

June 2019

CITY OF SYDNEY ECONOMIC FUTURE

Towards a new cycle

ARUP

 The Business
Of Cities



EXECUTIVE SUMMARY

City of Sydney Economic Future

Towards a new cycle

With an integrated strategy balancing economic, social and environmental goals, the City of Sydney has the potential to enable metropolitan Sydney at 2050 to be one of the ten highest performing urban economies in the world. That's the ambition.

KEY QUESTIONS

What are the City of Sydney's economic challenges and opportunities over the next few decades?

What key global city trends will have most impact on the city's economy?

How is Sydney performing compared to other global cities – and how to ensure its resilience and inclusivity?

What is the contribution of the City of Sydney's economy to NSW and the nation?

What should the 'economic stewardship' role of the City of Sydney be – and how should it collaborate with public and private sector partners to ensure an economically successful and just City?

PURPOSE

The purpose of the economic future policy research is to inform Sustainable Sydney 2050: A Globally Competitive and Innovative City. The study has a particular focus on the period 2030-2050. The study analysed current policy, comparative city performance and, local and global economic trends. Key public, private and third sector stakeholders from across the ecosystem were then consulted to test and further develop emerging economic imperatives and initiatives.

THEMES

All agree that the future economic success of the City of Sydney area is fundamental to the success of the fast-growing metropolis of which it is part - and an Australia in transition to a more knowledge-based economy. The City of Sydney is Australia's long-term corporate decision making hub, biggest business brand, cradle of future industries, opportunity for talent, magnetic gateway and a pace setter for a more diverse, liveable and socially sustainable metropolitan nation. It is the centre of specialised expertise providing services to businesses across Greater Sydney and the wider city-region. Its success echoes that of other comparative global cities in its capacity to enable economic agglomeration in an era in which high value knowledge jobs have, globally, been concentrating in high quality, mixed use precincts close to CBDs and urban centre, well connected by public transport. Both the quantity of such jobs and their added value quality, has meant that

75_{metrics}

For this research we have reviewed over 75 metrics which specifically compare metropolitan Sydney's economy among a group of 20 leading cities internationally.

10_{peers}

The City of Sydney's own performance and assets can be compared against other peer 'core cities'. We selected inner cities that have similarities in size, metropolitan economy and global reach.

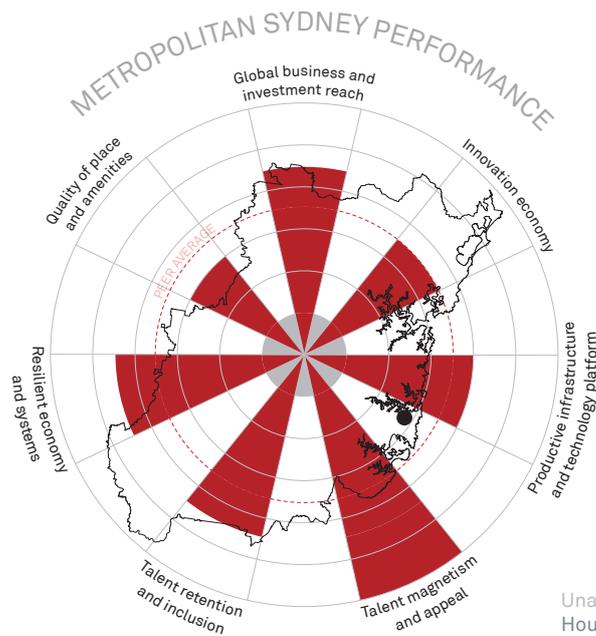
the City of Sydney is a unique and key engine of national productivity.

To achieve the ambition of being one of the ten highest performing urban economies in the world requires effective strategies to deal not only with Sydney's economic opportunities but also with rising externalities, socio-economic disparities and exposure to economic disruption. Like all global cities it has experienced massive capital flows which have exacerbated housing affordability pressures, made other important competing land uses less competitive and made cities less inclusive. Like all global cities it has attracted significant population growth and in no scenario do such pressures diminish on the City of Sydney over the next few decades. Added to the challenges and uncertainties facing Sydney over the next few decades are the profound impacts on the future of employment, retail, transport and city liveability which will flow from the decisive shift to the digital economy, automation and autonomous vehicles and from continued climate change.

Many of these themes were echoed in the interviews conducted for the study with key stakeholders from the private and not for profit sectors. These stakeholders stressed that while Sydney's current city centre and the other 'economic character areas' (or precincts) had been very successful and continue to be a draw for global investment there was a need to avoid complacency — for public policy and investment to maintain a focus on the CBD and harbour, Chinatown and CBD South areas in particular and for the City of Sydney to maintain and indeed increase its respected role as 'caretaker of the place' in the current city centre. Recurrent themes in stakeholder conversations included:

- Making the most of, but not relying on inherited (for example natural) assets
- The central challenge of Sydney's unaffordability
- The lack of social and public (in particular key worker) housing
- Growing lack of affordable space for creation and production (role of creatives)
- An over reliance on certain sectors and a failure to generate new catalysts
- A more sophisticated approach to stewardship of places
- Better collaboration and metropolitan coordination needed
- An important voice and advocate for the place based approach
- A need to be more involved in precinct renewal
- Night time economy a very real and ongoing issue
- Digital as an enabler for new economic activity

Informed by these views, by an awareness of global economic trends, and a specific analysis of key benchmarks and comparative cities, the study identifies Greater Sydney's comparative performance and the City of Sydney's main contributions to it – and the remaining challenges for it (overleaf).



Job density and labour productivity
 Concentration of high labour productivity jobs and high jobs to residents ratio among cities of its size

Demographics and cosmopolitan experience
 2nd highest share of working age and foreign born population

Scale and proximity
 Population density is 6th among 11 leading core cities and forecast to rise



Unaffordability
 Household income to median house price ratio shows City of Sydney around average for housing affordability among a group of expensive inner city cores. Commercial floorspace rent much more than Melbourne.

Modest innovation activity
 5th among 9 cities for number of top ranked innovative tech firms

Low industry diversification
 2 x average share of workers in finance, insurance, professional services and real estate. Lowest share of innovative firms specialised in engineering and design, automotive and aerospace and manufacturing.

KEY FINDINGS

Although comparisons are always difficult and the City of Sydney's specific location at the edge of its metropolis, on the east coast, reinforces the challenge of benchmarking, the following findings are compelling and speak to the need for the City of Sydney to develop broad-based urban management approaches-

- Inherited metropolitan investment deficits particularly in mass transit
- Significant house price inflation – with continuing market pressures to rezone land for residential uses
- Pressures on the role of the City to attract and retain global talent and maintain its critical function as high value jobs provider to the rest of Sydney - while

providing diverse economic opportunities for its communities

- High reliance on a small number of economic sectors serving the Asia-Pacific market such as finance, property, the international student economy and tourism
- A relatively slow pivot to smart city technologies and transition to the innovation economy
- Evidence of pressures on the quality of place in key precincts – reducing liveability and threatening future productivity
- Continuing pressures on the diversity of the economy of the City with specific challenges to the critically important creative and cultural industries and night time economy

	‘Old cycle’ economic development models in cities	New cycle’ economic development models in cities
Priority Agendas	<ul style="list-style-type: none"> • Project based with focus on physical renewal • FDI attraction and Tourism attraction • Internationalisation through exports • Support the positive externalities: (labour market density, industry clustering, tax revenue, supply chain development) 	<ul style="list-style-type: none"> • Innovation economy & ecosystem development • Inclusive economy and participation imperative • Metropolitan labour market and housing market • Promotion of liveability, cultural production and ‘stickiness’ for talent • Sustainable urban systems, circularity and building resilience • Joint ventures with mission driven businesses • Understanding and addressing negative externalities (inflation, congestion, environmental) • A business brand that links with liveability and citizen identity
Priority Assets	<ul style="list-style-type: none"> • Larger local companies and institutions • Focus on the city centre 	<ul style="list-style-type: none"> • Recognition and promotion of all assets together • Focus on urban experience in distinctive locations. • Internal and external mobility
Target Sectors	<ul style="list-style-type: none"> • Supporting the strong local sectors with currently healthy global demand • Globalised sectors such as Finance, Professional Services, Real Estate • Tourism and events • Potential for unintended spillovers 	<ul style="list-style-type: none"> • Active diversification of sectors and time profiles • Industry 4.0 and newly globalising sectors such as digital, genomics, urban services, mobility. • Innovation and integration potential across all sectors • Sustainability improvements and circular economy • Experience economy and links to place making
Skills and Human Capital	<ul style="list-style-type: none"> • Siloed and domain specific approaches based in government verticals 	<ul style="list-style-type: none"> • Integrated outcomes-based approach: education, housing, public health, mobility and business activity
Delivery	<ul style="list-style-type: none"> • Local government led • One off incentives or tools • Dedicated agencies • Limited metropolitan collaboration, risk of zero sum displacement 	<ul style="list-style-type: none"> • Partnership led • Empowered institutions • Strong focus on complementarities • Value creation, sharing and reinvestment
Timeframes	<ul style="list-style-type: none"> • Electoral Cycles 	<ul style="list-style-type: none"> • 1-2-3 Economic Cycles
Scale	<ul style="list-style-type: none"> • Ignoring or agnostic about functional economic geography 	<ul style="list-style-type: none"> • Attentive to functional economic geographies such as metro regions, sub-regions, urbanised cores, rather than municipal boundaries

RESPONSE

A review of local and global trends and of the experience of other cities with similar challenges and imperatives points to the need for the City of Sydney to develop a new approach in en route to Sydney 2050. In our view this mandates a significant shift in approach. From an ‘old cycle’ approach to a ‘new cycle’ one. The former was effectively a silo’d,

sector-focussed and narrow approach to economic policy. The ‘new cycle’ of economic strategy integrates environmental and social imperatives, melds people and place optimisation, and creates collaborations with key partners across borders, between government tiers, and with the private and not for profit sectors to foster and manage wider change in the ecosystem that nurtures the economy.



EMERGING PRIORITIES

- Maturing the ecosystem for growth, productivity and innovation, including the networks and culture of key industries and the metropolitan enablers of productivity, including growth management, infrastructure investment, land uses, labour market and housing market.
- From place deficit to place advantage: stewardship of specialised precincts, corridors and interchanges as an essential component for liveability, social sustainability, to support future industries and ways of working.
- A diversified and 24 hour economy primed for future industries, that reduces over reliance on potentially vulnerable sectors and builds in responsiveness in terms of skills (capacity building), regulations, land use and technologies. A decisive shift towards the innovation economy and the integration of digital city systems and standards as core enablers of new business and entrepreneurship.
- Community strengthening and integrated efforts for a more inclusive economy. This requires sustained efforts to strengthen the City’s skills and capacity building support with the aim of increasing community access to future jobs and policymaking conversations. It involves multi-cycle and collaborative interventions to address housing market pressures, build resilient infrastructure (and networks) and create businesses that contribute to future ability to attract and retain jobs.

- Amplify the role of culture and creativity both to communicate Sydney’s advantages and layered depth and also to encourage enterprise and foster inspiration or innovation across industries.
- A business identity and narrative that aligns with the core values and DNA of Sydney and produces a self-confident view of Sydney in the world.

These economic priorities are best pursued by achieving more ‘through cycle’ consensus. Looking ahead to 2050, City of Sydney can deliver local economic goals by proactively participating in joint co-ordination platforms, enhanced regional institutions and mandates, sustained partnerships between the public and business sectors, better precinct governance and shared advocacy of economic priorities. The opportunity to influence decision-making and promote collaboration and community-building in priority locations will be key in the next cycle.

CONCLUSION

New cycle, new role for City of Sydney: ‘steward of place and people’

The City should further develop its stewardship role to maintain the balance between jobs and homes, to promote business innovation but also to support its communities through economic transition towards a more just and shared city.

This means developing an enhanced capacity to engage with and shape metropolitan decision-making processes and problem solving mechanisms across government tiers.

It means building a sustained alliance and shared, long term economic strategy with neighbouring local governments in the context of the GSC’s Three Cities strategy.

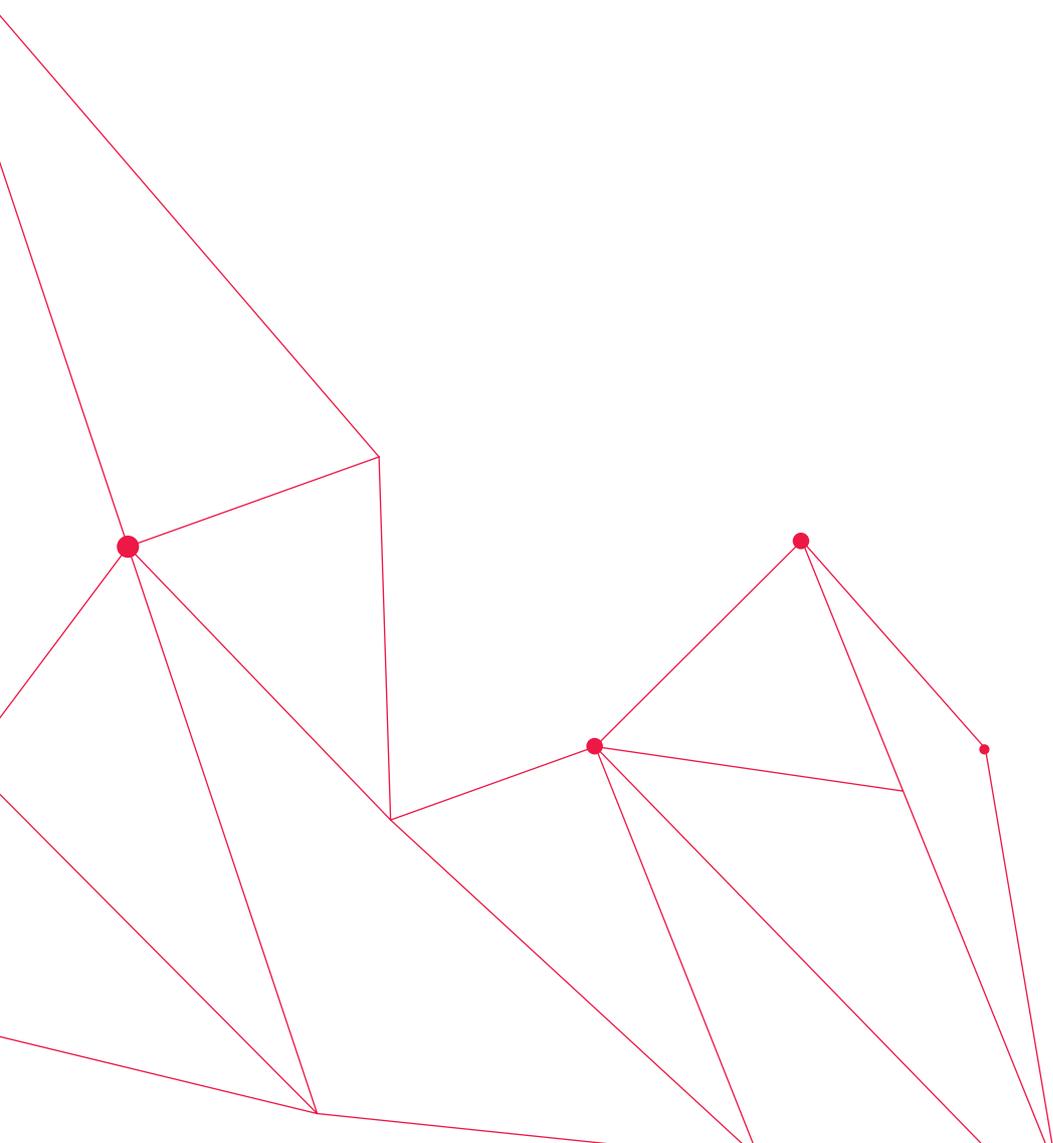
It means using the emerging collaborative governance opportunities like the Camperdown-Ultimo Collaboration area and Tech Precinct initiative to test new approaches and ideas – and to initiate other relevant precinct collaborations to promote economic diversification and community strengthening.

