that 23,000 people will live and work in the area and 33,000 expected to visit each day.

Infrastructure NSW on behalf of the NSW Government is leading the redevelopment of the 20 ha convention, exhibition and entertainment precinct at Darling Harbour.

The City plays a key role in integrating these redeveloped precincts of the city with the existing commercial, residential and cultural precincts of central Sydney.





Town Hall, Sydney - 11 November 2014: Lord Mayor Clover Moore pictured with participants of the Better Buildings Partnership.

### Making it easier to do business

Business, particularly small business, finds it difficult to navigate Government procedures and the approvals needed to operate. It can be expensive, inefficient and a deterrent to those starting a new venture or making changes to their existing business.

Balancing the needs of the business sector with the appropriate regulation of activity, particularly where business activity conflicts with the needs of the residential community, is complex.

As a regulator, the City commits to efficient engagement with business. The City will work to simplify processes and remove barriers wherever possible.

Where this cannot be achieved, the City will work with business to clarify and provide assistance to small businesses to ensure their dealings with the City and other levels of Government are as efficient as possible.

### Advocating and catalysing change

Where action is needed from other levels of Government or from business, the City will be an advocate for change and provide support where appropriate.

The increased supply of visitor accommodation in the City is one such issue. The City is working in partnership with industry and Government to stimulate investment in hotel development to address the current capacity constraints.

Locally, the City will continue to deliver targeted programs, including providing grants and sponsorships to catalyse development in underutilised spaces; encourage entrepreneurs; support increased levels of activation in the city to assist business growth.

### Promoting the city

The City has a role to play in promoting and marketing Sydney – globally, nationally and locally.

The City will take an active role to encourage collaboration and minimise fragmentation between the various public and private sector organisations that market Sydney.

The approach and partners will be specific to each sector.

In conjunction with Destination NSW and Tourism Australia, the City will seek to attract overnight visitors to Sydney.

The City will work with Business Events Sydney to support the attraction of major conferences and business events and has committed \$1.5 million to do that in 2014–16.

For the educational sector, partners include the NSW Government, universities and colleges to promote Sydney as a destination for international students.

## 09

# Priority two – improve productivity and capacity

Accessibility and connectivity are critical to a productive economy. Traffic congestion already costs Sydney \$3.7 billion per year and the costs are growing. Transport inefficiency impacts on global competitiveness and through reduced amenity, diminishes the capacity of the city to attract business investment and workers.

While transport is within the domain of the NSW Government to manage, the City will continue to advocate for change. The City will invest to support key NSW Government initiatives such as the project to transform George Street into a pedestrian boulevard and a light rail corridor.

Within the control of the City are localised transport solutions to improve accessibility and intra-City linkages for the growing resident, visitor and commuter population. This includes improving pedestrian and cycling corridors to connect different parts of the city and to connect neighbouring suburbs with the city centre.

Sydney is a high cost city and a key challenge that could constrain its future economic growth is the lack of an adequate supply of housing for a range of household types and income levels.<sup>44</sup> The provision of affordable accommodation for key workers who are essential for the functioning of the city is a key concern.

**“When great quality-of-life factors like schools, healthcare, housing, and safety are balanced with strong businesses and solid infrastructure, the formula is right to pave city streets with optimism if not yet gold.”<sup>43</sup>**

Of similar concern, is the provision of appropriate child care facilities, necessary for equitable participation in the workforce by all members of the working population.

Addressing the challenges of social infrastructure provision is a shared responsibility between all levels of government.

The City will advocate for change where other levels of government invest in infrastructure and services. Through appropriate strategic development policies, the City will influence the extent to which affordable housing is developed. It will invest directly in the provision of additional child care facilities and services.

The Cities of Opportunity<sup>45</sup> report identified the linkages between a focus on the sustainable development of cities and their competitive economic advantage. Sydney leads other global cities in this regard, ranked number 1 in ‘Sustainability and natural environment’ out of the 27 cities examined. To maintain this competitive advantage, the City will continue to invest directly in transformative infrastructure associated with energy, water and waste.

The actions of the City within this priority are focused on the following:

- Productive infrastructure;
- Transformative infrastructure;
- Green infrastructure; and
- Social infrastructure.



## Productive infrastructure

### Transport

The City's vision is for a "world-class transport system that supports a strong and growing economy, a more sustainable environment and a diverse and connected community."<sup>46</sup>

Efficient transport is crucial to the effective and efficient functioning of the City's economy. However, Sydney's rail system is reaching capacity. The bus network has been expanded but congestion results in longer travel times. Pedestrians are crowded onto footpaths and the bike network throughout the City is not yet complete.

*Connecting our City a Transport Strategy and Action Plan* has been developed by the City as a framework for action to improve transport and access in the City. It has been developed in accordance with, and to address the targets in, *Sustainable Sydney 2030*. The specific targets the strategy seeks to achieve are:

- Target 6: By 2030, the use of public transport for travel to work by City Centre workers will increase by 80 per cent and the use of non-private vehicles by City residents for work trips will increase to 80 per cent;
- Target 7: By 2030, at least 10 per cent of City trips will be made by bicycle and 50 per cent by pedestrian movement.

