Attachment A

**Economic Development Strategy 2013–2023
Close Out Report**

CITY OF SYDNEY

Economic Development Strategy 2013-2023 Close Out Report

Sydney2030/Green/Global/Connected

CITY OF SYDNEY

Economic Development Strategy

Sydney's economy: global city, local action

Contents

Purpose of the report

Economic Development Strategy 2013 - 2023

The Economic Development Strategy 2013 - 2023 (the Strategy) has provided the strategic framework for economic development programs, initiatives, and projects across the City of Sydney over the past ten years.

The Strategy sets out our vision for the economy of Sydney and the strategies and actions required to achieve that vision. It has been the overarching framework that has guided our economic development initiatives and has outlined our role, priorities and approach over the 10 years. The strategy also provides the rationale for engaging with identified priority sectors and delivering outcomes through detailed action plans including Retail, Tourism and Tech Startups.

This report is a high-level summary of the actions delivered and is intended to formally close-out the specific commitments of the strategy and actions plans. It includes details of key economic development achievements during the life of the strategy and action plans.

This report provides an update across the 194 actions from the Retail Action Plan, Tourism Action Plan and Tech Startups Action Plan. Detailed case studies are outlined demonstrating the range of levers used by the City and outcomes achieved.

The City of Sydney's Community Strategic Plan, *Sustainable Sydney 2030-2050: Continuing the Vision,* was adopted in 2022 and responds to the communities' vision to deliver a transformed and innovative economy. The community strategic plan is the foundation to guide the development of the next economic development strategy that will set a new vision for the city's economy; that Sydney will become an even more welcoming global city renowned for its lifestyle and sustainability, its inclusive and diverse society, and its vibrant street life and creative precincts.

A new Economic Development Strategy for the period 2025 – 2035 accompanies this Close Out Report.

Economic Development Strategy 2013-2023

The 10 year Economic Development Strategy delivered in 2013, was intended to strengthen the city economy and support business. It centred on further improving the solid foundations for success; creating opportunities for individuals, businesses, the community, and future generations as well as addressing the challenges that might otherwise limit Sydney's potential growth as a global city.

The strategy built on the broad economic themes from Sustainable Sydney 2030 and took into account contemporary economic challenges. It set a 10 year vision for Sydney to be a globally competitive and innovative city, the premier place in Australia to live, work and visit. It also set the course for the city to be renowned for its creativity and productivity, with a robust economy which is resilient and dynamic.

The 2013 strategy outlined the rationale for developing detailed action plans for priority sectors including Tourism, Retail and Tech Startups. Tourism and Retail Action Plans were concurrently released as 10 year plans along with the strategy and the Tech Startups Action Plan was subsequently released in 2016 as a five year plan.

International Education, Open Sydney and Eora Journey Economic Development Plan have also been released and have several years to run and will continue to be implemented an integrated way with the new economic development strategy.

The economic development strategy identified three strategic priorities that would deliver the results needed to achieve the vision for Sydney's future economy. These priorities focused on building on the economic foundations for success, taking action to address the challenges, and taking full advantage of the opportunities for our economy.

The priorities included:

1. **Strengthen Sydney's competitiveness**: through the creation of a city that encourages business investment, attracts visitors and has the amenity and liveliness sought by current and future residents;

2**. Improve productivity and capacity**: through investment in the productive, transformative and social infrastructure needed to unlock the city from congestion, to keep people and goods moving, increase knowledge and capital flows, to enable full participation in the workplace and to enable workers at all levels to live close to their work; and

3. **Promote opportunity**: build on strong regional, national and global links and cross sector networks, support the continued development of strong industry clusters, encourage partnerships and collaborate and work to strengthen the established sectors as well as the entrepreneurial and small business community within the City.

The City has created strong partnerships and networks with industry, government, community and other stakeholders to deliver this 10 year strategy. We have also worked in partnership with many other metropolitan stakeholders to achieve the vision for a strong economy.

Key achievements across the decade

- A jobs target was established through Sustainable Sydney 2030 which was achieved in part through economic initiatives. Jobs grew from a 2013 base of 437,000 to over 521,000 jobs by 2024, with strong shift towards more advanced, knowledge economy jobs.