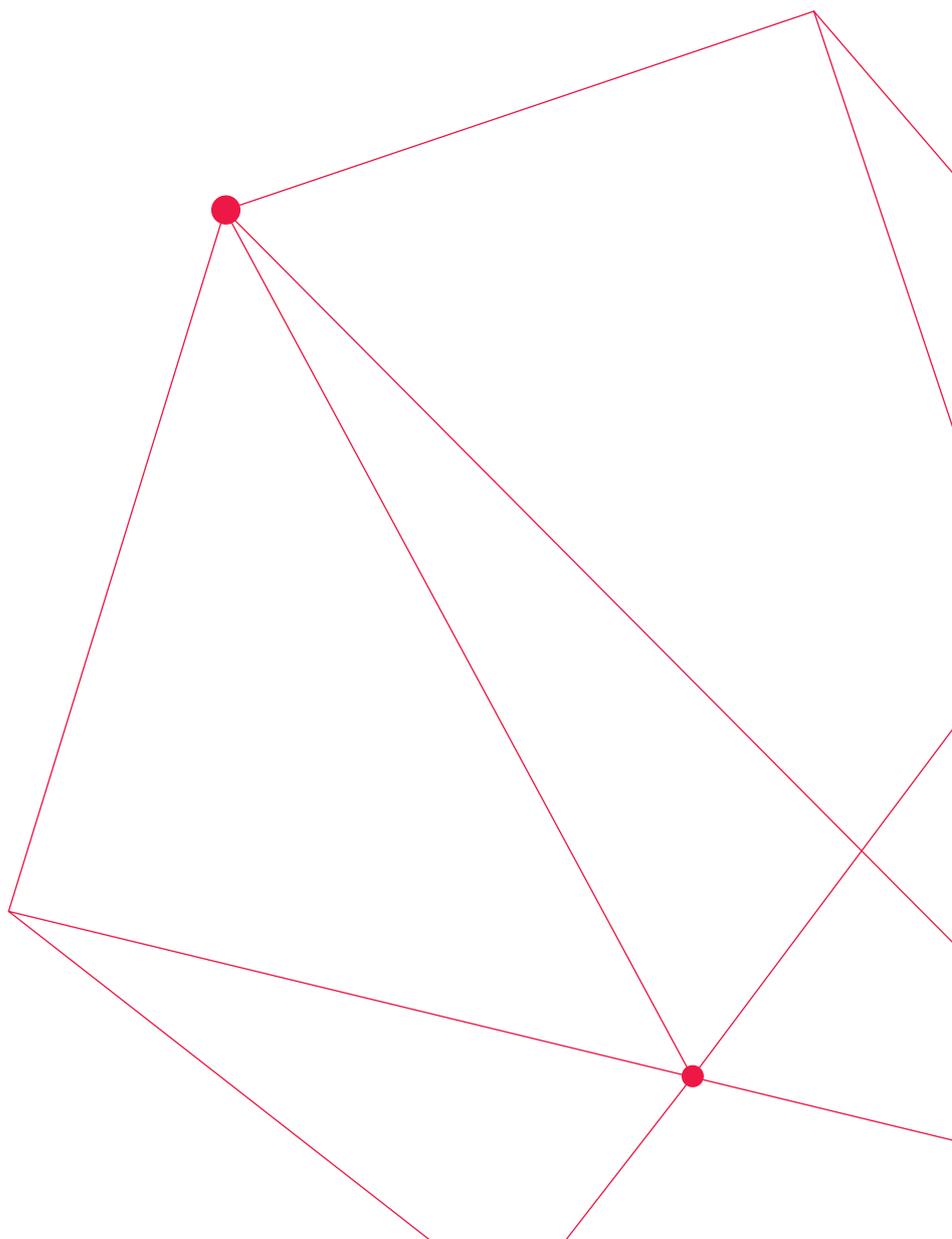
Above all it means developing the role of the Council not just as a service provider of high quality but also as a convener of all the other forces required for success, bringing them – governments, businesses, landowners – together in collaboration with the community, behind shared strategies for the City. Cities collaborate to compete in the global era – and to deliver for their communities in a time of massive economic change. These outcomes and values inform this study and its recommendations.



Contents

- 01 Introduction
- 02 Metropolitan centres in the 21st century
- 03 How are other cities adjusting to the new cycle?
- 04 Sydney and City of Sydney: global perspective
- 05 Key priorities for City of Sydney
- 06 What it will take to deliver





Introduction

The purpose of this research into major economic trends and policy is to inform Sustainable Sydney 2050: A Globally Competitive and Innovative City. The study thus looks ahead to 2050 though with a particular focus on the period 2030-2050. It reviews evidence about both the significant economic forces shaping cities globally and the specific comparative performance of Sydney to identify the economic imperatives for the City of Sydney. The long horizon for this review is challenging but also crucial. Without looking this far ahead, decision-making is incremental in the face of the long-term strategic and structural challenges already emerging.

The review is timely. Since Sustainable Sydney 2030, changes in the global economy have brought into being a new set of challenges and success models for cities. Both cyclical and structural changes in central and metropolitan Sydney more broadly have highlighted the urgent need for a strategic approach that is more integrated and ambitious. The paper draws on local and global insights to map the key impacts and risks, to contextualise their significance, and to guide the City of Sydney in developing specifically its economic strategy but also to inform the Council's overall approach to what might be called its stewardship role in relation to the management and success of

this key area in the economic life of the state and indeed the nation. The City of Sydney oversees Australia's only global city and this review has been shaped by that understanding

The study thus recognises the specific political and governance context of City of Sydney and observes imperatives, opportunities, tools and narratives for the City to engage with the wider metropolitan area. The research aims to further interpret and align other economic and development strategies being developed at City of Sydney, Greater Sydney, New South Wales and Federal Government scales.

The study is informed by:

- [Literature review](#) of the last 3 years of global economic forecasts, trend analysis, scans and insights produced by leading organisations such as OECD, UN Habitat, World Economic Forum, McKinsey, PwC, in relation to the future of globalisation, geo-economic change, the future of work, new industries, city competitiveness, changing spatial economy, economic resilience, economic equity and inclusion, citizen expectations and preferences.
- [Recent Arup and The Business of Cities analysis](#) for stakeholders in Sydney, including the Benchmarking Sydney series (for Committee for Sydney), The Value of Culture report series and The

Innovation Economy (for NSW Government), Creating Great Australian Cities (for Property Council of Australia), International Case Studies of Connected Cities and Agglomeration, Centres and District Plans (for Greater Sydney Commission) and Anchor Institutions: Background Research Report (for Infrastructure Australia).

- Review of existing policies, including Sustainable Sydney 2030, local strategies and action plans for Economic Development, Digital, Resilience, Tech, Social Sustainability, Culture, Transport, Environment, Tourism and Retail.
- Economic strategies review and analysis since 2015 of 20 city cores and city regions around the world that are comparable and/or competitive with Sydney.
- Review of latest citywide and metropolitan benchmarks of comparative performance, from The Business of Cities database, supported by available metrics at local government, CBD and central area levels.
- Stakeholder interviews and workshops with leaders in government, business, universities and civil society to test, distil and develop research insights and to build a perspective on priority policies and locations (detailed insights are available in a separate document).



Metropolitan centres in the 21st century

THE CITY OF SYDNEY AND ITS CONTRIBUTION

The future economic success of City of Sydney is an agenda for the whole of Australia. The area produces just under 9% of national GDP and in output per square metre terms is the densest producer of economic output in the Southern Hemisphere. There is no doubt that the City of Sydney is fundamental to the future prosperity and perception of the nation and to the ability of the whole of Sydney to meet the needs and expectations of its expanding and diversifying population.

The City of Sydney is where Australia greets the world – close to half of all visitors to Australia come to Sydney first. It is also the nation's major centre of management and decision-making for high value industries that have regional and increasingly global significance. These decision makers contribute to the economic success of the Greater Sydney region and Australian economy by providing financial and trade expertise, supply chain demand, talent acceleration, sector specialisation, creative problem-solving, tax revenue and

much more. In addition they provide specialised professional services to help the performance of businesses across the Greater Sydney area. Like other cores in metropolitan areas whose economies have become globally facing, the City of Sydney plays a key role as premium office cluster, shop front to the world and the gateway to investors.

All the stakeholders talked to as part of this process acknowledged the significant role that the City of Sydney area plays in terms of the economic performance of Sydney overall and thus the nation. Continuing that economic momentum – the result of inherited assets, financial services but also a liveability focus and a creative arts offer promoted actively by the Council itself – was seen as the number one priority. It was also acknowledged however that the side effects and externalities of success were very real for the City of Sydney requiring key skills, a resolute and long term policy focus and significant resources be allocated to the management of the city's economy by the City of Sydney working in

collaboration with key partners in the public and private sectors.

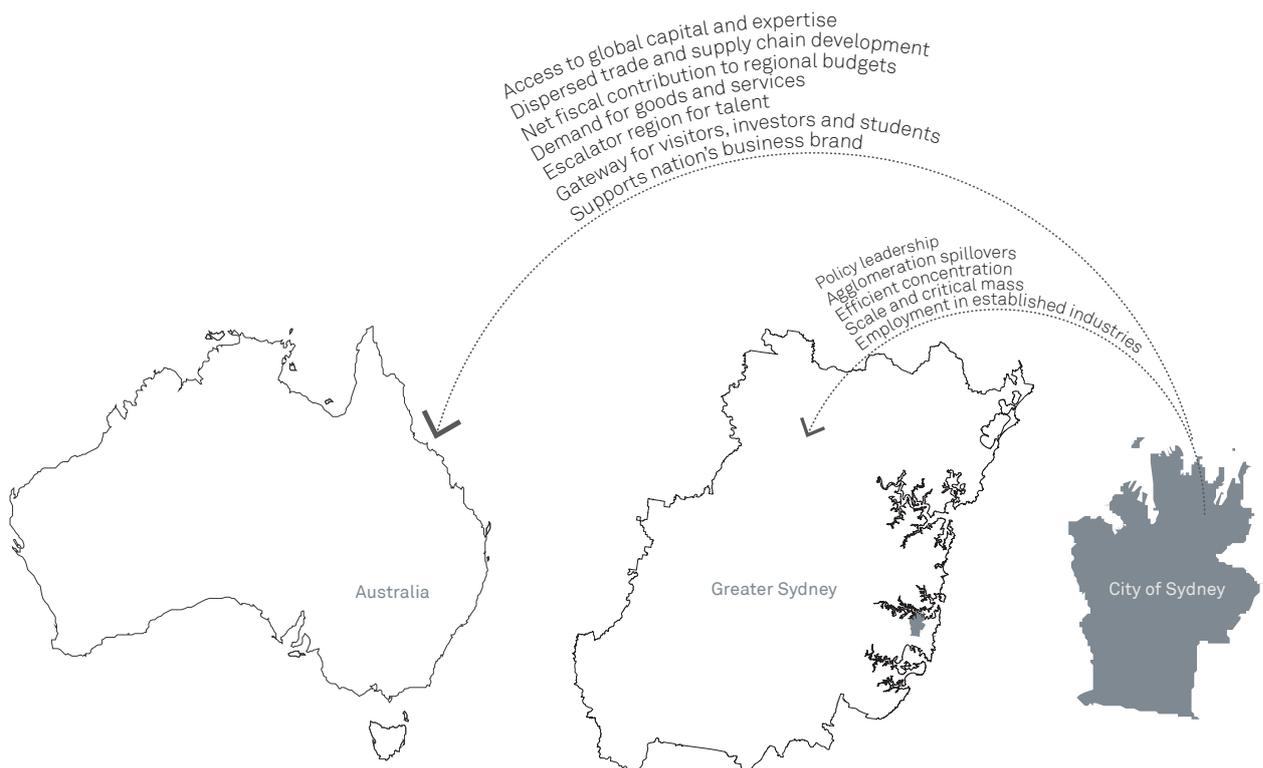
The City is a maturing hub for tourism, business visitors, leading students and faculty at its world class universities. It is home to advanced creative and cultural industries that serve markets internationally and export expertise to the world. And it hosts the highest concentration of innovation economy activities in Australia. Sydney is Australia's dominant business brand.

At the same time and as the centre of a rapidly expanding metropolitan region, the City of Sydney area continues to provide significant employment in retail and entertainment sectors as well as a large number of jobs in public services at all levels. It retains and protects some manufacturing capacity predominantly in the southern employment lands that are yet going

through transformation. Its economy is increasingly complementary to other metropolitan centres such as Inner West, Parramatta, North Sydney, Macquarie Park but also in due course to Blacktown, Liverpool and potentially the future aerotropolis in Western Sydney.

The City's dense clustering, corporate presence and policy ambition means it is a first mover into new business opportunities including the circular, green and digital economies. As the progressive and ambitious core of Australia's largest metropolis, the City influences and sets standards for the whole of Australia: how a growing society and economy can and must pay attention to liveability, quality of place, resilience and inclusion, if the City is to carry on making its vital contribution to the nation while also serving the interests of its own inhabitants The City of

Sydney as an organisation takes the lead in effective advocacy to the NSW and Federal Governments, including often on behalf of other councils and stakeholders across Greater Sydney. Strong recent economic performance and local political stability has produced the opportunity for the City to settle into an important leadership and advocacy role pushing for more customised urban policy responses to respond to the unique needs of communities that make up Greater Sydney.



Stakeholders agreed about the importance of Sydney's leadership position in the Australian context and indeed for cities around the world. They talked about the important role of the City of Sydney in setting policy agendas and testing delivery ideas for local governments around Australia. The feeling was that City of Sydney needed to consider in its economic policy not just the inclusive view for its boundaries and constituents, but what the City can do for the whole of Australia. People talked about the need to discuss the benefits of the City of Sydney approach for the wider Sydney community and indeed the nation.

Overall, the depth and breadth of the economy in the City and the range of jobs, services and policy leadership it provides to all parts of the metropolitan community is unsurpassed in Australia.

A competitive City of Sydney – as a place, as a community and as a council - is of critical importance to a nation that by global standards is experiencing major spatial, industrial and demographic transition.

GLOBAL ECONOMIC TRENDS AND THE OUTLOOK FOR CITY OF SYDNEY

The global evidence and trend analysis points to a world in 2050 where urban and metropolitan economies have evolved substantially.

The 'Asian Century' will likely result in most of the largest national and city markets located in Asia achieving much more competitive institutional and infrastructure systems than they have in 2019.[2] Australia's cities will have grown in the same period but will be medium-sized, medium-growth markets relative to neighbours in South East and East Asia. There will be at least 50 Asia-Pacific cities with an economy larger than Sydney's by 2050. If current trends continue, more than half of them will have top 100-ranked universities and be among the top 100 most popular cities for tourists.

Technology and demographics will see metropolises expand in effective economic scale (or geography), enabled by high speed and flexible transport technologies. Meanwhile second centres and CBDs (for example Parramatta) are gradually maturing around the world to provide specialisation and enable new development patterns. But the re-urbanisation process and the associated demand for urban living is unabated and still has some room to be accommodated in the City of Sydney even though the residential mix is consistent with other city cores with similar spatial constraints (i.e. on one side of the metropolitan area) around the world (for example Toronto). Future core economies are likely to depend even more on proximity, flexibility, role portfolios,

specialisation, high trust for projects and deals to rapidly assemble and disband and continual reputation management of firms and talent.

High performance city cores host dense, attractive, specialised and cohesive places with distinct identities and highly collaborative cultures. This can only be achieved through intensification and optimisation of the use of space and infrastructure. It means inner city cores have to ensure efficient and properly integrated commuter infrastructure, adequate 'last mile logistics' space and ensure flexibility in land uses to respond quickly to market needs that are likely to shift quickly in the future.

Almost all discussions with stakeholders included different opinions on the economic challenges and opportunities associated with the 'inner city focus' of public policy, investment and urban interventions. Some talked about the challenges or pressures of growth and some talked about the externalities associated with consistently good and concentrated economic performance (often termed gentrification). All agreed that future focused economic policy in globally facing and complex cities needed to address social and environmental issues in addition to conventional economic considerations.