Major transport initiatives planned or underway include:

- Construction of a network of cycleways to encourage safe cycling and walking. The first 10 kilometres of dedicated cycleways are in place;
- Development of a Liveable Green Network, connecting urban spaces and parks to provide high quality, safe and pleasant pedestrian access throughout the city;
- Advocating for improved pedestrian connections between major transport hubs and Barangaroo;
- Advocating for the streamlining of bus services to and within central Sydney to reduce congestion on city streets;
- Advocating for improvements to key transport interchanges in central Sydney at Circular Quay, Town Hall, Wynyard and Central.



### Transformative infrastructure

#### George Street – a light rail and pedestrian boulevard

The City is working in partnership with the NSW Government to transform George Street into a world-class main street. Transforming George Street will bolster Sydney’s position as an innovative city able to attract new investment and a talented workforce. There will be reduced congestion and improved connectivity through the provision of light rail and a grand pedestrian boulevard – it will give much needed breathing space in the heart of the city.

The City has advocated for the transformation of George Street into a pedestrian, retail and light rail boulevard, linked to major public squares at Circular Quay, Sydney Town Hall and Railway Square, as well as a major network of revitalised laneways. The City has committed \$220 million to assist the NSW Government to realise the project.

Light rail will unlock Sydney’s potential and strengthen George Street as a transport corridor. There will be new pedestrian spaces, new information signage, upgraded public squares, new street trees and innovative public art.

### Green infrastructure

The City has adopted ambitious greenhouse gas emission reduction targets and will work towards a sustainable future for the use of water, energy and waste.

The targets set out in *Sustainable Sydney 2030* are:

- Target 1: By 2030, the City will reduce greenhouse gas emissions by 70 per cent compared to 2006 levels.
- Target 2: The City will have capacity to meet up to 100 per cent of electricity demand by local electricity generation, 30 per cent of water supply by local water capture and increased canopy cover of 50 per cent by 2030.

The City is challenging the idea that electricity must continue to be supplied from coal-fired power stations and plans to convert Sydney into a low carbon city using locally produced electricity, which could come in the form of a trigeneration energy network in the City.

Recognising the importance and value of water to the functioning of the city, a variety of initiatives are underway to reduce water demand, implement sustainable water supply sources and improve stormwater quality.

Options for sustainable waste management are also being considered.

Major projects planned or underway include:

- A Trigeneration Master Plan for the LGA; with implementation at key City of Sydney sites;
- A Renewable Energy Master Plan;
- A Water Recycling Master Plan;
- The development of a business case for an Alternative Waste Technology facility; and
- The development of a masterplan for Advanced Waste Treatment.



## Social infrastructure

### Affordable housing

Access to secure, appropriate and affordable housing was recognised by the City during the development of *Sustainable Sydney 2030* as a critical issue to address. There is a need for affordable housing that is targeted to meet the needs of low to moderate income households which are crucial to the efficient functioning of a global city. Where households are disproportionately located in the outer ring of Sydney, access to labour in the inner city becomes increasingly restrictive and the communities more segregated.

The Affordable Rental Housing Strategy was endorsed in December 2009. By adopting a suite of plans, partnerships, financial and advocacy initiatives and actions contained within the strategy, Council may act to protect existing rental affordable housing and facilitate the provision of new rental affordable housing for households on very low to moderate incomes.

This follows the City's commitment in *Sustainable Sydney 2030*:

- Target 4: By 2030, 7.5 per cent of all City housing will be social housing, and 7.5 per cent will be affordable housing, delivered by not-for-profit or other providers.

Achievements to the end of 2011 include the allocation of Federal Government funding for 1,035 dwellings and through the City's actions, contributing to a further 900 dwellings that have or are planned to be built.

### Child care

Child care is a critical component of social infrastructure that supports families and workers and helps build supportive communities. It influences families' decisions on where to live and work, and is a key contributor to forming an inclusive, diverse and liveable city. The City recognises this and continues its commitment in *Sustainable Sydney 2030* to create a family-friendly city environment:

- Target 8: By 2030, every resident will be within reasonable walking distance to most local services, including fresh food, childcare, health services and leisure, social, learning and cultural infrastructure.

There is a current shortage in quality child care across the city, as demonstrated by the large waiting lists for child care centres. With demand expected to grow into the future as the resident and worker population increases, the City is acting on a number of fronts to resolve the shortage.

The City is building new child care centres and extending existing ones – recently allocating \$55 million in the 2012–13 budget to build six new child care centres over the next ten years. The City also currently provides about 23 per cent of all child care places within the LGA, either through direct service provision or through subsidised leases to not-for-profit groups.

The City has implemented a Development Control Plan (DCP) to increase the supply of child care services. In September 2005, Council adopted the City of Sydney Child Care Centres Development Control Plan which suggests rates of provision for child care in new developments, to assist in planning for child care centres, as part of residential and commercial growth. In the period from May 2005 to December 2011, there has been a net increase of 1,041 places across the City of Sydney.

In 2015 the City is undertaking a comprehensive child care needs analysis to inform the development of child care projects and policies.

# 10

## Priority three – promote opportunity

Like all global cities, in order for the economy to flourish, Sydney must have strong external links as well as strong cross sector networks.