- In conjunction with the NSW Government, transforming George Street into a pedestrian, retail and light rail boulevard, with a major network of revitalised laneways has been achieved. Our public domain improvements include wider footpaths, more space for alfresco dining areas, more trees, seating, bike racks, water bubblers, and street lighting. George Street revitalisation has helped grow the city economy to over $142 billion per year, a 40% increase from the $101 billion noted in 2013.

- We have completed a comprehensive review of the central planning controls – the 'Central Sydney Planning Review', which included involvement from key stakeholders such as the Property Council of Australia and state government. Key objectives were to reinforce the attractiveness of Sydney as a location for global business enterprises, to ensure that the City's planning controls can positively influence Sydney's functioning as a global city, and that there would be sufficient development capacity for employment growth in central Sydney.

- Major urban renewal projects are catalysts for change in the city. Green Square urban renewal transformation into a vibrant, sustainable and connected community is taking shape. Upon completion it will accommodate 63,000 people, living in 33,000 new homes and provide around 21,000 permanent jobs, and include investments of $22 billion in private development, and $1.8 billion in public infrastructure.
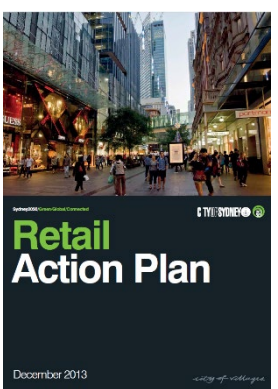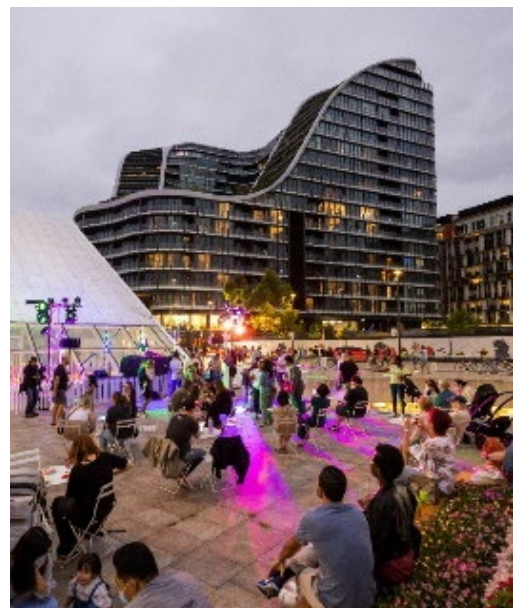
Action Plan Close-Out

Summary

The Tourism, Retail, and Tech Startups Action Plans have reached the end of their terms and are being closed-out with relevant actions rolled into the new economic development strategy. These close-out reports provide a snapshot of the status of actions implemented, outcomes and the impact on the respective sectors and wider economy. They highlight new challenges and opportunities and provide recommendations to ensure alignment with the new economic development strategy.

The status of all actions were reviewed for this close-out report and grouped into five categories:

- Completed – actions that have been completed without a plan to repeat.
- Ongoing (BAU) – actions that are well-established and have become business as usual.
- In-progress – actions that have commenced but are not fully delivered.
- Not started – actions that are under consideration but have not commenced.
- Discontinued – actions that are no longer relevant and discontinued.

Figure 1. Summary of action status by Action Plan

Tourism Action Plan	Retail Action Plan	Tech Startups Action Plan
87 Actions	67 Actions	40 Actions
97% completed or in progress	97% completed or in-progress	93% completed or in-progress
• 78 completed (91%)	• 64 completed (95%)	• 25 completed (70%)
• 5 in-progress (6%)	• 1 in-progress (2%)	• 9 in-progress (23%)
• 3 discontinued (3%)	• 2 discontinued (3%)	• 2 not started (5%)
		• 1 discontinued (2%)

The 3 Action Plans contained a combined total of 194 actions. Most actions (96%) have been completed or are in-progress. There are 8 (4%) that have been identified as not started or discontinued, with details and context provided below.

Tourism Action Plan

Three actions investigated but not implemented are recommended to be closed out, as follows:

- *Advocate to the NSW Government to improve the speed, number, quality, and volume of rail services from rural and regional NSW, particularly from key locations such as the Central Coast, Newcastle and Wollongong.*

The City's priority was to advocate for the Metro in the first instance, as this results in significant capacity increases on the rail system, which then makes it more feasible to have more frequent and faster connections from the regions to central Sydney.