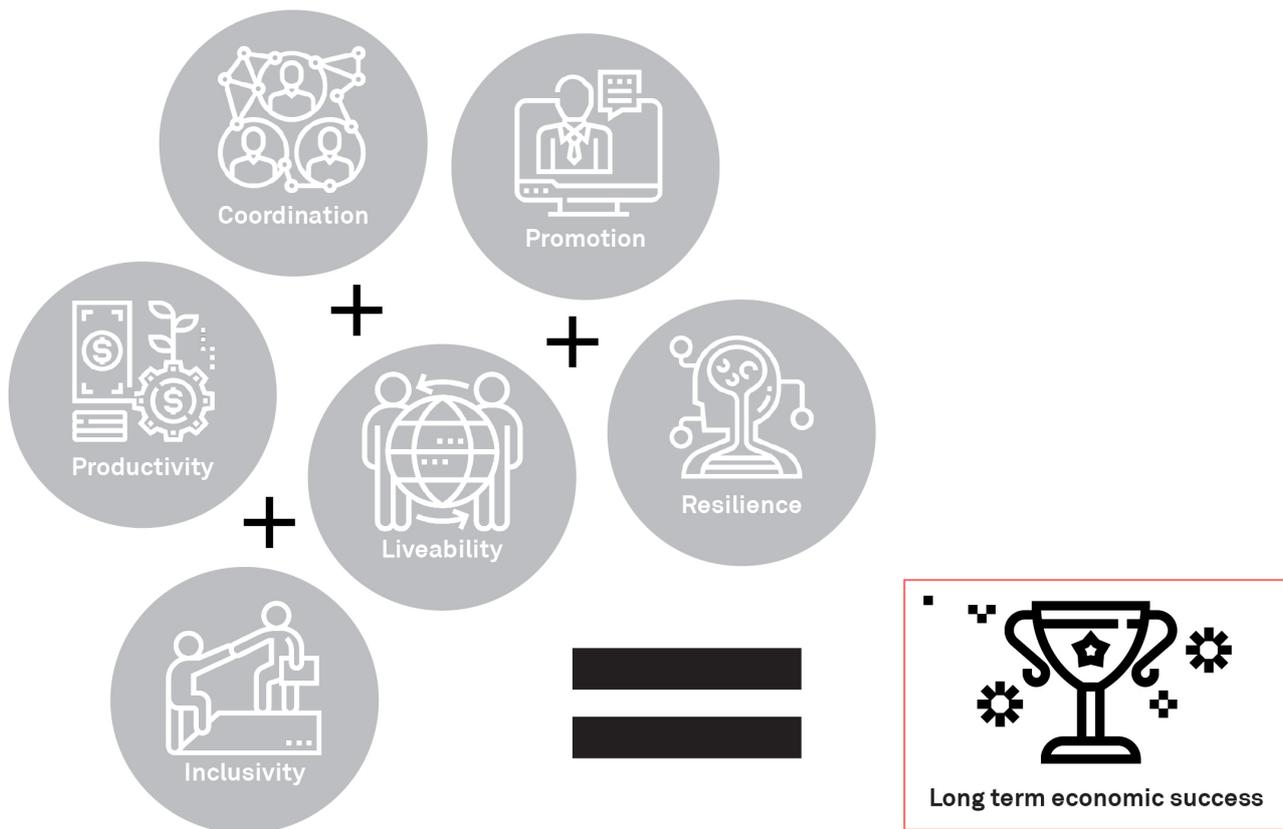
Trend	Nature of Change	Implications for City of Sydney
The new global mobility	Increased global integration, economic liberalisation, population mobility and technological evolution. Jobs, workers, capital and institutions have become more mobile.	Economic development becomes more complex and integrative – firms and talent have higher expectations of places and precincts.
More industries are global	More economic sectors have become globally traded, not only financial services, tourism, media and information.	More cities compete for market share in higher education, finance, tourism, entertainment - more risk of customers becoming competitors.
The metropolitan age	Metropolitan units have established themselves as the key centres of global business and drivers of economic growth and innovation in national and global economies.	Adopt multi-municipal perspective on economic vision, complementarity, housing and labour markets.
Beyond business climate	The motives of major businesses to locate in global cities have become less to do with price, incentives or ease of doing business.	Cities need to foster ecosystems, encourage clustered specialisation, create and retain talent and build a business reputation and brand.
The urbanisation of capital and innovation	Appetite for capital to invest in urban assets has soared, spanning infrastructure, housing and real estate, but also consumption, technology, innovation and supply chains.	Pressure to become more ‘investment ready’ to capital providers by preparing bankable projects and reducing risks of long-term under-performance of assets.
Technologies disrupting business models and urban/place preferences	Exponential tech and big data are transforming many aspects of how businesses operate, where they prefer to locate, how they look to cluster and the kinds of workplace they require.	Place performance, integration and variety becomes a central pillar of the economy.
Businesses are taking a more proactive leadership role and mission driven approach	Large firms and investors of capital are recognising the win-win opportunities to achieve a more productive city and districts. Large and small firms are aligning social purpose with profit motives to achieve long run returns.	Find beneficial and sustained collaborations and joint ventures with purpose driven firms that can create catalytic scale change. Use business allies to advocate for stronger tools and policies.
CBD Plus	High value economic clustering is taking place in other locations beyond a city’s historic core, where there are critical assets: e.g. airports, hospitals, university campuses, conference centres, innovation and science parks.	Complementary strategy with Parramatta and others; imperative to mobilise institutions, proactive precinct development, asset auditing
National gaps and disparities	Larger cities have become more interconnected with each other at the global level and more detached from the performance of national economies. This gives rise to a pattern of ‘winners’ and ‘losers’ within cities and between them.	Partner with second cities and other major areas of economic activity, demonstrate reciprocal flows and benefits, seek negotiated national and metropolitan urban policy.
Resilience imperative	Metropolitan economies vulnerable to localised and global shocks and stresses	Need to build collective solutions in order to become more resource-efficient, more resilient to volatility and open to step changes in technology and economic approaches.

Table 1. Ten key economic trends and their impact on core cities

The global trends bring into view a wider and more integrated perspective on economic performance for the City of Sydney. Ongoing improvements to the City's productivity and GDP have to be supplemented by improved metropolitan co-ordination, liveability, equity, stronger promotion and resilience against future shocks. Achieving the right balance requires cross-cutting agendas that are delivered through partnership and collaboration.

WHAT IS AT STAKE?

There are few certainties but the future trend outlook points to major opportunities for the City of Sydney. By 2041 the City is expected to be home to over 350,000 residents. In 2050 it will be the hub of a diverse 8 million person metropolitan area and an even larger mega region of connected cities including Newcastle, Wollongong and possibly Canberra. The city region will have a deep set of accumulated relationships within a maturing Asia Pacific system whose much larger middle class will have developed a very clear perspective on Sydney's appeal as a place to work, invest, live, start up, study and play. By carefully accommodating more activity, intensity and amenities, the City can become a capital of



innovation and a top-class destination for culture, helping metropolitan Sydney to become one of the ten leading urban economies in the world.

Perhaps unsurprisingly, affordability of housing, living and business was consistently raised amongst the stakeholder group as a major economic challenge for competitive and influential cities around the world. Many highlighted the need to attentively manage the relationship between growth, affordability and liveability as part of economic strategy in any successful city. The risk that globally influential cities are heading towards a tipping point where price inflation leads to economic activity moving elsewhere, is viewed to be very real.

The next cycles will reveal whether the infrastructure deficit, the adequacy of the response to the infrastructure deficit and negative externalities of price inflation, inequality and congestion start to become severe diseconomies for the City of Sydney. The future poses clear risks that industries important to Sydney's performance (for example finance and higher education) will experience more intense local and international competition. The likely economic costs associated with these risks are increased if there is inadequate social and environmental preparedness.

How are other cities adjusting to the new cycle?

The City of Sydney is not alone globally in confronting these dilemmas and risks, although the particular governance configuration it operates in is highly unusual. Other globally facing cities and metropolitan cores (on the edge of metropolitan areas or not) are experiencing similar trends and have been adapting their economic policy for the new scenarios.

This transition substitutes an ‘old cycle’ of siloed and solo policy with a ‘new cycle’ of economic strategy that integrates environmental and social imperatives and seeks deeper partnerships and collaboration to foster ecosystem wide change. The practice of economic development has evolved substantially in the past 20 years in response to changing trends and lessons learned (see Table 2).

‘Old cycle’ approaches to economic development in the core of globalising cities over the last 20 years tended to focus on:

- Recognising the global competition and seizing new economic and demographic opportunities to participate in global trade and investment.
- Achieving better reach for local firms into global markets, exposing them to international practice and innovation.
- Attracting business and investors through the promotion of prestigious investments or global events.
- Achieving strong identifiable clusters and supporting them through knowledge exchange and networking.
- Investment in the ‘hard’ infrastructure platform, logistics system and institutional asset base to host functional supply chains and enable clusters to operate and succeed.
- Quality of life initiatives in priority destinations and regenerated sites.
- Reducing competition for business from other local governments.
- Maximising support from higher levels of government to achieve enabling infrastructure.

‘NEW CYCLE’ ECONOMIC STRATEGIES IN CENTRAL CITIES AROUND THE WORLD

The last 5-10 years of economic strategies in other top global cities illustrates a shift towards recognising the limitations of previous approaches and the adoption of a new set of principles. Strategies for urban cores and citywide strategies are attempting to tackle contemporary challenges including disruption, innovation, place-making, inequality, resilience and branding (see Table 3). Leading examples of these strategies are explored further on the following pages.

	'Old cycle' economic development models in cities	New cycle' economic development models in cities
Priority Agendas	<ul style="list-style-type: none"> • Project based with focus on physical renewal • FDI attraction and Tourism attraction • Internationalisation through exports • Support the positive externalities: (labour market density, industry clustering, tax revenue, supply chain development) 	<ul style="list-style-type: none"> • Innovation economy & ecosystem development • Inclusive economy and participation imperative • Metropolitan labour market and housing market • Promotion of liveability, cultural production and 'stickiness' for talent • Sustainable urban systems, circularity and building resilience • Joint ventures with mission driven businesses • Understanding and addressing negative externalities (inflation, congestion, environmental) • A business brand that links with liveability and citizen identity
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Delivery	<ul style="list-style-type: none"> • Local government led • One off incentives or tools • Dedicated agencies • Limited metropolitan collaboration, risk of zero sum displacement 	<ul style="list-style-type: none"> • Partnership led • Empowered institutions • Strong focus on complementarities • Value creation, sharing and reinvestment
Timeframes	<ul style="list-style-type: none"> • Electoral Cycles 	<ul style="list-style-type: none"> • 1-2-3 Economic Cycles
Scale	<ul style="list-style-type: none"> • Ignoring or agnostic about functional economic geography 	<ul style="list-style-type: none"> • Attentive to functional economic geographies such as metro regions, sub-regions, urbanised cores, rather than municipal boundaries

Table 2. Economic development models in cities

	Innovation climate and ecosystem	Balance and mix of uses	Innovation districts and place	Inclusive economy	New industries and specialisations	Resilience and smart systems	USP and DNA
Urban Core Municipal Government strategies							
City of San Francisco	***	**		***		**	
City of Paris	**	**	***	***	**	***	*
City of Boston		***	***	***			
City of Toronto	**	***	***	**	**	**	***
City of Amsterdam		***	**	***	***	***	***
Citywide Government strategies for their urban core							
London	***	**	**	***	**	***	**
New York City	***	***	**	***	***	**	*
Hong Kong	***	*	***	***	**	**	**
Washington D.C.	**		***	***	**	**	***
Shanghai	***		***	***		**	

Table 3. Indicative priorities of economic strategies in leading cities[3]

These ‘new cycle’ principles for economic strategies include:

NEW WAYS OF CONCEIVING COMPETITIVENESS

- Resilience through diversification, inclusivity and skills development is important to sustain competitiveness through more than one economic growth cycle.
- The innovation economy as a major source of jobs, productivity and influence. Stockholm and Berlin are examples of cities that were not destined to shift to the innovation economy but which have identified the skills, infrastructure, equity and social ingredients to grow world-changing start-ups.
- Place and district optimisation as the vehicle to achieve clustering, specialisation and visibility. Because the global battle to attract and retain talent has intensified, with ‘bright flight’ and the rediscovery of the attractions of inner urban living, identifying the place ingredients to serve talent has become a priority.
- The integration of digital city systems and standards is a core enabler of business and entrepreneurship. Seoul’s pivot towards digital industries and smart systems has been highly effective in this regard.
- Recognition of the value of culture to competitiveness and liveability and therefore the need to support the cultural ecosystem, reinforce the production end of the creativity value chain, ensure affordable access for creative talent, embed culture into continuous cycles of placemaking and building the cultural ‘journey’ within and between many key economic precincts.

- A Business Identity and Narrative that the whole business community speaks, which aligns with the city’s core values and DNA. One of the most striking examples has been in Miami which has successfully pivoted its region to become the unofficial capital of Latin American trade and culture.

NEW MODES OF DELIVERY

- Recognition that economic strategies for one or more local governments are limited without ‘whole city’ discussions, data, asset auditing and comparative evaluation.
- A shift towards continuous and comprehensive solutions is needed rather than one-off decisions and investments, through tools and reforms for permanent improvement and engagement.
- New tools, pilots, experiments and demonstration projects to show alternatives to current arrangements and build different solutions in different city contexts throughout the city. This depends on convening more players together (governments, citizens, businesses, landowners) and engaging citizens and communities to identify, promote and participate in these projects.
- Select, prioritise and achieve scale rather than dilute investment and effort across many projects.

ACTIVELY ADDRESSING THE SIDE EFFECTS

Cities have also become more aware of the side effects and unintended consequences of simply pursuing the conditions for economic growth and development. In their strategies they have started to address: congestion and stress on infrastructure; inflationary effects on housing and living costs; social and spatial effects of social exclusion; displacement and segregation by income; cities are integrating priorities of equity, social justice, sustainability and circularity into their economic strategies.

The challenges for Sydney to maintain its ‘place value’ and therefore attractiveness were emphasised among stakeholders. Many identify the risk of complacency and reliance on iconic inherited assets like the harbour to continue to attract talented people, tourists and businesses. Stakeholders perceive a reluctance to generate new catalysts for investment, while competition grows from other markets in Australia. The perception was that other Australian cities were seen as highly attractive alternatives with significantly lower rental rates (in particular commercial) and less affordability pressures.

In addition leading cities have spotted the risk of suffering “lock in” to a narrow or rigid model of economic growth, where the city becomes over specialised in certain sectors where demand is high and other growth industries or ecosystems are unintentionally crowded out. The antidote is paying closer attention to the self-reinforcing decisions, criteria and preferences of Governments, large firms’ HQs and incumbent institutions, which slow reaction time when economic disruption occurs and opportunities arise. Realising a more diversified set of economic activity requires further exploration of and a conscious discussion about – in particular in the City of Sydney case – the countercyclical role of good public policy.

Cities have had to become more responsive to the risks of excessive disparities between urban cores and the rest of the region and between the region and the rest of the nation. These risks manifest themselves economically, politically and culturally. The result is a new imperative to actively address the linkages between places in the economic ecosystem.

WHAT ARE OTHER LEADING CITIES DOING?

INNOVATION CLIMATE AND ECOSYSTEM

Hong Kong’s 2030+ strategy adopts a new approach to support SMEs and facilitate the start-up economy. The city has reduced tax on profits and tax deductions for businesses that invest in R&D and has launched a Technology Talent Admission Scheme to fast-track the admission of overseas and Mainland China science graduates. A A\$360million Innovation and Technology Venture Fund provides match funds to encourage more VCs to invest in Hong Kong start-ups. To reduce the barriers of high rents and declining vacancy rates, the city is also increasing its supply of land for emerging industries. The government has unlocked more than A\$300million for its public technology district development agency to develop facilities for advanced manufacturing.[4]

NEW INDUSTRIES AND SPECIALISATIONS

The City of Amsterdam’s goal is to become fully circular by 2050 in part by pivoting to new industries and specialisations. The City recognised early the potential of the circular economy to help create a liveable, resilient and competitive city and became the first in the world to develop a vision accompanied by a roadmap and action agenda. Circular projects are evaluated across 7 policy instruments and 5 industries – such as construction, manufacturing and consumer goods. The City of Amsterdam actively partners in many of the new initiatives and is willing to undergo major change, for example in its spatial planning policy, to create integrated change.[5]

The City of Paris is pursuing an advanced approach to applying digital technology to optimise urban mobility, production and consumption and promote a more circular and collaborative economy. The City is investing €180 million (A\$280m) to create a comprehensive offer of digital services for users and city employees. To facilitate the scaling of urban solutions, the City has established an urban experimentation Laboratory run by its economic development agency Paris&Co. Through the DataCity open data programme, the City encourages major private partners to share their data with start-ups to foster new business opportunities and new services. The trials on urban logistics, energy efficiency and waste management are creating the spaces and skills to grow a new cadre of firms. Meanwhile the Paris Code programme commits to training 2,000 developers and coders every year.[6]

INCLUSIVE ECONOMY

New York City’s approach to addressing house inflation and unmet demand is to maximise the use of City-owned land and use all City financing tools to stimulate development and promote mixed-income communities. 15% of the areas zoned for mandatory affordability are located in the economic centre of Manhattan. The programme is supported by a \$1 billion fund for neighbourhood improvements, in order to improve the social infrastructure new residents need. The City is also improving its coordination with regional partners to stimulate the production of housing to meet demand at the metropolitan level by establishing a regional planning division.[7]

INNOVATION DISTRICTS AND PLACE

Already one of the 10 leading innovation economy hubs globally, the [City of Toronto](#)'s new strategy identifies Institutional Areas to proactively cluster of major educational, health and governmental institutions with private sector firms. The centrepiece is the Health Sciences District in Downtown Toronto, an expanded area around MaRS Discovery District (Canada's largest concentration of hospitals, business incubators and venture capital firms). To enable these institutions to reach their potential and create new products and services, the City is prioritising non-residential uses and physical connections between buildings to facilitate interaction and promote the sharing of resources and technology.[8]

BALANCE AND MIX OF USES

Downtown Boston inherits a patchwork of public, institutional and private land owners, but the [City of Boston](#)'s 2030 strategy is a major shift to encourage collaborative placemaking and a mixed-use core, in order to create an urban centre where more people live, work and spend time. The long term strategy for the Shawmut Peninsula aims to expand the commercial core to accommodate more housing, with the 'High Spine' of office skyscrapers adapting to locate residential and social activities. It also guides public realm investments to create a more dense, bikeable and walkable environment. The plan looks to align goals of different players and incentivise consideration of community benefits alongside institutional expansion.[9]

In response to the growing pressure on land and higher rents, [London](#) is exploring new ways to protect its creative and advanced manufacturing economy within a diversified sector mix. 6 Creative Enterprise Zones (CEZs) have been selected to support artists and creative businesses, including in inner city precincts. CEZs use planning obligations to secure affordable spaces for production at below-market rate rents and develop live-work spaces. Each one is embedded within a Local Development Framework. The six CEZs are expected to create more than 3,500 new jobs. Findings so far show that CEZs are capable of generating growth of A\$45 million for a local government.