The development and support of vibrant industry clusters and networks – that principally involve finance and professional services, education, tourism, creative and digital industries, retail and entertainment – have been identified as critical to reduce the pressures these industries face from businesses decentralising and ‘off shoring’ operations.<sup>48</sup>

The City is in a position to contribute to maintaining and growing these core clusters of activity by facilitating informal networks and improving the overall amenity of the city – thus creating an environment that promotes social and commercial interactions, encourages the exchange of ideas and ‘knowledge spill-overs’. According to Deloitte Access Economics, this contribution from the City can enhance connectedness within the economy, drive dynamism and resilience, and attract skilled workers.<sup>49</sup>

**To thrive, cities must attract smart people and enable them to work collaboratively. There is no such thing as a successful city without human capital.**<sup>47</sup>

The City is committed to encouraging partnerships and collaboration across all levels of government and with the private and non-government sectors to engender trust and a willingness to work together to achieve common goals.

The City can also assist by delivering targeted programs and services for the benefit of groups of businesses in priority industry and economic sectors, including sourcing and providing credible information on an industry or precinct wide basis that would normally be out of reach of individual businesses.

The actions of the City within this priority are focused on the following:

- Encouraging Collaboration;
- Capacity Building;
- Education, training and skills; and
- Social infrastructure.



### Encouraging collaboration

At a local level, the City will focus on strengthening networks with business; to share information, to promote opportunities, to canvass ideas and to listen about key concerns from the business community.

The Retail Advisory Panel was established in 2010 to enable the City to seek advice from and work in conjunction with this important group of retailers and other specialist advisers.

The City established the Better Buildings Partnership in 2011 to bring together a number of Sydney's leading public, private and institutional landlords with the purpose of working together to improve the sustainability performance of existing commercial and public sector buildings across the city.

Memoranda of Understanding have been signed with the universities in the city to ensure collaboration around strategic issues.

Critically important are strong working relationships with NSW Government agencies, focusing on tourism, events, investment attraction, planning, transport and infrastructure investment.

The City also communicates directly with businesses large and small at forums and seminars, via e-newsletters, websites, social media and other networks. The City will also look for ways to help business to develop their own "peer to peer" communication channels.

The City will also assist where it can to promote the development of business to business networks and ensure that the links between business and the community are strong.

Nationally, the City will work with the Council of Capital City Lord Mayors and engage with the Australian Government on its investment in capital cities.

At a global level, the City will collaborate with C40 cities, a network of large cities focused on the delivery of sustainable climate-related actions locally that together help address climate change globally.

The City also has a role in regional economic leadership - this may include engagement with government, industry and community stakeholders across metropolitan Sydney.



### Capacity building

Strong local economies are vital to meet the social, economic and employment needs of residents. Small business is the mainstay of the local economies and they play an important role in central Sydney.

Small businesses deliver benefits, including variety in products and services. They are often unique and bespoke businesses that occupy the fine grain of the city and offer diverse employment opportunities.

Small business owners face many challenges, including balancing the need for wide-ranging specialist skills and expertise for all aspects of their business, but having a limited number of employees.

The City is committed to the long-term sustainability of the small business sector and will develop and deliver programs, seminars and forums to enhance the skills of business owners, increase their awareness of business opportunities and trends and discuss strategic issues.

### Education, training and skills

Education is a critical component of economic development. According to Edward Glaeser “per capita productivity rises sharply with metropolitan area size if the city is well educated, but not if it isn’t”.<sup>50</sup> This strengthens the City’s resolve to ensure that city residents and workers are well educated and have access to institutions and resources to further their qualifications.

*Sustainable Sydney 2030* recognises the importance of maintaining and growing the city’s skilled workforce. This is crucial for the City to achieve Target 5 in *Sustainable Sydney 2030*:

–By 2030, the City will contain at least 465,000 jobs (including 97,000 additional jobs compared to the 2006 baseline) with an increased share in finance, advanced business services, education, creative industries and tourism sectors.

The City has an interest in ensuring that there are equitable opportunities for all its citizens and that there is an overall high level of education across the working community to maintain the city’s productivity advantage. The City will implement initiatives that support the education and skills development of disadvantaged communities. However, the City recognises that the delivery of education services is not its core role, but is one which sits in the sphere of the NSW Government.





The City of Sydney, together with TAFE NSW and Regional Development Australia Sydney, recently contributed to the Organisation for Economic Co-operation and Development (OECD) report *Enabling Local Green Growth: Addressing Climate Change Effects on Employment and Local Development*. The report addressed the question of what local authorities can do to respond to the challenges and opportunities of climate change on local economic development, employment and skills.

The City will continue its partnerships with the education sector through projects such as this one to focus on improving the productivity capacity of the city's workforce.

The City also welcomes the actions by COAG to reform the national training system in order to:

*... support Australian businesses and drive improvements in productivity by growing the pool of skilled workers, encouraging existing workers to up-skill and supporting higher levels of workforce participation.*<sup>51</sup>

These reforms will greatly contribute to increasing the education levels and productive capacity of the Australian and city workforces.