- *Collaborate with Destination NSW in the development of digital-based visitor information that facilitates wayfinding.*

This action was not implemented, and with the pandemic having such a significant impact on visitor arrivals, it has not progressed. It will continue to be investigated in the future through the City's QMS system, Legible Wayfinding system and in discussions with Destination NSW. This will be reflected in the new economic development strategy.

- *Investigate provision for information, signage, and wayfinding through mobile devices to accommodate non-English speaking residents and visitors to the City.*

This action was not directly implemented, although there was a modified action utilising our QMS system to welcome visitors in multiple languages. Through the new economic development strategy, we will be working on new visitor economy projects to address wayfinding, signage and sharing of information with visitors.

Retail Action Plan

Two actions investigated but not implemented are recommended to be closed out, as follows:

- *Advocate to the Federal Government to reform Australia's GST Tourist Refund Scheme to allow competition by private refund operators that will drive tourist shopping and product development to international visitors and allow reimbursement whilst visitors are still in Australia.*

The City consulted with the Retail Advisory Panel and the Australian Retailers Association, and it was agreed that this advocacy work should be led by industry. The City agreed to provide a supportive role if industry requested.

- *Facilitate partnerships between the vocational and higher education organisations and the retail sector to pursue research, knowledge and skills development as well as opportunities for entry-level employment.*

The City consulted with the Australian Retailers Association (ARA) who advised that the retail industry peak body, on behalf of retailers was seeking federal government investment to help future-proof the sector and reposition retail as a career. The need to upskill the existing workforce and build career pathways, particularly in the digital transformation of the industry, was essential, but acknowledged that work was being led by ARA and the private sector to meet the skills training required. The City agreed to provide a supportive role if industry requested in the future.

Tech Startups Action Plan

One action was discontinued:

- *5.2 Investigate increasing the number of Sydney-based companies the Advance Innovation program supports and boosting its impact.*

It was discontinued as the Advance Innovation program ceased operation. Subsequently, the City either directly delivered or supported other programs to build the entrepreneurial skills of local startup founders. The programs include the Business Innovation program, Visiting Entrepreneur Program, Tech Ready Women program, and Future Asia Business Summit.

Two actions were not started:

- *1.8 Formally acknowledge the contribution of entrepreneurs and other members of the tech startup ecosystem, for example, through a Sydney innovation or young entrepreneur award.*

- *2.9 Devise an advocacy campaign to support relevant, exciting and accessible early education in digital technology, particularly for girls.*

The City has considered these two actions but did not commence them due to resource and capacity constraints. The City has however supported Business NSW to deliver The Sydney Business Awards for many years.

Tourism Action Plan – close out report

Strategic context

Our 10-year Tourism Action Plan, published in December 2013 set the direction for the City to work with partners to maintain and grow our tourism-related industry to ensure Sydney remained a highly desirable destination for global tourist travel and business markets.

This action plan was developed as tourism was identified as a priority sector in the city due to its size relative to other industries, the number and diversity of the jobs associated with the tourism industry and the role tourism plays as a catalyst for economic investment in NSW and Australian through international visitation.

There have been many challenges facing the sector and these were further exacerbated during the Covid-19 pandemic and subsequent lock-down of all Australian borders, including state borders. Some of the earlier challenges prior to the pandemic included a high Australian dollar, increased competition over Sydney as a destination of choice for visitors and business travellers within the Asia-Pacific region and high hotel occupancy levels which limited the capacity for growth and the attraction of conferences and events.

Desired outcomes from this action plan were the ongoing recognition of Sydney as the premier tourist destination ahead of other Australian capital cities and as a regional leader in Asia Pacific. We aimed to ensure that the tourism sector offered a range of diverse events, attractions and experiences that rank amongst the best in the world and are unique to Sydney and Australia. We prioritised high quality tourism facilities, greener accommodation and transport infrastructure that supported and sustained the growing number of domestic and international visitors.