The metropolitan government has also launched an independent Creative Land Trust to secure 1,000 affordable workspaces in its first five years. Funded by public and private partners, the trust will either purchase its own buildings or provide faster financing for studio providers to buy buildings to ensure that rents are set at affordable rates in perpetuity. The city is also working with developers, landlords and occupiers with to maintain the supply of industrial land by identifying Strategic Industrial Locations (SILs) to embed within local Development Plans and achieve intensification and co-location.[10]

RESILIENCE AND SMART SYSTEMS

The City of Shanghai's strategy for 2035 emphasises the future role of its city centre as the efficient multi-modal host of key global functions and a diversifying economy. This is underpinned by a commitment to achieving 99% accessibility to public transport and open space within 15 minutes' walk to serve a rapidly aging population. The City has successfully influenced higher levels of government to support a regional economic strategy for the Yangtze River Delta, underpinned by better connections to surrounding cities and towns within a 90 minute travel orbit, through five major railway networks. Trials are already underway to integrate transport payment in all cities across the region.[11]

USP AND DNA

Long perceived as a capital of institutions rather than of business, Washington DC's priority is to optimise the city's identity in national and international markets in a way that aligns multiple different brand segments. The City has worked hard to uncover "the real DC" identity beyond one single specialism or industry, to align the authentic way of life with its entrepreneurial brand and visitor brand. These are supported by the Made in DC policy, a programme to unify the local maker community, the Great Streets grants, providing funds to improve the quality of place in a way that aligns with the values of the city and Project 500, helping resident-owned businesses to align with the city's identity through mentoring and capacity building. This is helping to expand trade and visitor links in under-developed markets such as the Middle East and India.[12]

DELIVERY

For fast growing cities with strong global connections, economic development is not a conventional service delivery activity. It involves strategic interventions to support a diversity of institutions and the wider labour market and therefore it requires new arrangements, sources of leadership, capacity building and ongoing organisational innovation.

Integrated technology systems and digital infrastructure were talked about by the stakeholder group as key areas for economic performance in the cities of the future. The 'city as a platform' concept was mentioned more than once as a way to understand how technology and economic development comes together. The opportunity to raise awareness of social impact investment as an emerging opportunity for delivery was also talked about.

As we've summarised in the 'old cycle' to 'new cycle' table, there has been a shift in how economic strategies are being pursued and implemented. Inner city cores increasingly look to deliver economic outcomes through joint co-ordination mechanisms, enhanced regional institutions and governance, mobilisation of civic and business sectors, and shared advocacy.



Sydney's economy in global perspective and City of Sydney's contribution

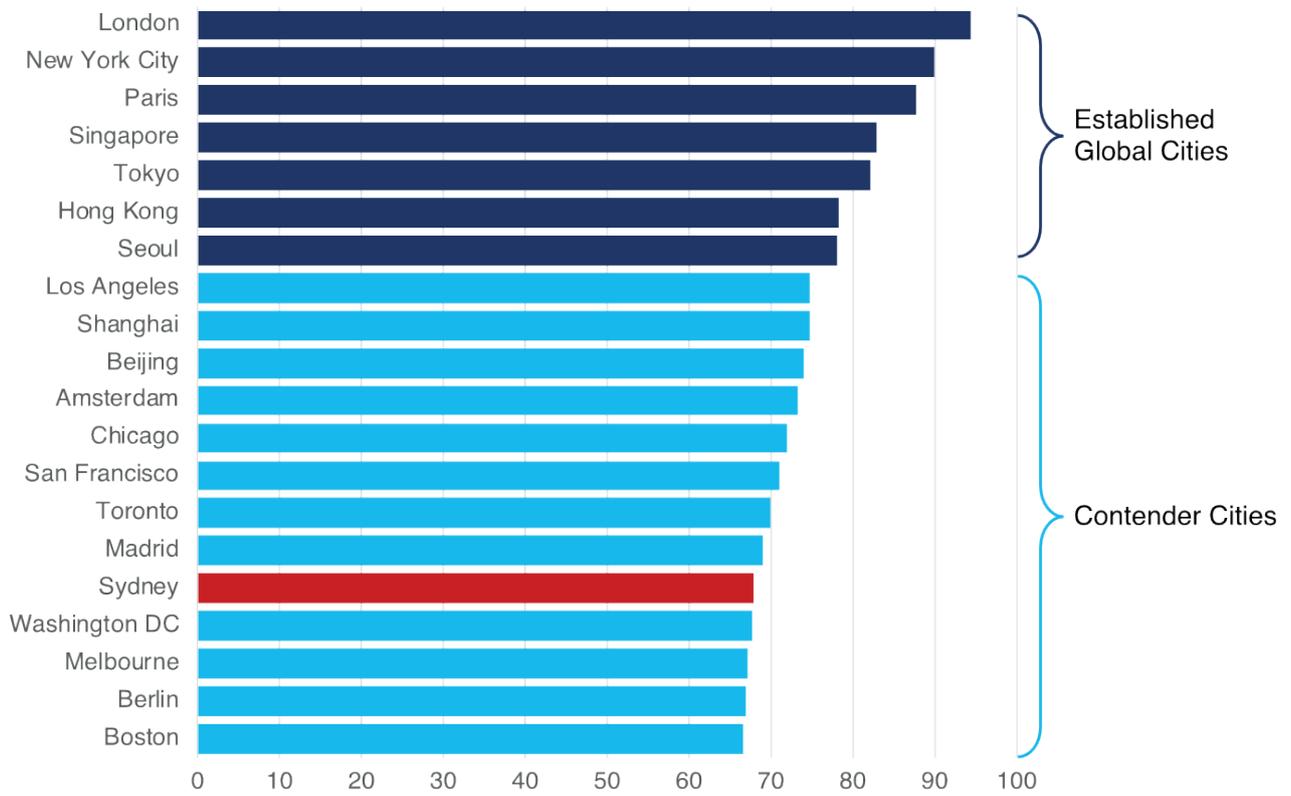
Previous global city rankings and benchmarking studies show that Sydney as a whole is consistently recognised as one of the 20 most advanced and competitive cities in the world. Review of the world's economic performance benchmarks in 2019 confirm that Sydney is part of a high performing 'second tier' of cities that now have very high global reach and appeal for business, talent and capital and are 'contenders' to join the most established group of globalised cities that are competitive across the widest range of functions and attributes.

As The Business of Cities annual analysis of Sydney's performance since 2016 for the Committee for Sydney has demonstrated, Sydney and the City of Sydney in particular remains very successful at building its base of regional company headquarters, attracting real estate investment, expanding its visitor and events economy and establishing itself as a major exporter of higher education.

For this research we have also reviewed over 75 metrics which specifically compare Sydney's

economy among a group of 20 leading cities internationally.[15] From this vantage point Sydney as a whole metropolis stands out for its magnetism to talent and maintains strong global business and investment reach. In measures that look at the ingredients to retain talent and of economic and systems resilience, Sydney inherits strong assets but is behind on some indicators. But against top cities it currently rates much less strongly for the quality of its places and amenities and the size and depth of its innovation economy.

These are mapped below across seven economic themes that denote different indicative categories of city competitiveness. The definitions of these themes are explained in the endnotes[16] – each theme examines a different strand of economic performance and prioritises benchmark performance in other areas (transport, liveability, etc) where they are strongly linked to economic outcomes.



The Top 20 Cities Globally in terms of All-round Competitive Performance. Source: JLL and The Business of Cities, 2017.[13][14]

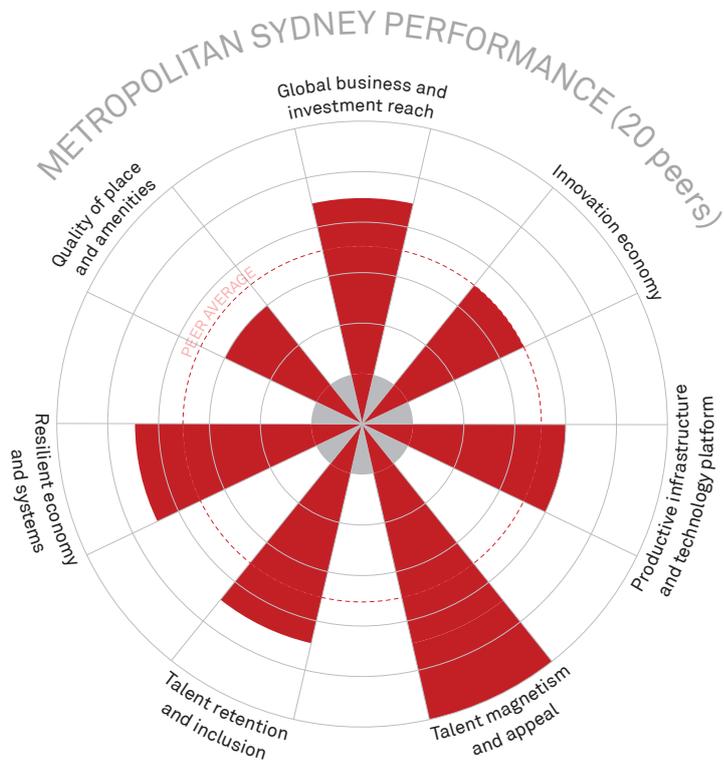


Figure 1: Performance of metropolitan Sydney among a peer group of 20 cities[17]

Relative to this peer group of ‘contender’ cities, among Sydney’s key areas of weakness are:

- **Inherited metropolitan investment deficits and difficulties sustaining a long-term ‘good growth’ agenda.** Sydney’s fragmented metropolitan governance structure and the short political cycles surrounding the City of Sydney’s political stability contribute to a default metropolitan development model of high car dependency, sprawl and short-term investment decisions that is not conducive to longer term competitiveness of either Sydney or City of Sydney. Notwithstanding the current cycle of ‘catch up’ investment, the metropolitan governance deficit poses uncertainties about whether the political appetite will be generated for subsequent cycles of growth-enabling investment to support City of Sydney’s gateway and liveability roles in an 8 million person metropolis. The intensity of the current infrastructure investment in metropolitan Sydney brings its own short to medium term challenges for place performance in the City of Sydney.
- **Affordability and Accessibility.** Rising house prices relative to incomes, lack of housing diversity, inadequate supply of housing close to jobs, increased overall cost of living and lengthening commute times, are all factors that reduce metropolitan Sydney’s appeal to business and to the workforce

and also encourage long-term residents to leave the city for other national and international locations. Commercial real estate unaffordability puts pressure on emerging businesses and in particular those hoping to participate in the creative economy.

- **A high degree of reliance on a small number of industries that serve the Asia-Pacific market.** Sectors such as finance, higher education, tourism and real estate are very important to Sydney’s performance and jobs base. However these industry advantages are based on the current status quo of Asia as a strong and fast-growing customer and will need to become more resilient and innovative as Asian cities rapidly develop and start to become stronger competitors in these industries.
- The City of Sydney and the Greater Sydney area more generally is **the heart of Australia’s creative industries, however, growth has slowed in recent years and become increasingly uneven**, reinforcing a reliance on the import of new cultural goods and services, with domestic industries focused primarily on distribution and sale. Local economic activity in for example fashion, industrial design and other core cultural professions associated with experimentation and development of intellectual property are heavily reliant on smaller enterprises and industrial land use types. They have been

heavily impacted by residential growth and re-zoning in the Southern area between the current airport and Redfern (including, but not limited to Green Square). To maintain Sydney’s capacity for a creative and innovative economy, future land use will be required to provide space for a broader array of land use types across the creative industries supply chain

- **A relatively slow transition into the Innovation Economy.** Sydney has the research and development spend, the capable educational institutions and a substantial and diverse pool of entrepreneurs. But it lacks a critical mass of globally leading innovative firms and the entrepreneurship system that supports them, the scale of venture capital investing is relatively low and its universities do not achieve expected levels of commercial impact. Interventions to foster Sydney’s innovation ecosystem are required if the city is to build leading edges in the industries that will create future jobs and productivity improvements.
- **Sydney’s quality of place is falling behind.** The demand of businesses and talent for high amenity business environments, transport interchanges and recreational places is not currently met by fragmented and under-invested/under-managed places, which are experiencing particular stress during the current infrastructure investment cycle. Sydney as a whole performs

relatively modestly in measures of placemaking, walkability, public space and place activation. Sydney is less associated with quality of place or with distinctive urban neighbourhoods, than other global cities. This may be linked in part to the relative absence of collaborative placemaking within an integrated transport and land use approach.

- **A slow pivot to smart city technologies.** Metropolitan Sydney's digital connectivity (infrastructure), digitisation of systems, citizen awareness and uptake of smart city applications are all relatively modest compared to leading global cities. These deficits currently constrain the potential for businesses to innovate and to upgrade everyday urban experiences.
- **Imbalances in Sydney's brand identity,** which means the city appeals to tourists and short-term transactions but is less appealing to graduate talent and long-term customers.

Overall, the benchmark data observes that of the 20 most competitive cities, more cities are improving more quickly and the risk is of Sydney falling back.

BENCHMARKING THE CITY OF SYDNEY GLOBALLY

The City of Sydney's own performance and assets can also be compared against other peer 'core cities' – especially on economic issues of industry mix, density, demographics, housing and innovation. In this review we have selected inner cities that have similarities to the City of Sydney in terms of their size, metropolitan economy and global reach. The 10 peers are City of Boston, City of Copenhagen, City of Dublin, City of Frankfurt, City of Manchester, City of Miami, City of San Francisco, City of Tel Aviv, City of Vancouver and Zürich Stadt (core characteristics of each are in footnotes).[18]

The City of Sydney is smaller than many other core cities, in size and population. Where appropriate, we also compared the City a more central zone of the other cities that most accurately correspond to the City of Sydney's size and functional characteristics.[19]

For clarity, when we describe:

- Sydney we mean the GCCSA as defined by the ABS
- City of Sydney we mean the City of Sydney LGA
- Sydney CBD we mean the villages 'CBD – Harbour' and 'Chinatown – CBD South' or the profile areas 'Sydney', 'Haymarket' and 'The Rocks – Millers Point – Dawes Point'[20]

The data at local government level is limited to fewer comparative domains, but key findings from the City of Sydney area analysis are:

The City’s population base is more diverse and cosmopolitan than most global cities. With nearly 50% of residents born overseas, City of Sydney has the second highest proportion of foreign-born residents among peers measured, on par with the City of Vancouver. By this measure, the City of Sydney is more than twice as diverse as Europe’s most

dynamic medium sized economies such as Dublin, Copenhagen and Manchester (see Figure 2). We heard from stakeholders that places like Chinatown, Redfern, Surry Hills and increasingly Green Square play a major role in the diversity of the City’s communities and the urban experiences on offer.

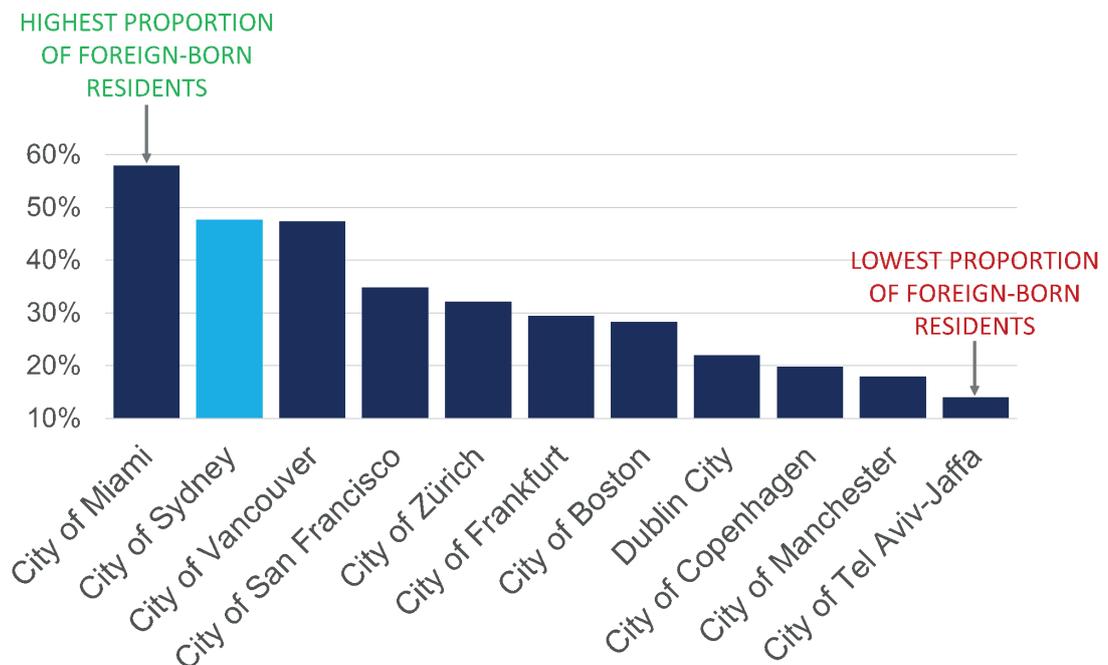


Figure 2: % of foreign-born residents, City of Sydney and peer cities
 Source: <https://atlas.id.com.au/sydney> "Diversity"

The City of Sydney is a young city that retains relatively less of its population of peak career workers. Over half of City of Sydney’s population is between 15 and 34 years old – nearly 10% higher than the average among similarly sized central zones in other cities globally. There is a clear migration of peak career workers (in aggregate) west as

they age. Among core cities reviewed, the City of Sydney has the highest proportion of young adults after Central Manchester and the lowest proportion of elderly residents (see Figure 4). It also has a low proportion of children (6.7%) and 35-64 year olds (34.3%) and so is home to fewer family-age and mid-/late-career professionals. (see Figure 3).