# 11

## Action plans

In order to deliver on its strategic intent, the City will develop detailed plans for action. These plans will identify the specific priorities and actions for each of the identified industry and economic sectors.

Key industry sectors have been identified on the basis of capitalising on existing strengths and encouraging the growth of new sectors.

In addition, the City has sought to align with *The Platform for Growth: The NSW Economic Development Framework* and the NSW Government's Industry Action Plans for the visitor economy, professional services, digital economy and international education sectors, reflecting their strategic importance, not only for the city but for metropolitan Sydney and NSW.

The priority **industry sectors** are those that deliver the greatest contribution to job numbers in the city:

- Finance, professional and business services;
- Creative and digital industries;
- Education services;
- Retail;
- Tourism.

**New and emerging sectors** of importance include:

- Green economy
- Night time economy

As well as an industry sector focus, there will be emphasis on the **development of places**, in central Sydney as well as in the surrounding Villages and in identified specialised clusters of activity. All places are important and will be the subject of individual plans to address their unique characteristics, however areas for particular focus include:

- Central Sydney; the heart of Global Sydney;
- Green Square; the creation of a new town centre; and
- Oxford Street, Chippendale and Redfern; established areas experiencing change.

Across each of the action plans are some **common themes** which are broad and overarching subjects that are integral to the vision of the city economy and important for all of the Action Plans:

- Sustainability;
- Aboriginal employment and enterprise;
- Small business and entrepreneurs;
- Knowledge and innovation;
- Connections with Asia.



Together, the sectors and placed-based strategies work to deliver on the 2030 targets for jobs.

As well, they contribute to growth in economic output and the achievement of a dynamic, resilient economy.

Progress will be reported against measures appropriate to the particular industry, priority sector, location or factor of productivity.

The City recognises that market dynamics and priorities change over time; current industry or economic sectors will change in priority and new sectors may emerge.

Industry sectors not identified as a current priority, but which may in future, include health and property development and operation; both of which are forecast to make an important and growing contribution to the city's economy.

As well, the hospitality sector will be separately identified from the retail sector and more targeted plans developed to support its growth.

The Action Plans to be developed will set out in more detail the contemporary issues faced by the sector or location and the projects and programs designed to respond to those challenges and opportunities.

They include actions to be delivered by the City directly or in partnership with other levels of Government and industry as well as those where the City is an advocate for change.

Each of the plans is described in more detail below.



## Action Plans: industry sectors

### Finance and professional services

The financial, professional and business services sectors are located in a key strategic hub in central Sydney and potentially in future, Barangaroo.

Together the sectors represent the dominant employment in the city, accounting for more than 39 per cent of all employment.<sup>52</sup> The city is home to 21 per cent of the entire Australian finance sector.<sup>53</sup>

The City's research showed that the finance and financial services industry has the greatest number of employees in the city – more than 95,800. Professional and business services is the next most dominant sector in terms of employment, with approximately 77,000 workers. These sectors are dominated by large businesses and global corporations.

The City has a role to play in the long term growth of the sector through the creation of a liveable city to attract the skilled professional workforce that the sector relies upon.

The removal of barriers to growth posed by transport and congestion are also key actions. The Bureau of Transport and Regional Economics (BTRE) projects that the social costs\* of urban traffic and congestion will rise to approximately \$7.8 billion for Sydney by 2020.<sup>54</sup>

The City also contributes through the development and application of appropriate strategic land-use planning policies and controls to ensure there is capacity for ongoing investment in commercial property development.

The City will explore these and other initiatives and develop a plan to contribute to the long-term sustainability and growth of the finance and professional services sectors.

\*Costs here refer to avoidable social costs: the estimated aggregate costs of delay, trip variability, vehicle operating expenses and motor vehicle emissions, associated with traffic congestion above the economic optimum level for the relevant networks.



### Creative and digital industries

The importance of the city's creative and digital economy is being increasingly recognised for its contribution to a vibrant and diverse city that embraces culture and recreation. A creative industry sector provides a wide range of social benefits, but also provides an important contribution to the economic success of the economy. The NSW Government reported that employment in this sector had grown at twice the pace of other industries in the 10 years up to 2006.

Within the City of Sydney there is a higher concentration of creative and digital industry (information, media and telecommunications) businesses than is found generally across NSW. In 2007, the sector comprised 2,800 businesses in the LGA, representing 58,000 jobs. In 2012, the sector has grown, with one hundred new businesses and now accounting for more than 14 per cent or in excess of 61,000 jobs.<sup>55</sup>

Within the sector, one area of focus is on digital or tech businesses, because they can 'scale rapidly' in contrast to other creative enterprises that provide a product or service (sometimes handmade). A digital business with a successful business model can reach a global audience quickly with resulting high economic and employment impacts. Digital businesses have been described as 'the new economy' and will continue to play a central part of the City of Sydney remaining green, global and connected.

A major challenge facing the city is ensuring an adequate supply of affordable and diverse spaces to accommodate individual artists, creative enterprises and start-up businesses within the LGA. There is a need for work spaces in close proximity to their customers as well as

for residential space in reasonable proximity. The City has recently made properties in Oxford Street available for creative enterprises and then expanded to its William Street properties, with the view to potentially expand this program further.