Key action areas

There are **87 actions** in the Tourism Action Plan, with 3 key areas of focus:

1. **Destination Development**

    This area of focus prioritises collaboration and support for the development of new visitor experiences, products, and infrastructure to meet long-term sustainability and accessibility goals. There are a total of **43 actions**, grouped into 7 themes.

    - Developing capacity through improvements in the public domain, and investment in sustainable tourism infrastructure such as increasing the supply of hotel accommodation in the city centre and urban renewal areas.
    - Developing city areas to ensure that the management of key tourist precincts is better integrated to improve the visitor experience.
    - Developing connections at key areas of the city including facilities for cruise ship passengers, arrivals at Sydney Airport and other public transport connections.
    - Developing sustainably through the provision of green event guidelines, improvement in the sustainability of accommodation and business events, and venue operating standards.
    - Developing communities and businesses and encouraging development of Aboriginal and Torres Strait Islander peoples' tourism infrastructure and experiences.

- Sustaining capacity and building economic growth through events management of year-round events and conferences to drive visitor demand.
- Developing reasons to visit through our ongoing support of conferences and business events as well as support for high-profile major events which attract visitors to Sydney.

2. Destination Management

The City continues to develop how we manage key areas of Sydney to ensure the city meets the expectations of visitors. There are **21 actions**, grouped into 5 themes:

- Managing the city environment through ongoing maintenance, cleansing services and beautification to ensure increased community safety and perceptions of safety.
- Managing visitor navigation through investment in high quality urban design initiatives for lighting, wayfinding, signage and landscaping.
- Managing visitor arrivals through our provision of visitor information services.
- Managing visitor transport including the delivery of light rail in the city and other major transport improvements including connections through Wynyard, Martin Place, Central Station, and integration of other major transport hubs.
- Managing visitor feedback to monitor the level of visitor satisfaction.

3. Destination Marketing

Integrated planning and execution of marketing campaigns has been central to our approach in promoting Sydney as a premier visitor destination. We are committed to highlighting Sydney's unique character, including our diverse cultural offering, neighbourhoods, and vibrant nightlife. There are **23 actions**, grouped into 3 themes:

- Marketing to visitors in the city through the provision of a variety of tourism related material at key information points across the city and neighbourhoods including development of new technology and apps.
- Marketing Sydney's experiences to locals and visitors including major events and festivals and celebrations that support tourism.
- Marketing Sydney globally through our partnership with Destination NSW to promote Sydney as a destination of choice. We also support the work of Business Events Sydney to attract and retain large conferences and conventions.

Action status

The status of all 87 actions in the action plan were reviewed and grouped into five categories:

- Completed – actions that have been completed without a plan to repeat.
- Ongoing (BAU) – actions that are well-established and have become business as usual.
- In-progress – actions that have commenced but are not fully delivered.
- Not started – actions that are under consideration but have not commenced.
- Discontinued – actions that are no longer relevant and discontinued.

Of the 87 actions, 71 (82% of all actions) have been implemented and are established as ongoing/business as usual, 8 (9%) have been completed but are not required to be repeated (i.e. actions including studies/research projects), no actions were not started, 5 actions are in progress (6%), and 3 actions (3%) were discontinued and are recommended to be closed out. In total, 97% of actions are completed, ongoing or in progress.

Figure 2. Chart: Tourism Actions by implementation status

Three actions were investigated but discontinued as no longer relevant and are recommended to be closed out. These include:

- *Advocate to the NSW Government to improve the speed, number, quality, and volume of rail services from rural and regional NSW, particularly from key locations such as the Central Coast, Newcastle and Wollongong.*

The City's priority was to advocate for the Metro in the first instance as this results in significant capacity increases on the rail system, which then makes it more feasible to have more frequent and faster connections from the regions to central Sydney.

- *Collaborate with Destination NSW in the development of digital-based visitor information that facilitates wayfinding.*

This action was discontinued, and with the pandemic having such a significant impact on visitor arrivals, it has not progressed. It will be investigated in the future through the City's QMS system and in discussions with Destination NSW and other government agencies. This will be reflected in the new economic development strategy.