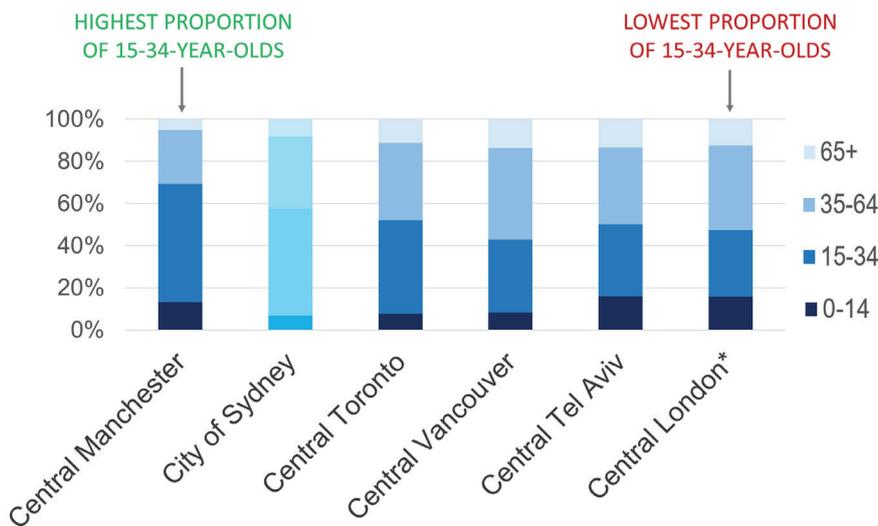


Figure 3: Proportion of 15-to-34-year-olds in Sydney in comparison to similarly sized central zones in peer cities
Source: <https://atlas.id.com.au/sydney> "Age Structure". See appendix for definitions of central zones.

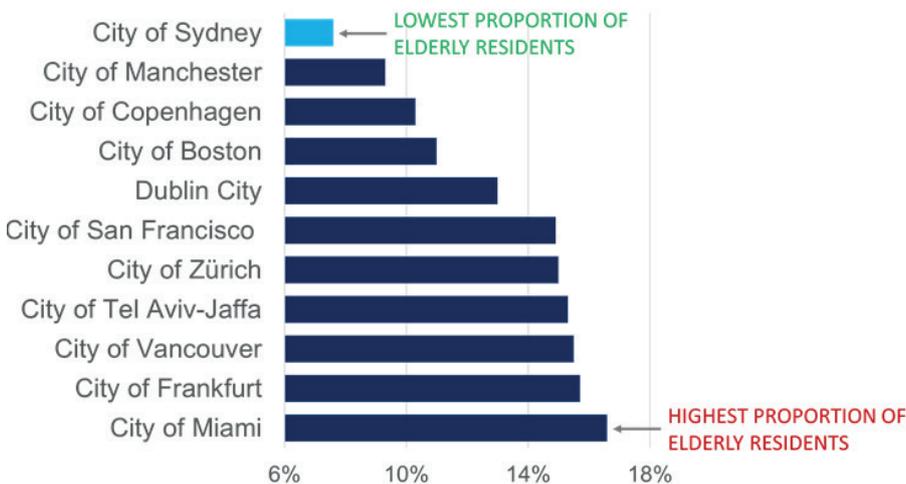


Figure 4: % of residents aged 65+, City of Sydney and peer cities
Source: <https://atlas.id.com.au/sydney> "Age Structure"

Relative to its corporate hub role for Australia, City of Sydney is home to a modest number of globally influential innovative firm headquarters. With 11 firms ranked in the global top 5,000, the city sits behind Vancouver, Copenhagen and Dublin for this measure, but well ahead of Manchester, Miami and Frankfurt. More than 60% of these

top innovative technology firms are located in Sydney's CBD and Harbour area, which is the second highest proportion in the primary business core after Vancouver. Firms in other cities tend to be spread more evenly throughout the city's central districts.



City of Sydney's share of innovative technology companies, April 2019
Source: Crunchbase Analysis.

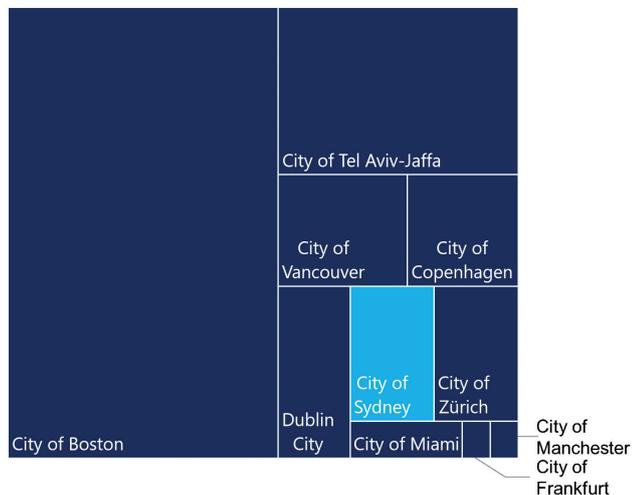


Figure 5: Number of innovative technology firms ranked in the top 5,000 most influential globally
Source: Crunchbase, April 2019 data. San Francisco has been excluded as the number of top 5,000 firms exceeds 500 in this city.

By global standards City of Sydney's economy relies strongly on finance, insurance, professional services and real estate. Although industry definitions vary and data is indicative, Sydney has nearly twice the share of people working in finance, insurance and real estate, a smaller share in tech and creative industries and has only half the average share working in healthcare, manufacturing and transport (see Figure 6).

Innovation activity in the City of Sydney reflects these trends, with companies strongly specialised in fintech and business services and ed- and gov-tech innovation.

Around 35% of the City of Sydney's total innovative tech firm activity takes place in finance and business services specialisations – the highest proportion among peers except for the City of London and Frankfurt (see Figure 6). This makes the rate of innovative firm creation in this sector nearly a third higher than on average among peers. Innovative companies specialising in education, government and I.T. are also more common than on average among peer cities. By contrast activity in sectors such as engineering and design, health, automotive and aerospace and manufacturing is significantly lower (see Figure 7).

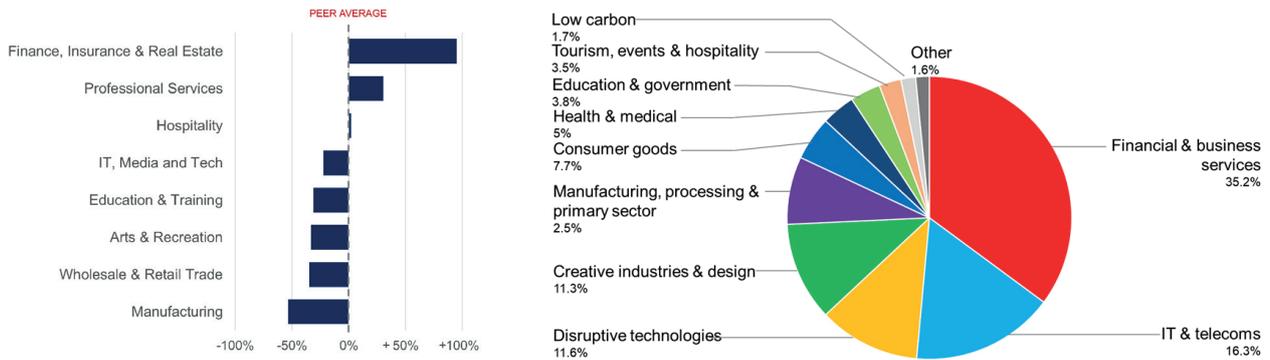


Figure 6: City of Sydney's Sector Mix in Approximate Comparison*

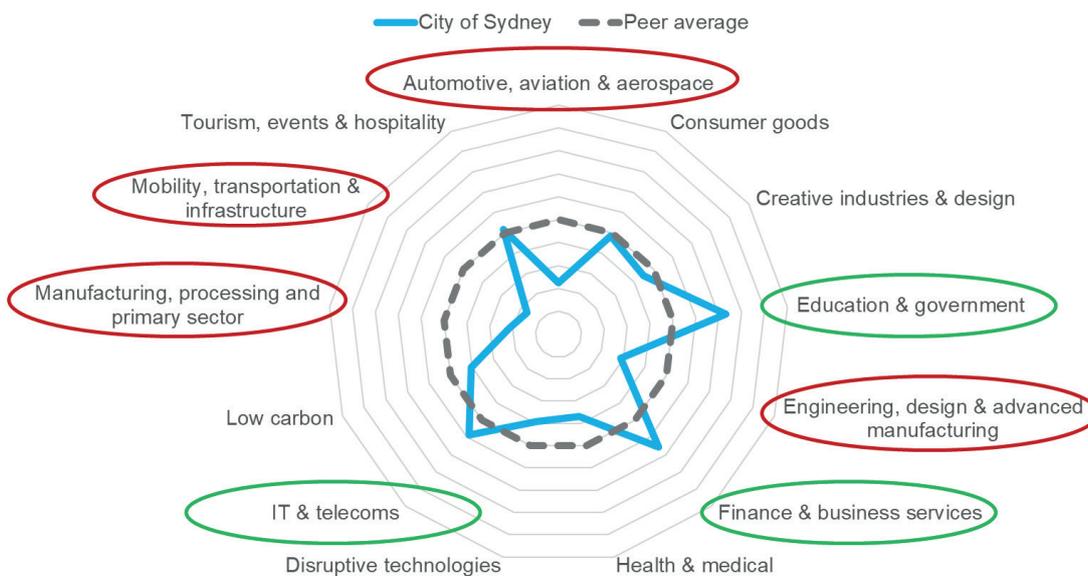


Figure 7: City of Sydney's Innovation Specialisations vs other central cities[21]

The City of Sydney has a medium population density by global standards. The core CBD (specifically the profile areas of Sydney, Haymarket and Millers Point-Dawes Point-The Rocks) also has mid-range population density compared to other dense city cores. The target growth of private and non-private dwellings in the City of Sydney

by 2036 is set to add significantly to the intensity of activity in the Sydney CBD. Future residential density will need to be carefully balanced with the employment density according to the objectives of the future economic strategy.

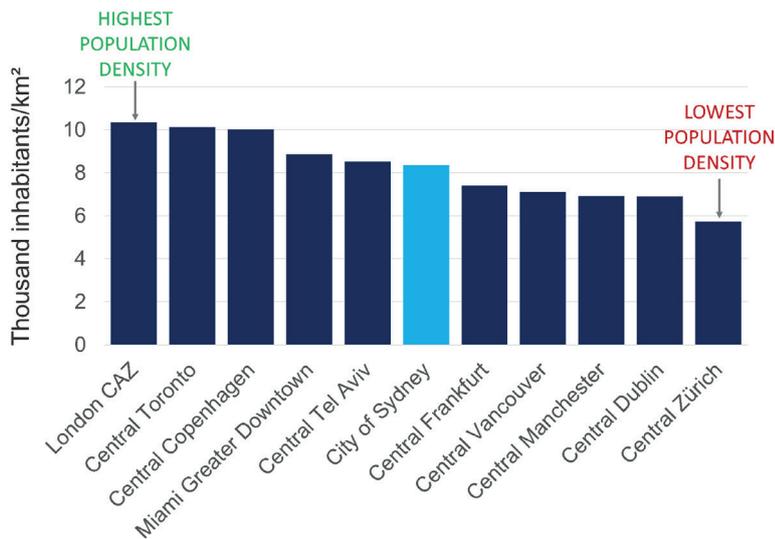


Figure 8: City of Sydney's residential population density in comparison to similarly sized central zones in peer cities
 Source for City of Sydney: <https://www.cityofsydney.nsw.gov.au/business/build-your-skills-and-knowledge/business-research-and-data/business-in-your-local-area/cbd-and-harbour>. See appendix for sources for other cities.

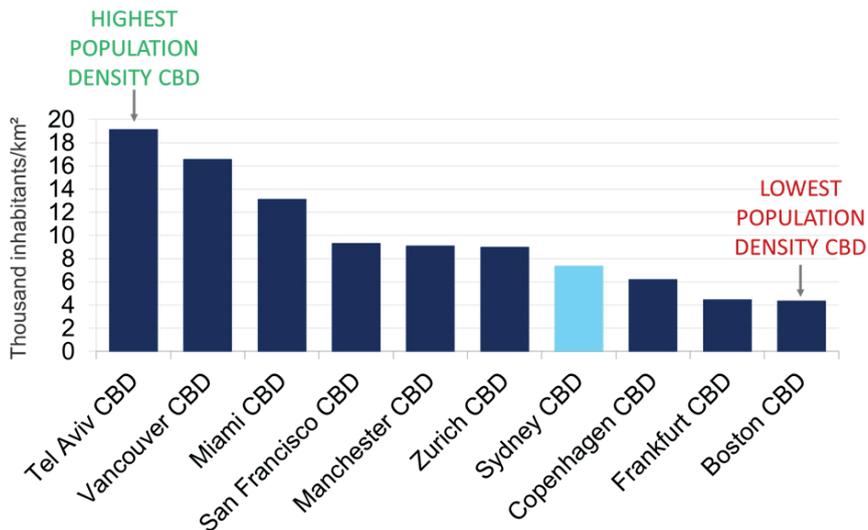


Figure 9: Residential density of Sydney CBD in comparison to CBDs in peer cities
 Sydney CBD residential density based on population and land area of the profile areas of Sydney, Haymarket and Millers Point-Dawes Point-The Rocks.

Source for City of Sydney: All figures based on Community Profile ERP (<https://profile.id.com.au/sydney/population?WebID=190>). See appendix for sources for other cities.

The City of Sydney is a dense hub of jobs with a higher than average share of jobs to residents, reflective of its role and gravitational pull within Greater Sydney. The Sydney CBD has a medium jobs to residents ratio when compared with similar city centres. There has been persistent high market demand for additional residential space in proximity to Sydney CBD

workplaces. These market forces are complex and likely linked in large part to national fiscal and monetary policy along with international capital flows into the local property market.



Figure 10: Ratio of jobs to residents in City of Sydney relative to peer cities
 Source for City of Sydney: <https://www.cityofsydney.nsw.gov.au/...employment.../local-area-overview-summary> See appendix for sources for other cities.



Figure 11: Jobs to residents ratio in Sydney CBD compared to CBDs in peer cities
 *Sum of jobs and residents in CBD - Harbour village and Chinatown – South CBD village.
 Sources: City of Sydney Floor Space and Employment Survey (<https://www.cityofsydney.nsw.gov.au/learn/research-and-statistics/surveying-our-community/floor-space-and-employment-survey/village-overview-summary>), City of Sydney 2019 population forecasts (<https://forecast.id.com.au/sydney/about-forecast-areas?WebID=110>) See appendix for sources for other cities.

The city's housing market is unaffordable, even by inflationary global standards. The City's housing tenure is fairly mixed by global standards, with 70% of the residents renting their property. But the median house price across all dwellings is approximately ten times higher than the median household income. Recent movements in the property market have indicated a correction, but market housing remains unaffordable by world standards. It should be noted that the proportion of social and affordable is significantly lower than in central cities of Manchester and Amsterdam. The City of Sydney is not the most unaffordable compared to inner city peers.[22] Cities such as Vancouver, Zürich and Dublin have less affordable market housing.

SUMMARY

The comparative core city data confirms that the City of Sydney has many advantages:

- A young, highly educated and cosmopolitan population
- Strengths in finance, professional services, public service and education whose demand to consume innovation is fostering strengths in a new cycle of companies
- The primary jobs hub in a metropolitan city that is contending to become one of the top 10 most established cities globally and whose position has consolidated recently
- The major destination in a city whose global brand in many segments remains compelling
- The ability and capacity to absorb and accommodate growth with the right infrastructure.

But the ability to continue as the engine room for the economy up to 2050 is in danger because of rising externalities and the current cycle of economic and technology based disruption.

As the City has taken on more cross-border functions and become host to more international firms and talent, it has experienced side effects or negative externalities of success (in particular price inflation, transport congestion, stretched housing and labour markets, infrastructure and place deficits, environmental vulnerabilities and social divisions).

The industries on which the City of Sydney economy relies are especially vulnerable to automation and changing market and geographic demand. The impacts of accumulated infrastructure investment deficits, the fast paced and sometimes haphazard correction of infrastructure deficits and spatial disparities are a deterrent to businesses and talent.

Delivering on the promise is becoming more and more difficult. As the region grows in scale and population, the City in particular faces pressures on its liveability, its sustainability, its resilience and its social justice and equity. These are fundamental issues of economic performance.

The risks are that the City of Sydney will lose its inherited advantages, its magnetism and stickiness to talent will gradually wane and it will become stuck in a transactional and lower value services and leisure formula that cannot provide the well paying jobs or amenities to serve enough local people. Sydney as a whole could grow into a major metropolis but remain a second division player in the industries producing the jobs and productivity benefits of the future. Other places will move ahead and the opportunity to become the leading economy in the Southern Hemisphere will be missed.

One of the key areas of policy and regulatory consideration (for improved economic performance) is clearly transport. The City needs to increasingly help deliver a metropolitan mass and active

transport based strategy that results in the places people want, optimises capacity as demand surges and connects the metropolitan economic ecosystem. Making sure the Future Transport ambitions are delivered at the metropolitan scale, integrating large scale transport infrastructure and the effective reallocation of public space locally become critical economic enablers.

Another key area for policy integration and delivery is cultural strategy – it is a natural policy strength for the City and an area where careful investment would support local culture and identity, jobs and businesses and the brand of Sydney as a world destination. Cultural activity brings people together and delivers values intrinsic to a place and the people who frequent it.