A key characteristic of the sector is the dominance of small businesses – those with 20 or fewer employees. During this formative stage of enterprise development there is an increased need for support from all levels of Government. The success of this support is greatly enhanced if federal, state and local government co-ordinate and integrate their activities.

On all these fronts, the City has made good progress in recent times, but recognises that there are further improvements to be made. The Action Plan will set out a range of initiatives that are likely to encompass:

- Enhancing the capacity of creative enterprises through the delivery of targeted programs;
- Ensuring the urban environment is conducive to supporting creative enterprises – one that provides for physical and digital connectivity, high quality public spaces, good design, affordable and diverse accommodation, major events and festivals and high quality public art;
- Support delivered through grant and sponsorship programs and investment in infrastructure;
- Enhancing the demand and supply of creative products and services; and
- Leading by example – for instance, continuing the practice of commissioning exemplary design in major City projects and promoting the successes of the tech start-up community in Sydney.



### International education

International education is Australia's third largest export earner. In 2010, Australia hosted 7.4 per cent of the global international student market, and Australia is the third most popular destination for international students, behind the US and the UK. For NSW, international education is the second largest export earner and each year, approximately 35,000 international students live and study in the City of Sydney LGA.

The City has a contribution to make to the success of this sector. It will collaborate with major education institutions to deliver projects that fulfil the vision of *Sustainable Sydney 2030*. It will deliver programs to support international students studying in Sydney to ensure they have a positive experience and promote Sydney as a destination of choice for prospective students.

International students enhance the multicultural diversity of the city and facilitate important cultural exchange with the city community. They are an intrinsic part of the city's culture and community.

### Retail

Representing a large proportion of the more than 21,600 businesses in the City and a major employer, the retail sector makes an important contribution to the economy. It is the foundation of our Village main streets and has a major presence as an attractor in central Sydney.

It is a sector undergoing structural change; consumers are changing their patterns of behaviour and the presence of on-line retailing is growing. Yet at the same time, there has been a significant investment to re-position central Sydney as a prime retail destination.

As a sector, it will play a fundamental role in the City achieving its 2030 targets of delivering 48,000 additional dwellings and ensuring every resident lives within a short walk to a main street.

To strengthen the sector there will be a focus on enhancing the experience of shoppers through investment in high quality places and infrastructure. As well, the delivery of programs and services to build skills and expertise in small business operators will contribute to their commercial viability and sustainability. The City will focus on removing barriers for business, sharing information and helping businesses to work together.



**Tourism**

Tourism leads to increased knowledge and cultural awareness between countries and distributes information about a particular country’s history, civilisation, traditions and customs. Tourism is a major contribution to national and international recognition of Sydney as a great place to visit, live, work, invest, study and stage events. It delivers an impact across the wider community by enriching the diversity and cultural vitality of the city, and improving lifestyles.

Tourism is an important industry nationally; generating in 2011–12 \$106.6 billion in consumer spending and contributed \$41 billion to Australia’s gross domestic product<sup>56</sup>. Tourism directly employs over 500,000 people and earns nearly 10 per cent of our total export earnings, making it Australia’s largest service export industry (2011–12 figures)<sup>57</sup>.

Sydney claims seven of Australia’s top 10 visitor attractions and over half of all international visitors and two-thirds of international business visitors to Australia come to Sydney.

The City of Sydney is the gateway to Australia – home to more than 60 per cent of Sydney’s hotel rooms. On any one night there are around 27,500 visitors staying in the LGA and annual guest nights are just over 10 million<sup>58</sup>. The average hotel occupancy rate over the 12 months to December 2012 was 84.6 per cent.

The City has a role to play; to work with industry and government partners to create an environment that allows tourism to diversify, grow and develop. The City’s actions will focus on enhancing the quality of the visitor experience, strengthening partnerships to maximise visitation potential and encouraging the development of product and infrastructure.

**Green economy**

Climate change adaption, energy security and efficiencies from re-assessing energy, water and resource use are driving change across the economy, particularly in the energy and transport sectors but also the construction industry, building management, clean technology and investment. New jobs are emerging that could not have been anticipated even a few years ago.

It has been estimated that some 240,000 – 340,000 new green jobs may emerge across Australia by 2030 – with most of the jobs in the major cities.

The City will explore ways to catalyse the development of this sector, whether it is through its own direct investment in green infrastructure or other policy interventions, encouraging the growth of new jobs and new enterprises in the sector or building green capacity in incumbent industries.

The City in partnership with the education sector will also focus on the development of the new skills that will be required; ensuring that the community is prepared for the opportunities as they arise.



### **Open Sydney: future directions for Sydney at night**

Both day and night time economies are important to the life of the city.

The city has the largest night time economy in Australia, the greatest residential and commercial densities in Australia, and attracts the largest number of visitors. The offering of night time activities is central to maintaining and enhancing Sydney as a vibrant global city and as a renowned tourist and business destination.

Sydney's night time economy includes all activities that take place between 6pm and 6am. It is a diverse set of activities encompassing social, cultural, intellectual and business pursuits: dining, drinking, university lectures, shopping, call centre operations, art galleries, nightclubs, cultural institutions, night markets, theatre, hospitals and much more.