- *Investigate provision for information, signage and wayfinding through mobile devices to accommodate non-English speaking residents and visitors to the City*

This action was not directly implemented although a modified action was utilising our QMS system to welcome visitors in multiple languages. Through the economic development strategy, we will be working on new visitor economy projects to address wayfinding, signage and sharing of information with visitors.
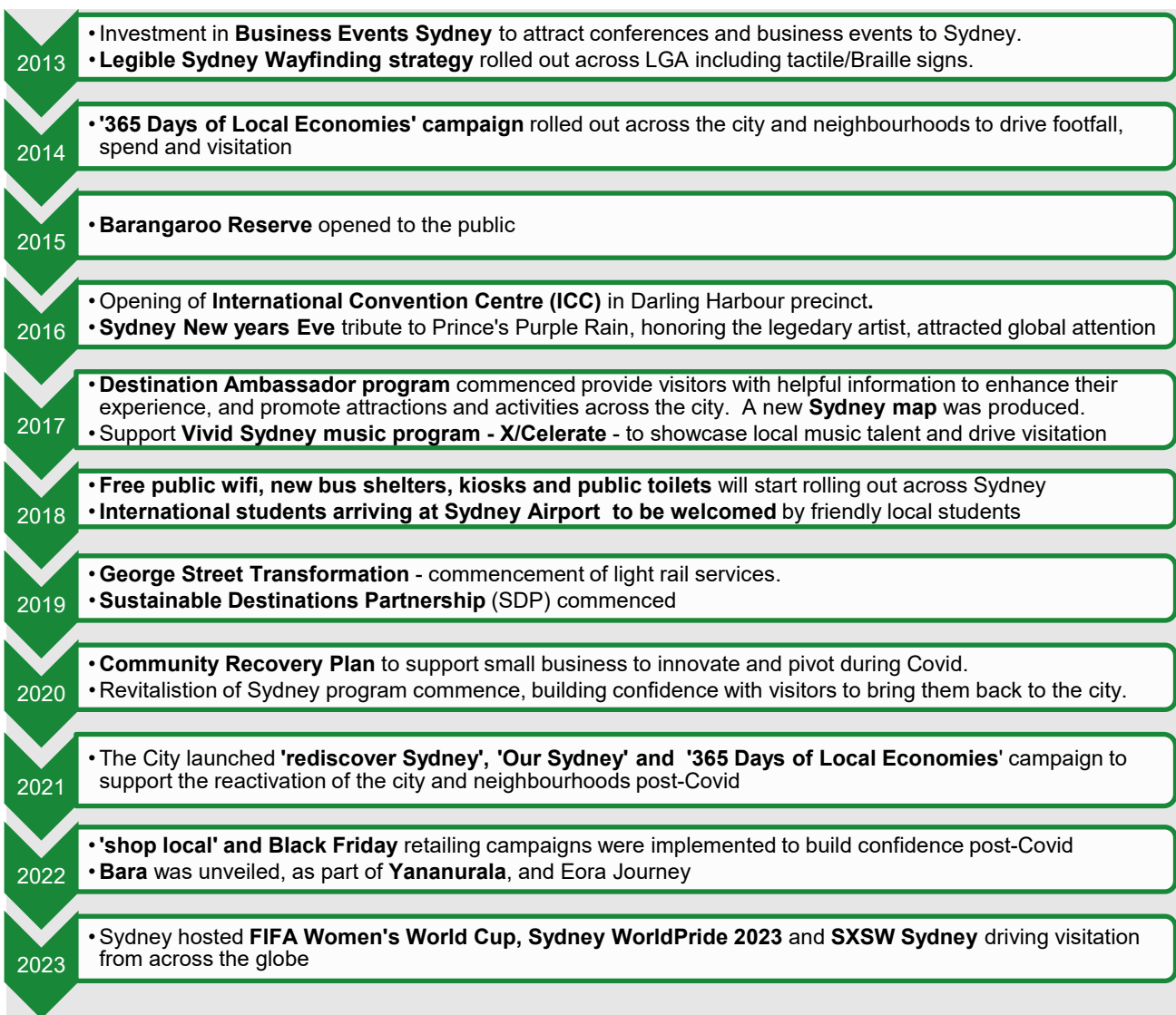
It is recommended that the above three actions are closed out, and through the new economic strategy, we investigate priorities to support the visitor economy.