The creative industries are key drivers for innovation, have proven themselves highly resilient to automation, and will be vital to the City of Sydney's future economy. The portion of the workforce employed in cultural industries in the Sydney local government area has fallen from 8.43% in 2007 to 6.64% in 2018. Certain parts of the cultural supply chain are slowing. Areas like cultural manufacturing have retracted by more than a third, with the loss of industrial lands having significant impacts on cultural production. Investing in human capital and playing the role of cultural and creative sector integrator, convenor and strategist whilst maintaining core cultural

infrastructure is critical to addressing the threats and opportunities summarised below – in particular feeding a growing appetite to live, work and play in a high amenity, higher density urban environment.

These and other trends require an integrated and strategic City of Sydney response. Others are summarised below among the economic strengths, opportunities, weaknesses and threats for Sydney as a whole that have relevance for the City of Sydney:

STRENGTHS

- Long-term population growth and diversification
- Concentration of global corporates
- Accumulated expertise in finance, professional services, development and built environment sectors
- Appeal to tourists, students and events
- Reputation for quality of life, business openness and meritocracy.

OPPORTUNITIES

- Growing appetite for high amenity, higher density urban environments
- To optimise student population to world-class talent pipeline
- To create specialised economic precincts that benefit from a strong cultural and arts underpinning.
- Existing knowledge and customer base to grow adjacent industries at interface of knowledge/fintech/digital
- Infrastructure investment to underpin new economic edges and support good growth.

WEAKNESSES

- Patchy support for tech community
- Universities not yet excelling at catalysing innovation
- Retention of talent through whole careers
- Underdeveloped economic precincts with pulling power, sense of place and clustering effects
- Sydney's brand identity emphasises appeal to tourists and shorter-term transactions.

THREATS

- Risks of losing family age workforce, due to work life balance, unaffordability, congestion and public realm
- Narrow perceptions as a "student town" or "business and finance hub"
- Technology disruption of the large professional services sector
- Chronic affordability and equity challenges
- Increased and unmanaged competition for business/jobs within Greater Sydney.

Key priorities for City of Sydney's economic strategy

Economic policy is a spatially specific task that consists of many different and iterative approaches and tactics. Sustainable economic growth in an inner city core cannot be achieved by any one section of government, organisation or agency. It needs collaborative and systematic approaches to integrate environmental, social, cultural, digital and financial agendas.

Sustainable economic development, which is clearly the goal of the City, goes beyond conventional economic performance measures to consider improved wellbeing and quality of life through the creation of experiences, jobs and wealth. Some of the techniques include, for example: business assistance, workforce development and the cultivation of ecosystems, infrastructure and amenities to support business development and influencing labour force and business location decisions. Economic strategy at the City is inextricably connected to environmental and social goals.

What is clear from looking at examples in other influential cities is that new cycle economic strategy requires not only better stewardship and ecosystem development, but clear and integrated areas of policy focus. The point is: in addition to working across policy issues and collaborating more effectively, the City will need to use its economic strategy to tightly focus on key strategic issues impacting local economic growth and job creation and on aligning and harmonising interrelated policies, programs and actions.

The priority areas are not just intended to deliver improvements in

conventional economic metrics. They are about creating the conditions where complex stakeholder groups can establish and mature new ways to achieve economic performance. In a show of consistency with the theory about 'new cycle' economic strategy, stakeholders overwhelmingly identified the role of the City of Sydney as creating the right conditions for economic activity to happen: new collaborations, managing and making places, managing ecosystems, managing complex groups of stakeholders.

One stakeholder specifically advocated for the City of Sydney not to pick winners or influence national tax policy, but instead concentrate on creating good conditions for economic activity. There was an intense desire from stakeholders that the City of Sydney 'get fundamentals right', encouraging the private sector and universities to 'do the rest'.

Although there will be a coherent 'City of Sydney' approach, the following imperatives will play out differently in the unique places with individual characteristics that make up the inner city core. For example the approach to economic development will differ in the area around Central Station (where the opportunities are for integrating activity in new economies) compared with in the Southern Employment Lands (where the opportunity is for preservation and invigoration of important conventional economic activity).

Localised data and policy analysis combined with stakeholder engagement has suggested that what is needed is sustained focus in five areas:

1. MATURING THE ECOSYSTEM FOR GROWTH, PRODUCTIVITY AND INNOVATION

City of Sydney's dense and high-trust economy depends on optimising the proximity, relationships and culture between businesses, institutions (including universities, hospitals, government departments and agencies), investors, infrastructure and individuals. The City will increasingly need to identify investments that concentrate on understanding and establishing the conditions for economic performance rather than direct short term investments.

Understanding regional economies as 'ecosystems' provides analytical structure and clarity to sources of regional advantage, the role of innovation and the determinants of resilience in regional economic systems. An ecosystems development view of economic activity will wholly align with the City's resilience and sustainability agendas and continue to break down the conventional wisdom that economic, social and environmental performance are traded off against one another.

The ecosystem approach has two related imperatives:

A NETWORKED AND EFFICIENT METROPOLITAN ECONOMY

Ecosystems firstly have regional dimensions – they are grounded in established customer communities, supply chains, labour markets and investment systems that operate at the scale of the 'Sandstone Region' (Sydney and surrounding cities). Therefore they require engagement with regional actors. During discussions with stakeholders, the need for the City of Sydney to plan and cooperate at the metropolitan scale was stressed by all. The importance of multi-tier government and private sector collaboration around a single strategy for supporting the ecosystems of the City of Sydney's globally and nationally significant economic sectors was also emphasised. There is strong support to pursue the Metropolis of Three Cities vision and the constituent District Plans (including the Collaboration Areas), add further competences to the Greater Sydney Commission and support a combined agenda of the new NSW Department of Planning, Industry and Environment.

Stakeholders identified that good cities are thinking hard about the economic ecosystems they

participate in and therefore what the economic relationships are with the surrounding regions and other cities. Some mentioned the need to understand the flows of benefits and where benefits of certain initiatives might accumulate in the short, medium and longer term (i.e. how the direction of flows might change according to different policy settings).

Successful ecosystems usually benefit from fiscal and regulatory incentives to raise productivity. They include large companies and institutions (often research or higher education) incentivised to act as hubs of collaboration, magnets for co-location and drivers of spillover demand. They need the enterprise climate, regulatory environment and access to capital to continually produce and sustain smaller and medium sized businesses. Ecosystems therefore require:

- Continual investment in metropolitan infrastructure, labour market and housing market enablers and interdependencies
- Reformed land uses to increase density and amenity in priority locations.

We saw through the benchmarking analysis that Sydney risks falling behind in 'innovation economy' performance. An ecosystems based approach to economic strategy that creates new cycle economic conditions is critical to improving performance in this area.

The City of Amsterdam is currently cooperating with other cities in its region to strengthen the knowledge development and innovation ecosystem within the Amsterdam Metropolitan Area. The aim is to strengthen the region's knowledge economy in the long term. The local Amsterdam government plays an active role in helping entrepreneurs, companies and knowledge institutions to secure funding for the investments they need to succeed.

Amsterdam recognises that creating and retaining talent is a huge challenge and calls for close cross-border cooperation between the business sector, universities and government bodies. The City of Amsterdam and its partners have established an Amsterdam Economic Board, which helps to identify and address issues facing the metropolitan region. One of the Board's key goals is to ensure a better match between education and the job market in the Amsterdam region, to ensure an inclusive labour market and skills ready for the jobs of the future.

WORKING WITH AND PROMOTING SPECIALISED PLACES AND CLUSTERS IN THE CITY

The City of Sydney is continuing to foster and encourage concentrations of ecosystem activity to emerge in different areas. The ingredients for economic performance are present in the City's unique character areas and precincts (for example around Carriageworks or around Central Station), but often lack cohesion. The City's Tech Startup Action Plan for example has struggled to find a home even though the ingredients are well established and recognised from ATP through to Ultimo and Pyrmont. If the ecosystem relationships do not flourish within and between locations, the overall competitiveness of the City of Sydney will be eroded and it risks becoming locked-in to a lower value economic formula.

A recent example highlights how the City now has an opportunity to test a new approach and subsequently refine the approach to economic strategy before 2030. The emerging Greater Sydney Commission framework for the Camperdown-Ultimo Collaboration Area embeds a process for identifying the complex issues and constraints at all scales before bringing together multiple and diverse stakeholders to find practical solutions that are based on efficient, effective and coordinated planning and investment across the ecosystem. It is an example and a forum that can be used to test ecosystem development approaches that could succeed in other areas like the southern employment lands.

For the City of Sydney this means paying attention to and actively influencing:

- Economic relationships and developing shared economic visions for character areas with their surrounding regions and even other cities
- The specific barriers to local, public-private and cross-industry collaboration
- How to measure and account for the current flows and complementarities between City of Sydney and elsewhere (for example the current airport)
- The regulatory environment that encourages higher entrepreneurship and the right level of enterprise risk taking
- The ways in which the emerging 'innovation economy' requires a different kind of business climate, enabling environment and place to the established 'corporate economy'
- Future population growth, housing, commercial space and labour mobility
- Whether knowledge and technology intensive institutions can be empowered to participate in local economies.

2. FROM PLACE DEFICIT TO PLACE ADVANTAGE: STEWARDSHIP OF SPECIALISED PRECINCTS, CORRIDORS AND INTERCHANGES

City of Sydney wants its places to perform better and become more adaptable. The unlocking of industrial corridors, transport interchanges and specialised precincts is essential to adding space, lifestyle, reputation and visibility to its economic fabric. Success depends on the City's ability to advocate for and participate effectively within more collaborative precinct governance models over a longer period of time.

Metropolitan Sydney is in a cycle of unprecedented infrastructure investment. The initial stages of extensive light rail and metro networks are due to be completed early to mid next decade. The extent of infrastructure investment and its delivery has an impact on business cycles, business investment and location decisions.

There are opportunities for place improvements resulting from this catch up investment. There are also clear risks for the City of Sydney that the infrastructure being quickly delivered to serve the metropolitan scale and address the infrastructure deficit has an increasingly detrimental effect on the established and thriving places that make up the inner city area. Not just during the construction phase, but also because hastily conceived, designed and constructed infrastructure takes longer to embed itself in and integrate with the city around it. The

complex governance arrangements in Sydney demand a more integrated, mature and sophisticated role in precinct development from the City and its advocates.

Discussions with stakeholders stressed that while Sydney's current city centre and the other 'economic character areas' (or precincts) continue to be a draw for global investment, there was a clear need to avoid complacency. There was a feeling that public policy and investment needs to maintain a focus on the CBD and harbour area in particular and that the City of Sydney has to maintain and indeed enhance its respected role as 'caretaker of the place' if improved economic performance is to be delivered. The deficits in quality and experience of place are also highlighted in the available benchmarking data. There is, however, more to be done than simply maintaining the current places of economic importance.

Spatially, there is agreement from stakeholders on the need to better support and manage change in certain areas. Given Sydney's rental vulnerability with commercial rents around twice those in Melbourne, Sydney needs a new 'Barangaroo' or two in terms of capacity (not design), with the corridor south of Bathurst towards the airport and including Central to Eveleigh identified as key to fostering future economic activity. The new cycle of growth and change in Pyrmont is seen as an increasingly critical opportunity for expansion, but only given appropriate metropolitan

infrastructure investment. Chinatown is changing – another emphasis – as Chinese migration changes and evolves and may need a specific economic strategy to add to the current place based approach.

Stakeholders pointed out the spatial strategies in these areas need to be better coordinated between government actors to ensure supporting infrastructure can be put in place to enable the type of growth ambitions established for various locations.

Stakeholders value the City of Sydney's successful place based approach to liveability and inclusion and both are seen as central to the future economic performance of the inner city area in particular. The council was seen as a key steward of the area, but that role is viewed to require more of a focus on effective relationships with the state and federal governments, other councils in Sydney and indeed public-private-third sector forums emerging as influential ecosystem enablers as a result of increased infrastructure investment.

Central Station and the southern employment lands are examples of places where the City of Sydney must increasingly participate in complex governance arrangements. Participation should focus on ensuring the places are not only optimised from a spatial and land use perspective, but that there is a clear and inclusive decision-making framework for future economic performance and ecosystem development. Tech

Sydney, the Camperdown-Ultimo Collaboration Area, Redfern to Eveleigh, plans for Central Station itself are all precinct development frameworks that cannot be directly set and controlled by the City and will require an ongoing collaborative presence to implement the economic strategy (and digital strategy) elements of Sustainable Sydney 2050.

A successful economic strategy at the City will identify:

- How the City plans to increase its (economic) decision-making influence in complex precinct delivery models that result from large infrastructure investment
- Where and how to improve the quality, amenity and distinctiveness of key places to influence the attraction and retention of a highly educated workforce in specific industries
- Opportunities for flexible uses across the day and night
- How to continue to unlock industrial and other under-optimised areas to make the most of metropolitan economic assets like the current airport
- How to understand whether new economic hubs (for example: Central) are really optimised from an economic strategy and a place perspective.

3. A DIVERSIFIED AND 24 HOUR ECONOMY

Sydney's relative advantages in finance, property, tourism and the student economy, as observed in the comparative data analysis, are a source of risk and opportunity to future economic performance. These industries are critical to Sydney and present opportunities for strengthening and building new offers (for example fintech). It must be acknowledged when looking towards 2050 that dependence on a small number of industries that primarily serve the Asia-Pacific market is based on the current status quo of Asia as a strong and fast growing customer. As Asian cities rapidly develop and start to become stronger competitors in these industries, Sydney's economy will need to adapt and these industries will need to continually innovate.

We have demonstrated (and it is acknowledged by stakeholders) that relative to peer cities, Sydney as a whole is experiencing a slow transition into the Innovation Economy, including at the City of Sydney scale. Sydney has the research and development investment, the globally facing higher education institutions and a substantial and diverse pool of entrepreneurs. But it lacks a critical mass of globally leading innovative firms and the entrepreneurship ecosystem that supports them, the scale of venture capital investing is relatively low and its universities do not achieve expected levels of commercial impact. Interventions to foster and mature Sydney's

innovation ecosystem (including building capacity in key areas) are required if the City is to successfully diversify the economic opportunities offered in the local government area.

Diversification of economic activity and increased attractiveness will rely on optimising the time profile of activity in the City. In particular concerns persist about whether Sydney's night time economy is sufficiently broad and deep to support a more connected and resilient community, create a more inclusive nightlife and improve safety and reduce crime.

The City of Sydney's participation in the Night Time Economy working group, the inaugural Night Time Economy Councils' Committee in 2017 and OPEN Sydney night-time economy strategy up to 2030 are welcome, but Sydney continues to experience a deficit compared to other key global cities. Only 23% of spending in Sydney's metropolitan area happens after 6pm, compared with around 35% in Berlin, London and San Francisco. The night spend is predominantly "non-communal" categories such as groceries and food stores and increasingly Sydney's night spend falls behind when it comes to communal type spending at restaurants, bars, retail and the arts. A recent Greater Sydney Commission survey found only 46% of Sydneysiders are satisfied with Sydney's current night time offering.

Concerns about the under performance of the current city

centre's night time economy erode Sydney's appeal to talent in the creative industries and compound extant issues of affordability and space constraints. At the same time, to have a vibrant night time cultural offer, the City needs to invest in the creative sector to ensure there are spaces (both physical and virtual) for creatives to create and produce. These are complementary and interrelated agendas. It is not a discussion unique to Sydney. Sydney's peer cities are focused on how to maximise the impact and potential of their night time economy and are trialling concepts like the 'night mayor' (nachtburgemeester) in Amsterdam. Amsterdam, Berlin, London and San Francisco, have arguably set the benchmark in creating, investing in and promoting diverse 24-hour cities.

A successful economic strategy will:

- Assess how future work practices may impact on requirements for employment density
- Build on emerging night time economy evidence base (including the 2011 Cost Benefit Analysis), policy and governance arrangements
- Explain how the City will invest in the creative sector to ensure there are spaces (both physical and virtual) for creatives to create and produce.

4. COMMUNITY STRENGTHENING

Cities that make equality and social justice central to their growth are stronger and more resilient, creating opportunities for everyone to thrive. The City's social sustainability policy provides a vision for a just and inclusive city as well as definition of the City's role in strengthening community wellbeing and resilience. The social sustainability action plan sets out the activities the City will deliver to 2030.

Stakeholder discussions overwhelmingly identified the need for a more inclusive approach to economic strategy similar in focus to the inclusive economic policy frameworks other globally influential cities (for example London) are pursuing. These sentiments align with the perception that the 'old cycle' of economic development produced more losers than winners and more negative than positive externalities. Technology development and the replacement of jobs is likely to exacerbate the challenge in the future.

An example of the unique approach already emerging at the City of Sydney is the Eora Journey Economic Action Plan. It recognises that the unique economic and social issues experienced by Aboriginal and Torres Strait Islander communities across Australia require a special focus. During its development, the City sought knowledge, expertise and perspectives from diverse communities – from Aboriginal and Torres Strait Islander Elders,

students, workers and business people, innovators, artists and academics, public servants, community organisations and community leaders. An Aboriginal and Torres Strait Islander Advisory Panel was involved at every step of the process.

Taking a social and inclusive approach to focused economic development resulted in deep discussions about the meaning of prosperity and economic opportunity to local communities. It provided a more detailed understanding of how the City of Sydney could work in partnership with Aboriginal and Torres Strait Islander organisations and businesses to create the conditions for people to thrive. It is the beginning of the ecosystems based approach we have been talking about.