Directly and indirectly, the night time economy in Sydney accounts for more than \$15 billion in turnover and approximately \$30 million in costs.

The City has adopted the Open Sydney Policy, which will broaden the range of night time offerings and provide clear direction for Sydney's night time economy over the next 20 years. The policy will balance public safety as well as economic and residential growth. The City has undertaken an extensive program of research and consultation with the community and business to inform the Open Sydney Policy.

A specific night time economy policy is necessary to address the significant differences in managing a city at night. At night time, the volume of visitors changes markedly in some areas, as does economic diversity and what businesses are open. These changes affect nearby public spaces and how they are used. The people who use the city at night may be different from those who use it during the day and how they get to the City and their options for getting home are different. These examples are just a few issues that highlight the need for the Open Sydney Policy.

There are challenges for managing Sydney's night time economy, but to do nothing is not an option due to the potential harm to Sydney's economy and the city's reputation as a global city. Sydney should become known as the international exemplar, balancing the needs of residents and businesses to the benefit of both.





**Action Plans: developing places**

**Central Sydney, the heart of Global Sydney**

To maintain Sydney’s global city status the City must maintain its focus on the development of central Sydney – its amenity, cultural vibrancy, physical infrastructure, development capacity and clusters of high value economic activity.

**Green Square**

Green Square is the largest urban renewal project in Australia. The Green Square project is transforming a 278 hectare area south of the city centre into an attractive, vibrant and sustainable urban centre, with a diverse mix of housing, open spaces, offices, shops and facilities.

The Green Square area includes Beaconsfield and Zetland and parts of Rosebery, Alexandria and Waterloo and is just 3.5km from the city centre and 4km to the airport.

About 5,700 new dwellings have been built since 2000, bringing in close to 11,000 new residents. By 2030, Green Square is projected to house about 40,000 residents and attract about 22,000 workers. At the heart of the project is the development of the Green Square Town Centre, a new retail, commercial and cultural hub for the area around Green Square Station. The Town Centre will be the home of about 6,800 residents and 8,600 workers.

**Local village economies**

In developing *Sustainable Sydney 2030*, 10 village groupings were identified. Each grouping is a place with distinctive and diverse character based around key community main streets and centres of economic activity:

- CBD and Harbour: including the areas of Sydney City, Millers Point, Dawes Point, The Rocks, Walsh Bay and Barangaroo;
- Chinatown & CBD South: including Haymarket, Chinatown and parts of south Sydney CBD;
- Crown & Baptist Streets: consisting of Surry Hills, East Redfern and Moore Park;
- Glebe Point Road: taking in Glebe, Forest Lodge and parts of Ultimo, Annandale and Camperdown;
- Green Square and City South: covering Zetland, Rosebery, Beaconsfield, and parts of Waterloo, Alexandria and St Peters;
- Harris Street: consisting of Pyrmont, Broadway and parts of Ultimo;
- King Street: comprising Newtown, Erskineville, parts of Camperdown and Alexandria;
- Macleay Street & Woolloomooloo: encompassing Potts Point, Kings Cross, Elizabeth Bay, Rushcutters Bay and Woolloomooloo;
- Oxford Street: taking in East Sydney, Darlinghurst, Paddington and Centennial Park;
- Redfern Street: encompassing Chippendale, Darlington, Eveleigh, Golden Grove, West Redfern and parts of Waterloo and Alexandria.



The City currently makes a considerable investment through its grants and sponsorship programs to support the work of local chambers of commerce and business associations in these Village areas. The City also has Village planning groups that focus on the planning and development of the local areas.

As well, the City takes direct action to support precinct development and promotion initiatives; delivering events, marketing collateral, the finegrain and small bars program and supporting tourism and retail marketing campaigns. Other projects and programs aim to build capacity in the small business sector, predominantly located in the village precincts.

With approximately 25 per cent of the City's economic activity taking place in the Villages outside central Sydney, it is vital that each area perform to the highest level possible. To that end, the City will develop a plan that sets out key actions in the Village economies for the next 10 years.

Three major village projects are the urban renewal of Green Square, and Chinatown the ongoing commitment to the Oxford Street Precinct.

### Box 2: Oxford Street Revitalisation

As part of our efforts to revitalise the Oxford Street precinct, the City is undertaking a number of short, medium and long-term initiatives to ensure that this much loved and renowned strip continues to thrive.

In addition to a range of economic development initiatives, the City is activating under-utilised space with creative activity, to help rebuild Oxford Street as a dynamic cultural precinct.

In 2011, the City invited artists, creative and community organisations to submit an expression of interest for taking over one of the spaces on Oxford St, a program which offered affordable rental across 16 of City-owned properties, including retail and office spaces.

Following an overwhelming response and a competitive selection process, these spaces are now inhabited by a diverse range of cultural and creative organisations, including object design, web design, architecture, transmedia, film, visual arts, contemporary performance, contemporary music, social enterprise, literature and animation.

The transformation has been swift, with bespoke retailing and a new creative workforce already having a significant presence on the strip. And this is only part of the story.

We are now working with private property owners in Oxford Street and other precincts to help activate their under-utilised space.