Key programs

Actions have been implemented through a range of levers including providing direct business services, delivering programs, organising events, sponsoring major events and festivals, supporting enablers, offering grants and subsidies, sharing information and key data, providing affordable space, and advocating for the Tourism and related sectors to support the economy.

Over the years, the City has made significant progress in introducing new programs, advocating for major infrastructure and transport connections, developing policy, and providing funding support for major events to strengthen our support for the tourism sector. The following chart highlights some key programs and milestones achieved each year over the life of the action plan and showcases the City's commitment to developing tourism opportunities and the wider visitor economy.

Figure 3. Highlights of key program achievements

2013
- Investment in **Business Events Sydney** to attract conferences and business events to Sydney.
- **Legible Sydney Wayfinding strategy** rolled out across LGA including tactile/Braille signs.

2014
- **'365 Days of Local Economies' campaign** rolled out across the city and neighbourhoods to drive footfall, spend and visitation

2015
- **Barangaroo Reserve** opened to the public

2016
- Opening of **International Convention Centre (ICC)** in Darling Harbour precinct.
- **Sydney New years Eve** tribute to Prince's Purple Rain, honoring the legedary artist, attracted global attention

2017
- **Destination Ambassador program** commenced provide visitors with helpful information to enhance their experience, and promote attractions and activities across the city. A new **Sydney map** was produced.
- Support **Vivid Sydney music program - X/Celerate** - to showcase local music talent and drive visitation

2018
- **Free public wifi, new bus shelters, kiosks and public toilets** will start rolling out across Sydney
- **International students arriving at Sydney Airport to be welcomed** by friendly local students

2019
- **George Street Transformation** - commencement of light rail services.
- **Sustainable Destinations Partnership** (SDP) commenced

2020
- **Community Recovery Plan** to support small business to innovate and pivot during Covid.
- Revitalistion of Sydney program commence, building confidence with visitors to bring them back to the city.

2021
- The City launched **'rediscover Sydney', 'Our Sydney' and '365 Days of Local Economies'** campaign to support the reactivation of the city and neighbourhoods post-Covid

2022
- **'shop local' and Black Friday** retailing campaigns were implemented to build confidence post-Covid
- **Bara** was unveiled, as part of **Yananurala**, and Eora Journey

2023
- Sydney hosted **FIFA Women's World Cup, Sydney WorldPride 2023** and **SXSW Sydney** driving visitation from across the globe

Implementation Case Studies

Case study 1 – 'bara' – a new visitor welcome

bara by Aboriginal artist Judy Watson is a major new permanent artwork to celebrate the First Peoples of Sydney, the traditional custodians of Gadigal Country.

The artwork takes pride of place on the Tarpeian Precinct Lawn above Dubbagullee (Bennelong Point) and honours clans of the Eora Nation and Elders past and present.

The cultural protocol of welcoming people to Country, or acknowledging the traditional custodians of Country, is at the heart of this artwork. It exemplifies this symbolic and deeply meaningful public gesture in a tangible and respectful way. This is especially important given the national significance of where *bara* is located, on the eastern shore of Warrane (Circular Quay), a key visitor destination.

Yananurala (Walking on Country) is the name for the new 9-kilometre walk sharing Aboriginal perspectives of place through artworks and installations along the Sydney harbour foreshore. This walk is an Acknowledgement of Country in its truest, most ancient form.

As visitors walk the shoreline, interact with public art and stories, hear whispers of language, and place their feet in the water, they introduce themselves to this Country so that it will remember them.

Yananurala invites us all to celebrate and learn from our beautiful harbour. It's hoped it will help locals and visitors better understand Country in a way Aboriginal people have experienced for millennia.

This is a key example of a destination development action to support Aboriginal and Torres Strait Islander peoples' tourism infrastructure and experience for all people to enjoy.

Image: bara by Judy Watson. Photo: Chris Southwood/City of Sydney

Case study 2 – Sydney Ambassadors

Our Sydney ambassadors help visitors daily by offering advice, wayfinding solutions, information on what's on and tips and tricks. They provide advice on where to find the best shops, restaurants, theatres, museums, galleries, and tourist attractions, to ensure our visitors have a memorable time in our beautiful city.

Our roaming ambassadors are located across the city at key landmarks including Circular Quay precinct, Customs House and have supported major events including Vivid Sydney and Sydney

WorldPride, Sydney New Years Eve, as well as welcoming passengers disembarking from cruise ships at the Overseas Passenger Terminal and White Bay port.