Building a strong inclusive society is a shared responsibility, not only for governments, but for business and the wider community and is integral to a strong and contemporary economy.

One of the key roles of contemporary economic strategy is reducing social and spatial barriers to ensure the benefits of growth and development are more widely shared. Urgent and proactive management of the tensions between sustained economic growth and affordability pressures is required. The risk is real that sustained price inflation will, over the next 10-20 years, eventually lead to economic activity moving elsewhere and a lack of key worker accessible places.

Unaffordability (both residential and commercial) impacts creative sector activity too – increasingly there is no space for emerging (and sometimes established) creatives, resulting in an incomplete ecosystem for creative sector activity. Not only does that have a direct impact on economic performance, but a detrimental impact on the visitor and resident experience in the City. The City needs to continue to focus on addressing the availability and affordability of spaces for creation and production.

Addressing these challenges will require:

- **More housing in the City of Sydney** needs to take even more of a leadership role — working more concertedly with state government — to preserve and enhance the CBD offer and develop new economic areas inclusively.
- Developing models that deliver affordability of commercial spaces specifically for creation and production
- Full engagement with opportunities of the global growth of the green and circular economy. Green economy activity and circular economy activity will require investment in local and regional capabilities, incentivising industry innovation and supporting new kinds of business model to take hold. Both areas are good opportunities to develop collaborative platforms at the metropolitan scale.

5. AMPLIFY THE ROLE OF CULTURE AND CREATIVITY

The cultural and creative industries are not an optional extra to Sydney's economic future. They are central to Sydney's ability to compete effectively for contested opportunities and to accommodate high population growth sustainably and cohesively. As previous work has highlighted, if Sydney's cultural development is not more proactively supported, the city as a whole will fail to differentiate itself and communicate its specific advantages and its magnetism and sense of belonging will erode.[23]

The complex and multi-disciplinary economies that large cities now host mean that the innovation potential of companies is enhanced by the contribution of highly creative individuals and firms. At the same time the preferences of talent across multiple sectors continue to gravitate towards lifestyles and locations that are rich in amenities, diversity and creative expression. Creative and cultural industries are therefore essential to help Sydney move up from being a second division player in the innovation economy, build its wider business reputation and to meet the urban experience expectations of future generations.

Other cities have been embedding the role of culture and creativity across a wider range of social, environmental and economic policies. Like these cities, Sydney is starting to see the value of telling its unique cultural story, becoming

recognised for its distinctive cultural production and diversifying its cultural offer and locations.

This has at least three specific implications for the City of Sydney:

- The City will remain the focal point for creative and cultural expression in Greater Sydney and Australia. There is a need to balance the combination of iconic facilities and successful fine grain cultural development in key precincts that fully projects Sydney's unique character.
- A need to experiment with bold approaches, investments in people and tools to retain artistic and cultural talent within the City and across Greater Sydney, alongside wider policies to improve citywide housing and production space affordability. Such approaches may include capacity building programs, increased provision of affordable spaces, zoning policies, adjustments to business rates, co-ordination with developers and leverage of co-investment.
- Fostering the leadership and governance to optimise the contribution of arts and culture. This will involve convening other leaders and co-creating strategies with cultural institutions in the City (and with other Councils), so that they share delivery responsibility. It may also require ongoing efforts to improve the level of understanding of the cultural and creative sector value proposition across Government and shift from a pre-occupation with internal efficiency towards a focus on the destination, experience, identity and confidence.

6. A BUSINESS IDENTITY AND NARRATIVE THAT ALIGNS WITH THE CORE VALUES AND DNA OF SYDNEY

The benchmarking and perception data highlight the divergence in Sydney's appeal to tourists and short-term visitors and events and the city's reputation with business investors, entrepreneurs, elite talent and culture seekers. Other top cities and regions have recognised the need for an ambitious overarching narrative to support the strategy for their society and economy up to 2050 and beyond. A narrative is not a sales device, but a way to develop and promote the city's economic identity beyond the opportunities for consumption and investment. A way to align City of Sydney's business future with education outcomes, sense of belonging, creativity, innovation and other purposes. A citizen-owned identity built around culture, trade and innovation can be an important aspect of the City of Sydney's future.

The identity-building process should not be conceived and delivered separately, but instead should have clear links to the City's distinctive values, liveability, tourism, culture and citizen identity. If a city does not have a clear business identity and narrative that aligns with the core values and DNA of the area and its communities, its distinctiveness and appeal declines.

Sydney's unified business identity will draw on ingredients such as the City as a centre of migration, with accumulated global reach, dramatic

habitat, business personality, personal and civic autonomy, neighbourhood diversity, decision-making capability, education excellence and cultural expression. Sydney as a city with a very long memory, with self-confidence born of age and vitality born of youth, can resonate globally and authentically. But Sydney is not yet oriented towards its Aboriginal and Torres Strait Islander history, a consensus on Sydney's identity traits has not yet been achieved and uneven development has militated against a shared approach.

City of Sydney can:

- Support a collaborative effort across whole of Government and society to 'keep Sydney real'.
- Use its social and cultural leadership to support the development of a combined story with the economy, trade, tourism and the arts. Promoting Sydney for trade, talent, investment, or tourism should involve its startling physical and human identities.
- Encourage a sustained and sophisticated programme of exposure, events, stories, social media and market positioning.
- Engage others (including alumni, school and community leaders, institutions, business, sister cities) around the ambition and vision for Sydney's collective future, that also encompasses a political narrative that Sydney and Australia can and will lead globally.

What it will take to deliver

City of Sydney is a metropolitan centre that now only spans 5% of metropolitan Sydney's population and 1% of its physical scale. This is the smallest size and share of any leading city globally. The performance data and analysis highlights the extent to which City of Sydney is co-dependent with the Eastern City and Metropolitan Sydney. The City has few of the instruments to directly shape outcomes.

The lack of genuine instruments relative to peer cities means that for City of Sydney to continue to optimise its future contribution to the Australian economy and the development of Greater Sydney, it needs to deliver economic strategy as a partnership rather than a single-source activity. The City requires increased collaboration capacity with institutional leaders that can build 'through cycle' consensus and continuity on key economic priorities.

Stakeholders identified an increasing need for local and metropolitan governments to work together. The point was: delivering on economic strategy is not simply a task for the city itself or the people on

its borders. Cities that achieve successful delivery of economic strategy increasingly pursue sophisticated collaboration efforts with others. Effective collaboration was identified as leveraging expertise between organisations, achieving a metropolitan approach and embracing the countercyclical role of government. Stakeholders recognised that new cycle economic policy is not necessarily about backing winners, but helping the private sector to understand the race they're in – building strategic cohesion and creating shared agendas.

City of Sydney's long term economic success will depend on a wider shift towards continuous and comprehensive solutions achieved through collaborative governance, stronger tools and permanent reforms, rather than single plans, decisions or investments. Otherwise economic strategy will lack scale, impetus, agility and deliverability. The actions City of Sydney takes to maturing its economic approach will need to directly address the economic strategy delivery challenges experienced globally by inner city cores (see next page).

OPTIMISING CITY OF SYDNEY'S CONTRIBUTION IN A METROPOLITAN CONTEXT

The challenge for the City of Sydney is to continue to develop the tools and build the coalitions and influence in favour of approaches that can loosen inherited rigidities in its economic development system to be agile and responsive to the pace of change. Whether that means connecting residents to jobs, accommodating new wealth-generating sectors in the most productive locations, or responding to the demand for high quality urban living and place, the pace of change reveals rigidities quickly. When disparities accumulate from unmanaged and unanticipated growth, they erode quality of life and the sense of cohesion and they give rise to opposition and hostility to the model of openness to global economic opportunity.

This will require tactics to negotiate and influence action and decision-making horizontally and vertically so as to create the conditions for

institutions to act in the long-term interest of cities rather than short-term political imperatives, incentivise co-operation, reduce silos and reward innovation.

City of Sydney also has the interesting challenge to develop a collaborative approach that addresses problems at least 3 metropolitan scales; the Eastern City, Greater Sydney and the Sandstone Region that by 2050 will have become much more economically integrated.

The governance and stewardship task takes five main forms explained in more detail on the following page.

WHY DO EFFORTS AT LOCAL ECONOMIC DEVELOPMENT IN CORE CITIES FAIL?

- NO INTENTION TO IMPLEMENT**
- LOW APPETITE OF LEADERSHIP FOR CROSS REGION WORKING**
- WEAK COMMUNICATION AND CONVICTION**
- PRESUMPTION OF LOCAL ASSETS AND DISTINCTIVENESS**
- INADEQUATE ASSESSMENT OF DEMAND SIDE OPPORTUNITIES**
- NO RESPONSIBILITY TO DELIVER AMONGST COMPETENT BODIES**
- LACK OF TOOLS TO IMPLEMENT AT SCALE OR ACROSS BOUNDARIES**
- LOW CORRESPONDING INVESTMENT, CAPACITY AND RESOURCES**
- FAILURE TO SOLVE PROBLEMS AS THEY ARISE**
- ERRATIC SUPPORT FROM HIGHER TIERS OF GOVERNMENT OR NEIGHBOURS**

SUBSTANTIAL VERTICAL COLLABORATION

The ability of City of Sydney to continue to perform high value economic functions (governmental, financial, corporate, retail, cultural and tourist functions) requires that investment in precincts and infrastructure catches up and keeps track with overall growth in demand over multiple political and economic cycles. The global evidence suggests that this only happens with strong agreements in place with higher tiers of government that explicitly recognise their economic hubs and adjust policies to sustain a positive business and innovation climate and make it possible to align planning, land use, investment and infrastructure in order to manage growth.

One of the strategic gaps identified by stakeholders was the maturity of the ‘stewardship’ approach at the City of Sydney. Stakeholders talked about a need for the City of Sydney to form better partnerships with for example other local governments to share knowledge, skills and resources. Most stakeholders would like to see better alignment and partnership approaches between the City of Sydney and NSW Government. There was a spatial dimension identified as part

of the need for better ‘stewardship’ too: a greater direct involvement in looking after and shaping major precincts, specifically those being delivered through alternative and complex governance arrangements.

City of Sydney should continue to prioritise working with NSW and Federal Governments to:

- Make the most of the current growth cycle to ensure effective metropolitan systems of planning, investment and infrastructure.
- Try to leverage policy frameworks to achieve more consistent support for its economic aspirations as a global metropolis, including making the case for funding for the ‘global gateway’ locations
- Acquire more tools (with other local Governments and Greater Sydney Commission) to capture and re-invest more value
- Gain support to improve the City’s distinctive points of global leadership
- Recognise the role of arts and culture in enhancing economic competitiveness
- Effectively integrate of tourism within wider economic development planning
- Improve appraisal processes for CoS investments.

WITH GREATER SYDNEY COMMISSION

City of Sydney will rely on the ‘Metropolis of 3 Cities’ vision for Greater Sydney to provide a clear direction for its future roles. Economic strategies for 1 or more local governments are limited without ‘whole city’ data, asset auditing and comparative evaluation. It will also need clarity on which key functions are going to continue to be located in the City, which may be relocated and whether a programme of substantial de-concentration will be pursued.

A cycle of bolder engagement with GSC will help to

- build a metropolitan economic identity with appropriate competences attached
- achieve ‘through cycle’ consensus
- ensure that 3 Cities Plan provides genuinely complementary economic development
- deliver infrastructure to support a thriving economy (incl. digital)
- develop a single strategy for ecosystem development
- finally integrate land use and transport.

HORIZONTAL COLLABORATION WITH GOVERNMENTS IN THE 'EASTERN CITY'

City of Sydney will benefit from combining efforts of neighbouring local governments and building common purpose and approaches around infrastructure, development projects and other economic agendas. By 'collaborating to compete' with neighbouring governments, the City will be able to better control and coordinate responses to externalities and spillage due to pricing pressures.

In the long run we know that the likely way to address the democratic deficit in metropolitan Sydney is some form of metropolitan scale self-government. Strengthened relationships between council leaders based on economic strategy could be the precursor to a pan-Sydney Forum of local government. London has a cross-party version called "London Councils" and it is a formidable partner for and sometimes feared opponent of the London mayor or indeed the UK government with its own strategies and objectives for London's future.

To strengthen economic leadership and prepare for changes in metropolitan decision-making processes, the City of Sydney needs to develop the diplomatic apparatus to permanently engage with other local governments.

PARTNERSHIPS WITH BUSINESS AND CIVIC LEADERS

City of Sydney should continue to develop and expand the leadership platform and range of partnerships with leading institutions and advocates outside government. This should include universities, landowners, financial institutions, cultural bodies and others.

The City can:

- Engage business more effectively to help attract and retain firms and labour force (future of work)
- Integrate urban technology and digital processes fully into strategic planning
- Work with cultural institutions and leaders to foster the City's unique aspects, inherited openness and diversity
- Look for opportunities to trial and sustain collaborative Precinct Governance

In addition to prioritising partnerships with these four stakeholder groups, City of Sydney can also incorporate into its strategy improved:

- Advocacy and awareness-raising
- KPIs and metrics to monitor progress (see overleaf)
- Standard Setting for the Sydney region through effective planning and valuing of culture and the environment's relationship to the economy.

SUMMARY OF DIFFERENT ROLES FOR CITY OF SYDNEY

City of Sydney’s role			
Collaborative Leadership	Ecosystem attention	Systems integration, complementary strategies	Support and align with brand identity
Innovation and Demonstration	Place management innovation (including BIDs)	Accommodate economic diversification, innovation economy, test beds.	Pilots and strategies for inclusive growth
Integration and Management	Resilience through economic + social and environmental policy	Supply chain management, procurement	Integration of economics + culture, land use + transport, etc.
Advocacy & Awareness	Business & enterprise environment	Global trade and market opportunities	Wider reforms to optimise productivity

To adopt a position and mount influence on these questions, City of Sydney will need a clearer sense of the roles and capabilities it needs to retain if Sydney as a whole is to succeed and evidenced approach around what changes and re-balances the City of Sydney should accept and support.

THE PRIORITIES

- Engage with metropolitan decision-making processes and problem solving mechanisms.
- Support Greater Sydney Commission to gain metropolitan economic competences
- Build a sustained alliance with neighbouring local governments.
- Use the emerging collaborative governance opportunities like the Camperdown-Ultimo Collaboration Area and Central Station to test approaches and ideas
- New tools, pilots, experiments and demonstration projects to show alternatives to current arrangements
- Bring more players together (governments, citizens, businesses, landowners) and engage citizens and communities to identify, promote and participate in these projects.

MEASURING PERFORMANCE AND OUTCOMES

Cities seek clear and robust indicators of economic performance, progress and comparison with other cities.

The measurement of economic performance in metropolitan centres has become complex to design not least because:

- Central cities have to work collaboratively across borders and are co-dependent on performance of other geographies
- The ingredients to create an environment that will assist firms and citizens to adapt and thrive are continually changing. Flexibility and iteration in performance measurement therefore has advantages. For example, the Eora Journey Economic Development Plan is designed to evolve as the needs of local communities change, to produce outcomes in control, visibility and connection for Aboriginal and Torres Strait Islander peoples.
- The objectives of economic strategies have proliferated and become integrative with other goals and extend well beyond direct measures of jobs, income, or revenue base.

This means understanding economic performance will increasingly require a mix of approaches and perspectives. The City of Sydney intuitively understands this and recent efforts to measure wellbeing in the City have been valuable to measuring economic performance.

Given the different time horizons and interdependencies, it will be useful to think about performance measurement at the City of Sydney in three categories:

- Comparative composite indexes of metropolitan performance where Sydney's position is strongly shaped by City of Sydney's economic scale and roles
- Comparative single indicators of Sydney's metropolitan economic performance that are bellwethers of City of Sydney's progress
- Metrics of absolute performance for City of Sydney and key economic assets.

The tables below represent recommended best practice for performance evaluation. The City will need to consider and select from these measurements and many others as policy priorities become clearer.

NAME OF METRIC	TYPE OF METRIC	WHAT IT MEASURES	EXTENT TO WHICH SCORE IS INFLUENCED BY CHANGES IN CITY OF SYDNEY†	SYDNEY'S AVERAGE PERFORMANCE	ASPIRATIONAL TARGET FOR SYDNEY BY 2024
Ecosystem and productivity					
UN-Habitat Global Urban Competitiveness Report: Sustainable Growth	Theme within index/report	Ability to maintain long-term economic growth and competitiveness	***	12th globally	Enter global top 10
Mori Memorial Foundation Global Power City Index: Economy	Theme within index/report	Market size and vitality, business climate and jobs growth	***	9th globally	Maintain position among global top 10
CAE Global Start-up City: Total VC investment, 2015-2017	Individual indicator within index/report	Total amount of VC investment	****	52nd globally	Enter global top 40
Crunchbase:No. of top 5,000 ranked innovative tech firms	Embedded in online database	No. of innovative tech firms ranked in top 5,000 globally	*****	11	Reach 20 total
2thinknow Consulting Innovation Cities Index	Entire index/report	Ability to commercialise innovation activity	*****	19th globally	Maintain current position as a top-10 innovation city (currently 10th)
Dealroom:No. of VC backed firms receiving funding of €1m +	Embedded in online database	No. of firms that are backed by VC receiving more than €1m of funding	***	66	Reach 75 total

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‡Includes finance, real estate, professional and business services, science and technology.