### Future considerations

Industries and sectors not currently addressed in the Action Plans and that may be future priorities include:

- Health: the health services sector is estimated to contribute around \$1.4 billion to the City economy in 2012.<sup>60</sup> The City LGA is home to a number of major hospitals including the Sydney Hospital, Eye Hospital, and Royal Prince Alfred Hospital (a teaching hospital for the University of Sydney);
- Property development and operation: the building and construction services are expected to contribute around \$245 million to the City economy in 2012.<sup>61</sup> The pressure from increasing numbers of workers and residents has intensified the need for commercial and housing developments, either through upgrades or new construction; and
- Hospitality: this sector may be separately identified from the retail sector and more targeted plans developed to support its growth.

### Common themes

Common themes are broad and overarching subjects that are integral to the vision of the city economy and important for all of the Action Plans. The common themes will be expressed in different bodies of work, such as position papers or potentially even their own individual plan. They are intended to influence and guide decisions and to be fundamentally incorporated into the City's economic development actions.

#### Aboriginal employment and enterprise

*Sustainable Sydney 2030* identified Eora Journey as one of 10 project ideas. Eora Journey has four components:

- the expression of Aboriginal and Torres Strait Islander culture in the public domain;
- support for a major event;
- the development of a cultural centre; and
- the development of an economic development plan.

The economic development component of the Eora Journey project will address the community's access to education and training opportunities as well as issues associated with business investment, enterprise development and employment.

The City will establish partnerships with industry groups, other levels of Government, educational institutions and community and cultural organisations to identify where and how the City is best placed to act.



### Entrepreneurs and small business

An entrepreneur can be described as “someone who starts or accelerates a business” and in doing so provides new products, new production methods, new markets and new forms of organisation.<sup>62</sup> Entrepreneurs are agents of change and it is understood that to support entrepreneurs to become employers is an effective way to grow jobs and job diversity in the community.

A small business is one with fewer than 20 employees. It may be in its formative stage or have operated for some time. More than 80 per cent of all businesses in the City are defined as small business. Growth from the small business sector will represent growth in job numbers and in the diversity of employment opportunities.

Entrepreneurs and small businesses are represented across almost all priority industry or economic sectors. A common issue to all is access to resources and expertise to build their skills and capacity to operate their business.

A further issue is their difficulty in navigating the regulatory and compliance processes associated with all levels of government – “red tape” in their view.

The City will explore ways it can influence the success of entrepreneurs and small business operators whether through capacity building initiatives, making it easier to do business or the development of programs to assist start-up and small business more efficiently deal with Government. These initiatives will be industry or economic sector specific and delivered via the Action Plans for that sector.

In doing so, the City will consider and respond to emerging trends and new business models. One such model gaining prominence is that of “collaborative consumption”; an innovative business and community response that is re-inventing how we consume goods and services in sectors as diverse as finance, retail, agriculture, technology and education. From well-established international marketplaces to emerging local platforms, collaborative consumption is a potential growth area within both Sydney’s business community and internationally. The recent success of car sharing schemes in the LGA is one example of these new business models.

The City also welcomes COAG’s commitment to reduce the reporting burden on business and their recognition that “small to medium enterprises are particularly vulnerable to unnecessary regulation and the accumulation of regulation.”<sup>63</sup>



### Environmental sustainability

The City is committed to the sustainable development of the City through *Sustainable Sydney 2030*. In honouring its commitment as a leading environmental performer, the City aims to reduce greenhouse gas emissions by 70 per cent compared to 2006 levels by 2030. Part of the City's vision is to be internationally recognised as an environmental leader and to support new 'green' industries.

The City has a role to play in assisting business to contain and reduce its ecological footprint in line with the City's *Sustainable Sydney 2030* plan. Our focus will be to support business to carry out the necessary work to create baseline data, develop emission reduction strategies, report and monitor on these strategies, foster and promote innovation and to encourage a best practice commitment to sustainable practices.

The City will work with business to develop specific projects and programs for each industry and economic sector.



### Knowledge and innovation

To enhance knowledge and innovation the City will collaborate with the education, research and development sectors. Educational institutions are integral to the growth of Sydney's knowledge economy with their ability to foster the creation of ideas and knowledge and their role in the transmission and transfer of that knowledge.

This flow of knowledge leads to the creation of intellectual capital as well as strengthening the competitiveness, productivity and innovative capacity of many industries. It is this capacity to impact the growth of the economy exponentially, and the unique level of connectedness, that make education institutions essential enablers of the knowledge economy.

The City will continue to foster its partnerships with the university sector to work together on projects that support knowledge exchange, innovation and productivity and which deliver on the aspirations of *Sustainable Sydney 2030*.

Innovation has a spatial as well as a network dimension. Both networks and spatial components are intrinsically interrelated as they spur on, promote and reinforce one another.

Networks are critical between different elements of the economy and society for information sharing, a vital component of innovation development. To achieve long term, sustained innovation, cities must have strong connections between four sectors of the community: government, business, the not for profit sector and academia.<sup>64</sup> The City has an ongoing role to play in facilitating these networks.



Spatially, it means creating the environment for the four sectors of the community to intersect, to meet each other whether formally or informally. In both these dimensions, the City has an ongoing role to play.