The ambassadors provide maps of Sydney and the latest guides to events across the city and our neighbourhoods.

Over the course of a year, our ambassadors typically greet close to 100,000 visitors with the top enquiries being for directions, transport, attractions, and maps. Additionally, the ambassadors meet about 47 international cruise ships, serving over 10,000 visitors.

Image: Destination Ambassadors welcoming international visitors arriving at Overseas Passenger Terminal

Case study 3 – Sydney New Year's Eve

New Year's Eve celebrations put Sydney on the global stage, annually attracting millions of visitors and viewers of our spectacular fireworks display and family fun events.

In 2019, we undertook a study into the value of this event, which at that time bought in $280m boost to the economy. This event reminds the world that Sydney is a global city for tourism, for business, for culture, technological creativity and most importantly, Sydney is a welcoming inclusive and diverse city for all our communities.

As one of the first cities to ring in the new year, Sydney sets the benchmark for New Year's Eve celebrations around the world including 20 minutes of fireworks over two displays, a smoking ceremony, pylon projections, lighting display, illuminated vessels on the water.

In 2023. for the first time in the event's history, AI technology was used to create animated segments that were projected onto the Sydney Harbour Bridge pylons throughout the evening.

Image: Sydney New Years Eve fireworks Photo: Henry Li/City of Sydney

Case study 4 – Haymarket Revitalisation

Haymarket is home to Sydney's vibrant Chinatown as well as Thaitown, Koreatown, Railway Square and Darling Square. Chinatowns around the world attract visitors and keep alive the historic links with many Asian cultural and community traditions.

Haymarket is a unique and distinctive part of Sydney. It has a special urban character that is lively, diverse, and ever changing, characterised by dining and shopping, and is a popular destination for locals and visitors.

Haymarket has historic links with Chinese culture and community. The growing influence of other Asian cultures and communities adds to an increasing diversity of shops and restaurants and visitor attractions throughout the area.

The City has been working closely with the local community to develop a vision for the future of Haymarket. We have released our Haymarket and Chinatown revitalisation strategy and Haymarket public domain plan outlining how we can make this community vision a reality.

This significant revitalisation strategy and delivery program builds on the program of upgrades to the public domain that have taken place across Haymarket and Chinatown over the past 10 years to support local businesses across the retail, tourism, and hospitality sectors, to care for this important cultural, visitor and retail precinct.

Projects have included the Thomas Street, Haymarket, transformation that saw an enhanced walkway and public space delivered. This upgrade included more trees, lighting, seating, and a new artwork. In 2012 Little Hay Street, Factory Street and Kimber Lane were also upgraded.

The revitalisation of these streets created a more generous and engaging experience for people who walk. Shared zones and widened footpaths encouraged people to visit the area, provided opportunities for gathering spaces and created a framework for new public art and decorative lighting.

Image: Dixon Street, Haymarket

Case study 5 – Upgrading our public domain

The City is continuously undertaking revitalisation projects across the city centre and neighbourhoods. Extending public space encourages people to walk through the city, contributing to a healthy community and neighbourhood.

The upgrades of the northern part of the city are underway now, to pedestrianise Wynyard to Essex Street. These upgrades are part of the City's long-term vision to provide a calmer, more appealing environment for workers, visitors, and residents and to generate a 24-hour city economy.

The pedestrianisation of George Street south has been completed, creating wider footpaths for walking and new spaces for outdoor dining. It is part of the City commitment to open 9,000 square metres of car-free space to help create opportunities for businesses to operate.

The new pedestrian zone on George Street is open between Bathurst and Goulburn streets and experiences the highest level of pedestrian activity across the city regularly. It's the first step in a $43.5 million construction project. This area has been transformed, advancing the City's plans to progress the design for Belmore Park to better connect to Central station.

Image: George Street transformation, Danish architect and urban planner Jan Gehl, the creative mind behind the changes in Sydney's downtown, back in Sydney to see the results of his work 16 years after suggesting big ideas for the city. Photo by Abril Felman/City of Sydney

Case study 6 – Business Events and Conferences

The City works closely with Business Events Sydney (BESydney) to secure significant global conferences, meetings, and incentive events that deliver economic and social impacts for Sydney.