NAME OF METRIC	TYPE OF METRIC	WHAT IT MEASURES	EXTENT TO WHICH SCORE IS INFLUENCED BY CHANGES IN CITY OF SYDNEY†	SYDNEY'S AVERAGE PERFORMANCE	ASPIRATIONAL TARGET FOR SYDNEY BY 2024
Economic diversification					
Crunchbase: Breakdown of innovative firm activity by sector	Embedded in online database	% of innovative firm activity by major economic sector	*****	35% of innovative firm activity in finance + business services	Raise % of activity in Disruptive Technologies and Creative Industries to 15% (both currently 11%)
Mori Memorial Foundation Global Power City Index: Cultural content export value	Individual indicator within index/report	Export value of cultural industries	****	26th globally	Enter global top 20
Mori Memorial Foundation Global Power City Index: employees in business support services	Embedded in online database	% of employees working in knowledge-intensive business services (KIBS)‡	****	13th globally	Enter global top 10

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NAME OF METRIC	TYPE OF METRIC	WHAT IT MEASURES	EXTENT TO WHICH SCORE IS INFLUENCED BY CHANGES IN CITY OF SYDNEY†	SYDNEY'S AVERAGE PERFORMANCE	ASPIRATIONAL TARGET FOR SYDNEY BY 2024
Externalities					
INSEAD Global Talent Competitiveness Index	Entire index/report	Ability to attract, retain and futureproof the pipeline for talent	***	19th globally	Re-enter the top 20 (currently 24th)
UBS Global Real Estate Bubble Index	Entire index/report	House Price Inflation	***	6th most at risk	Maintain current (2018) position outside 10 most at-risk cities (currently 11th)
Mori Memorial Foundation Global Power City Index: Average housing rent	Individual indicator within index/report	Average housing rent within the city	**	34th least expensive globally	Enter 30 least expensive globally
Moovit: Average commute time	Embedded in online database	Mean commute time	****	82 minutes	Reduce to 75 minutes
Moovit: % of population commuting >2h per day	Embedded in online database	% of population that spends more than 2h per day commuting to and from work	****	31%	Reduce to <25%
UBS Annual Prices and Earnings: Purchasing Power	Individual indicator within index/report	Purchasing power	**	13th/77	Enter global top 10
UBS Global Real Estate Bubble Index: Price : income ratio	Individual indicator within index/report	No. of years a skilled service worker must work to buy a 650 sq. ft. flat near city centre	*****	9th highest price : income ratio	Drop out of the 10 cities with the highest price : income ratios globally
QS Best Student Cities: Employer Activity	Individual indicator within index/report	Employer desirability of universities within city	***	13th globally	Enter global top 10
LinkedIn Talent Insights: Retention of graduates from city universities	Embedded in online database	% of people living within city who attended universities within city	****	71%[24]	Increase to >75%

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‡Includes finance, real estate, professional and business services, science and technology.

NAME OF METRIC	TYPE OF METRIC	WHAT IT MEASURES	EXTENT TO WHICH SCORE IS INFLUENCED BY CHANGES IN CITY OF SYDNEY†	SYDNEY'S AVERAGE PERFORMANCE	ASPIRATIONAL TARGET FOR SYDNEY BY 2024
Resilience					
JLL City Momentum Index: Future-Proofed Cities	Theme within index/report	Climate change, innovation and future-proof talent pipeline	***	14th globally	Maintain position among global top 15
Z-Yen Global Green Finance Index	Entire index/report	Adoption of green financing methods/tools, financial sustainability	*****	17th globally	Re-enter global top 15 (currently 18th)
McKinsey Urban Institute Report on Smart Cities	Entire index/report	Awareness & deployment of smart apps, strength of tech base	****	30th globally	Enter global top 25
Mori Memorial Foundation Global Power City Index: Commitment to climate action	Individual indicator within index/report	Strength of commitment to climate action	***	6th globally	Enter global top 5
Lloyd's City Risk Index: % of GDP at Risk	Individual indicator within index/report	% of GDP at risk of climate change/natural catastrophe	***	46th least at risk globally	Maintain position among 50 least at risk globally
ICCA et al. World Destination Sustainability Index	Entire index/report	Economic and environmental sustainability of MICE tourism	****	13th globally	Re-enter global top 10 (10th in 2017, currently 11th)
WSP Global Cities Index: Planning for public realm	Individual indicator within index/report	Policies for strengthening the public realm	****	7.7/10 points	Improve score to 8/10
WSP Global Cities Index: Planning for future mobility	Individual indicator within index/report	Policies for future mobility (e.g. EVs, bike sharing)	****	5.0/10 points	Improve score to 6.5/10

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‡Includes finance, real estate, professional and business services, science and technology.

References

1. Performance analysed primarily at metropolitan level and where possible at the City of Sydney level, with a focus on indicators that contribute to economic competitiveness and productivity, and not comprehensive performance.
 2. Source: PwC, February 2015. *The World in 2050: Will the shift in global economic power continue?*
 3. Stars reflect the level of emphasis in a city's economic strategy. Blue shading indicates a strategy that is reviewed in more detail later.
 4. Hong Kong Development Bureau & Hong Kong Planning Department, October 2016. *2030+ Strategy: Towards a Planning Vision and Strategy Transcending 2030*.
 5. Gemeente Amsterdam, March 2016. *Circular Amsterdam. A vision and action agenda for the city and metropolitan area*. Published with Circle Economy, FABRIC and TNO.
 6. Mairie de Paris, July 2018. *Plan Local d'Urbanisme: Projet d'aménagement et de développement durable*.
 7. City of New York, April 2015. *One New York. The Plan for a Strong and Just City*.
 8. City of Toronto, June 2015. *Official Plan*.
 9. Boston City Council, July 2017. *Imagine Boston 2030: A Plan for the Future of Boston*.
 10. Mayor of London, December 2018. *The Mayor's Economic Development Strategy for London*.
 11. Shanghai Urban Planning and Land Resource Administration Bureau, January 2018. *Shanghai Master Plan 2017-2035: Striving for the Excellent Global City*
 12. Government of the District of Columbia, Office of the Deputy Mayor for Planning & Economic Development, Washington D.C. *Economic Partnership, March 2017. D.C.'s Economic Strategy Report: Ideas. Opportunity. Growth*.
 13. The score out of 100 is based on indices selected on the basis of range, robustness and global currency. The 100 most globalised cities according to GaWC are ranked by overall performance across seven categories using our ELO algorithm. There is equal weighting between the seven categories (corporate presence, gateway functions, scale and market size, infrastructure platform, talent, innovation, and soft power).
 14. For each of the 7 themes, Sydney has been evaluated in multiple comparative indexes, benchmarks and metrics and graded on a 10-point scale. This is based on its performance relative to all other comparator cities that were measured within each theme.
- Scores were computed by our ELO algorithm in order to evaluate overall performance of all the measured comparator cities. The ELO algorithm compares cities' performance across all permutations. The system consistently produces the most accurate comparative assessment of city performance, as it accounts for the fact that some cities appear in more measures than do others, and that each ranking measures a different number of cities.
- Sydney's final score for each theme is based on its overall score, where Sydney's rank compared to all other measured cities within that theme determines the decile in which it falls. A rank of 1st or 2nd out of 20 would put Sydney in the top decile, 3rd or 4th in the 2nd decile, and so on.
15. The 20 cities analysed are Amsterdam, Barcelona, Berlin, Boston, Brussels, Chicago, Frankfurt, Hong Kong, London, Madrid, Melbourne, Miami, Munich, Paris, San Francisco, Singapore, Stockholm, Sydney, Toronto, and Washington D.C.
 16. The seven economic themes that denote different indicative categories of city competitiveness are:
 - Global business and investment reach – includes benchmarks that measure the rate of FDI, foreign trade, and freight and passenger flows, as well as the number of multinational HQs and international conferences.
 - Innovation economy – includes benchmarks that measure innovation activity in terms of the number of VC deals, number high-tech innovative firms, city's start-up ecosystem and IP regulation, as well as R&D expenditure and university performance
 - Productive infrastructure and technology platform – includes benchmarks that measure commuter transport connectivity, internet speeds, rush hour traffic flows and efficiency, investment in public transport, and the digitisation of infrastructure systems.
 - Talent magnetism and appeal – includes benchmarks that measure the ease of settling in to the city, disposable income and city buzz, breadth of career opportunities, and post-university employment options.
 - Talent retention and inclusion – includes benchmarks that measure social cohesion, family friendliness, affordability of goods and services, sustainability efforts and efficiency of transport infrastructure.
 - Resilient economy and systems – includes benchmarks that measure the resilience approaches of cities, both in terms of climate change and of resilience of the workforce to ensure competitiveness, urban transport and infrastructure strength (e.g. power generation sources, waste management systems, investment in green infrastructure), and the readiness of citizens to adopt innovative solutions and products.
 - Quality of place and amenities – includes benchmarks that measure cities' walkability, cleanliness, density, green space, and variety of public activities and facilities.
 17. Based on Sydney's aggregate performance in indices selected on the basis of range, robustness and currency within the 8 themes. Peer cities: Amsterdam, Barcelona, Berlin, Boston, Brussels, Chicago, Frankfurt, Hong Kong, London, Madrid, Melbourne, Miami, Munich, Paris, San Francisco, Singapore, Stockholm, Toronto & Washington D.C.
 18.

City	Size (km ²)	Population
City of Sydney	27	228,000
City of Boston	125	685,000
City of Copenhagen	88	613,000
City of Dublin	117	555,000
City of Frankfurt	248	748,000
City of Manchester	116	545,000
City of Miami	93	463,000
City of San Francisco	121	884,000
City of Tel Aviv	52	444,000
City of Vancouver	115	631,000
City of Zürich	88	429,000

Source for City of Sydney: <https://profile.id.com.au/sydney>. See appendix for sources for other cities.

19. This report mainly compares the City of Sydney to its peer cities at the scale of the politically defined city, and in addition at the 2-10 km² CBD scale. The analysis also contains some meso-level comparisons that compare the City of Sydney against other similarly sized (20-30 km²) aggregations of central districts in these 'peer' cities. This helps to provide more relevant comparative insight on topics where the density and demographics are strongly shaped by the size and scale of the territory.

We benchmarked the City of Sydney to these core cities in one of three ways:

- City of Sydney data vs data that corresponds to the political boundary of the 'city' in peer cities
- We compare City of Sydney data to data that corresponds to similarly sized central districts in the peer cities
- We compare Sydney CBD data to data that corresponds to the peer cities' own CBDs

Figures describing cities at the meso-level scale (central districts) refer to the following areas:

- London CAZ: London's Central Activity Zone
- Central London: City of London and Westminster
- Central Toronto: Toronto Centre, Spadina Fort York, University Rosedale, St Pauls, Dainfort

- Central Zürich: Kreis 1, 3, 4, 5, 9
- Miami Greater Downtown: Downtown Miami, Edgewater, Midtown, Wynwood and Overtown
- Central Manchester: City Centre, Hulme, Cheetham, Ancoats, Clifford (Trafford), Ordsall (Salford)
- Central Copenhagen: Indre By, Vesterbro/Kongens Enghave, Nørrebro, Østerbro
- Central Tel Aviv: Districts 1, 3, 4, 5, 6, 8
- Central Vancouver: Vancouver Centre and Vancouver East
- Central Frankfurt: Innenstadt 1, 2, 3, 4
- Central Dublin: Central Area, including Broadstone, North Wall, East Wall, Drumcondra, Ballybough and North city centre
- 20. Source: <https://profile.id.com.au/sydney/about>
- 21. Scores based on Crunchbase category data on the total number of innovative technology firms in City of Sydney and other similarly sized central zones in other cities. Categories were organised into 13 broad groups - we calculated the share of each category group as a percentage of total innovative firm activity for each city. Sydney's performance based on average among comparators.
- 22. Source: <http://demographia.com/dhi.pdf>
- 23. Source: *The Committee for Sydney and The Business of Cities, September 2018. Sustaining the Advantage: Benchmarking Sydney's Performance 2018. Supported by Dexis and Landcom.*
- 24. Includes Macquarie University, University of New South Wales, University of Sydney, University of Technology Sydney and Western Sydney University.

Appendix

Sources for size and population, by city:

- Boston: <https://www.census.gov/programs-surveys/popest/data/tables.2018.html>
- Copenhagen: <https://statbank.dk/statbank5a/selectTable/search.asp?Planguage=1&searchtext=Data>
- Dublin: <http://www.cso.ie/en/media/csoie/census/documents/Prelim%20complete.pdf>
- Frankfurt: <https://www.frankfurt.de/sixcms/detail.php?id=437171>
- Manchester: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationandmigration/populationestimates/bulletins/annualmidyearpopulationestimates/latest>
- Miami: https://www2.census.gov/geo/docs/maps-data/data/gazetteer/2016_Gazetteer/2016_gaz_place_12.txt & <https://www.census.gov/quickfacts/fact/table/miamicityflorida,miamidadecountyflorida/PST045218>
- San Francisco: <https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkml>
- Tel Aviv: <https://www.tel-aviv.gov.il/en/abouttheCity/Pages/CityinNumbers.aspx>
- Vancouver: <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Geo2=PR&Code2=01&Data=Count&SearchType=Begins&SearchPR=01&TABID=1&B1=All&Code1=5915022&SearchText=vancouver>
- Zürich: https://www.stadt-zuerich.ch/portal/en/index/portraet_der_stadt_zuerich/zahlen_u_fakten.html

Sources for size and population, by CBD:

- Boston: <https://www.downtownboston.org/assets/BID-pdfs/DBB-Annual-Report-2018-Final-Final.pdf>
- Copenhagen: <https://www.citypopulation.de/php/denmark-copenhagen.php?cityid=K01>
- Frankfurt: [https://www.frankfurt.de/sixcms/detail.php?id=2835&ffmpar\[id_inhalt\]=92392](https://www.frankfurt.de/sixcms/detail.php?id=2835&ffmpar[id_inhalt]=92392)
- Manchester: http://www.spinningtheweb.org.uk/m_display.php?irn=71&sub=cottonopolis&theme=places&crumb=City%20Centre
- Miami: <https://www.point2homes.com/US/Neighborhood/FL/Downtown-Miami-Demographics.html>
- San Francisco: <http://www.city-data.com/neighborhood/Downtown-San-Francisco-CA.html>
- Tel Aviv: <https://www.cbs.gov.il/he/>
- Vancouver: <https://vancouver.ca/files/cov/Downtown-census-data.pdf>
- Zürich: <https://www.stadt-zuerich.ch/prd/en/index/statistik.html>

Sources for jobs-to-residents ratio, by city:

- Boston: <http://www.bostonplans.org/getattachment/d835ad4c-e8a9-4f17-b342-468f02301c58>
- Manchester & London: UK figures from NOMIS Local Authority Profile: Labour demand: jobs density
- San Francisco: <https://sf.curbed.com/2017/12/15/16782272/san-francisco-planning-commission-commerce-industry-inventory>
- Tel Aviv: <https://www.tel-aviv.gov.il/Transparency/DocLib6/%D7%91%D7%A8%D7%90%D7%99%D7%94%D7%9E%D7%A1%D7%A4%D7%A8%D7%99%D7%9D%202018.pdf>
- Zürich: <https://www.stadt-zuerich.ch/prd/de/index/statistik/themen/wirtschaft/arbeitsmarkt/beschaeftigte.html>

Sources for jobs-to-residents ratio, by CBD:

- Boston: <http://www.bostonplans.org/getattachment/7987d9b4-193b-4749-8594-e41f1ae27719>
- London: UK figures from NOMIS Local Authority Profile: Labour demand: jobs density
- Manchester: https://www.manchester.gov.uk/download/downloads/id/25888/annex_a_evidence_report.pdf
- Miami: http://www.miamidda.com/wp-content/uploads/MDDA_DemoPopReport_05072018.pdf
- San Francisco: <https://www.mercurynews.com/2017/07/13/adobe-sets-big-san-jose-expansion-near-proposed-google-village/>

Sources for median multiples:

- San Francisco: <https://schoenhouseandmanter.com/homeownership-pays-off-more-in-california-than-it-does-anywhere-else-in-america/>
- Miami: <http://www.miamidda.com/wp-content/uploads/2016MiamiDDADemographicsReporFinal.pdf>
- Tel Aviv: National figures proxy based on Haaretz (2013) (www.haaretz.com/premium-homes-cost-double-in-israel-versusu-s-1.5225604)
- Vancouver: <https://www.livingin-canada.com/house-prices-canada.html> & <https://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/details/page.cfm?Lang=E&Geo1=CSD&Code1=5915022&Geo2=PR&Code2=59&Data=Count&SearchText=vancouver&SearchType=Begins&SearchPR=01&B1=All&TABID=1>
- Dublin: <https://www.dafi.ie/report/ronan-lyons-2018q4-dafthouseprice> ; <https://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/saveselections.asp>
- Zürich: <https://www.globalpropertyguide.com/Europe/Switzerland/Price-History> ; <https://www.stadt-zuerich.ch/prd/en/index/statistik.html>
- Manchester: <https://www.gov.uk/government/publications/uk-house-price-index-england-march-2018/uk-house-price-index-england-march-2018> ; <https://www.nomisweb.co.uk/reports/lmp/la/1946157083/report.aspx#tabearn>