The City will seek to encourage innovation by continuing to build on and enhance the industry clusters within the city to facilitate the exchange of tacit and explicit knowledge flows.

The City focuses on achieving this through the effective planning of the city, enabling clusters of activity to establish and grow in close proximity to one another to facilitate interaction and network development between sector and industry clusters.

Incentive policies to catalyse business development through subsidised commercial spaces are an equally important policy tool.

The provision of affordable spaces in city properties for use by artists and creative enterprise for instance, is a direct means for developing small clusters of creative activity. This can further enhance existing clusters.

Maintenance of the fine grain spaces in Surry Hills, for example, contributes to the strong cluster of creative businesses in that area.

The amenity of public spaces that encourages social interaction is another key initiative. This includes the design of public space and urban upgrades, the business mix of local areas such as the hospitality offerings, and the range of leisure and cultural activities.

The City has an ongoing role it can play in facilitating the exchange of ideas. From a network perspective, this means finding ways to bring the four sections of the community together for formal as well as informal exchange.

The City will continue to facilitate the formal and informal exchange of ideas. Events delivered by the City such as *City Talks*, *City Conversations* or sector specific forums promote the sharing of ideas and debate. As a partner and collaborator, the City will continue to support opportunities to progress thinking on particular economic issues – the annual Sydney China Business Forum is one such example.



### Strengthening connections with Asia

At present, there is considerable recognition of the importance of Asia for Australia's economic future.

As a global city, Sydney already has strong economic, cultural and social connections with other global cities across Asia, as well as other parts of the world. There is an opportunity for Sydney to expand these connections to deliver greater benefits to the community and the economy generally.

The City will explore the ways in which it can build on its strong cultural connection with countries in Asia to strengthen economic ties and promote trade and investment.

In recent years, the City has cultivated a close relationship with China through the cultural exchange associated with the City's Chinese New Year celebrations and an equally strong business relationship.

The City will collaborate with key partners to ensure Sydney remains at the forefront of engagement with Asia, and China in particular; whether through forums and dialogue, the delivery of targeted capacity building programs; or through the hosting of visiting Government and business delegations.

To deliver these outcomes the City will work in concert with the Australian and NSW Governments, the private sector and in particular, the financial and business services sector, the education sector and the tourism and retail sectors.

## 12

# Implementation and monitoring

## Implementation

The projects identified in each Action Plan will be high level and subject to greater definition and resources allocated for their delivery.

The City is cognisant that while there is a desire (and need) for immediate action and outcomes in each industry sector and key location, this must be balanced with the resources, capacity and competing priorities of the City.

The projects included in each Action Plan will be prioritised according to circumstances current at the time of their development, and indicative timeframes for their commencement identified as follows:

- Now – projects and programs commencing now or in the near future;
- Next – project and programs commencing soon after;
- Later – projects and programs that will commence in the medium to longer term.

Commencement dates for projects led by the City will be confirmed on an annual basis as they are further developed and budgets and resources allocated for their delivery.

## Review and monitoring

The Action Plans respond to the findings of extensive research and consultation at the time of their development. Regardless, the environment is and will remain dynamic and projects and priorities will change. Identified projects may not be required. New priorities will emerge.

Progress toward the achievement of targets or the identification of trends will be reported on an annual basis, albeit some data will not be refreshed this frequently.

Priorities will be assessed annually based on the outcomes achieved, and as new information on the needs of each sector or location becomes available.

Major reviews of this Strategy and each Action Plan will be undertaken to coincide with the end of year five, or in response to major global events if the need arises.





### Measuring outcomes

The City of Sydney has developed a community indicator framework; a multidimensional approach to measuring wellbeing that addresses the combination and intersection of social, economic, environmental, cultural and governance conditions that exist in the City.

The Indicator Framework responds to the contemporary view that traditional economic indicators of growth are not adequate to provide a balanced assessment of progress. It provides a more sophisticated response to measuring the many dimensions of progress, wellbeing and sustainability, and more effective ways of measuring “whether things are getting better”.

The indicators used to track change in the economy relate to the domain “Dynamic, Resilient Local Economies”.

The Indicators can be grouped in three broad areas:<sup>65</sup>

- Economic activity, diversity and prosperity.* This includes economic activity and employment growth within the City, as well as the need for diversity of economic activity, particularly across sectors to support an economy that is resilient to external shocks and competitively positioned to take advantage of economic opportunities. Floor space availability is acknowledged as important to economic growth. As Sydney is a global city, global competitiveness and international engagement also underpin City prosperity.
- Employment and education of city residents.* This area focuses on city residents (as opposed to city workers), and relates to their capacity to participate and contribute to the economy, including the local economy.
- Productivity and innovation.* Innovation is a key determinant of productivity, which in turn underpins economic activity and growth. Although data can be limited at a city level, this area focuses on important elements of workforce skills and education, knowledge industries and travel time to work in the city.

The economic indicators developed for the Indicator Framework will help to measure progress at a community level toward the City’s broad economic goals. They are not intended to measure the outcome of individual actions of Council.

Each Action Plan will include a set of measures that will be used to monitor broad trends in each sector and which collectively contribute to the economic indicators.

## 13

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