The BESydney team works across Asia, Australia, Europe, and the Americas to bring hundreds of events to Sydney. The events each year attract thousands of international delegates from key industries and injecting hundreds of millions of dollars into the economy.

The City supports this endeavour through funding and leveraging opportunities when business delegates are here in Sydney. We work with BESydney to develop an exciting program of events, pre and post conference tourism experiences to attract this high-spending business visitor and their partners and families to experience more of Sydney and NSW.

In collaboration with BESydney, we participate in the Global Destination Sustainability Index (GDSI), which is the leading sustainability benchmarking and improvement program for meetings and events destinations. Annual participation in the index is a valuable way to recognise and promote the work of our local accommodation and entertainment sector in progressing sustainability.

Business Events Sydney, in partnership with the City and other key stakeholders, has also created a world-leading social impact methodology and framework for business events in Sydney and across NSW. The index is aligned with the UN sustainable development goals. It measures and compares the environmental impact, social performance, sustainable practices of suppliers and sustainable strategies and programs in participating cities.

Sydney has been participating in the program since 2016, with a current ranking of 15 out of 73 participating destinations. In 2019 the Sustainable Destination Partnership received the GDSI's Innovation in Sustainability Award for outstanding collaboration.

Image: FDI World Dental Congress 2023, International Convention Centre (ICC), Sydney

Case study 7 – Sustainable Destination Partnership

Sydney is Australia's leading destination for tourists and the gateway to NSW. The tourism sector is a vital component of the city's economy and an important contributor to national and international recognition of Sydney being a great place to visit, live and work. But this popularity comes at a price with accommodation and entertainment venues creating 47% of Sydney's commercial waste, 21% of its carbon emissions and consuming 14% of its drinking water.

In response, leading hotels, event centres, cultural institutions and tourism bodies are working together to improve environmental performance and build Sydney's reputation as a leading

sustainable destination for visitors and attracting global business events, conferences and incentive groups.

Led by the City, the Sustainable Destination Partnership aims to improve the energy, water and waste efficiency of buildings in the local area; increase the uptake of renewable energy; and engage with regulators on major environmental policy and regulatory issues.

Officially established in June 2018, the partnership has committed to supporting the Sustainable Sydney 2030–2050 Continuing the Vision sustainability goals.

Image: Chair, Emma Bombonto, Sydney Opera House, and Deputy Chair, Mei McNamara, Salter Brothers

Collaboration and partnerships

The City works in collaboration with many key stakeholders across the tourism sector to bring meaningful and material impacts to Sydney's visitor economy. We cannot act alone and seek to always create strong partnerships and networks with industry, government and others, so, through our combined efforts, more can be achieved.

Wherever possible, we have aligned our strategies and actions with those partners including state and federal government tourism policies.

Our partnerships include (but are not limited to) the following:

- Destination NSW
- Tourism & Transport Forum
- Placemaking NSW
- Tourism Accommodation Australia
- Business Events Sydney
- BridgeClimb & Hammons Holding
- Committee for Sydney
- Merlin Entertainment
- Lend Lease
- Infrastructure NSW
- Property owners
- Cultural and arts organisations
- Ports Authority of NSW
- Local councils
- Aboriginal and Torres Straits Islander Advisory Panel
- Accommodation sector
- Tourism Australia
- Australian Retailers Association
- International Convention Centre
- Night Time Industries Association

- Sydney Opera House
- NRMA Travel
- Transport for NSW
- Department of Planning
- University of Sydney
- UTS
- University of NSW
- Barangaroo Delivery Authority
- Mirvac
- Property Council of Australia
- Retail and hospitality businesses
- Sydney Airport
- Cruise ship operators
- Tourism Research Australia
- Local tourism businesses

- Australian Hotels Association
- Business Chambers
- Theatres
- Conference organisers
- Office of the 24-hour Economy Commissioner

Measures and indicators

Sydney is the international gateway to Australia, and it is the number one destination for domestic and international visitors. Short-term arrivals to Sydney are at 90% of pre-pandemic levels with forecasts showing growth will continue over the next 12 months. The United States of America was the largest individual source market of visitors to the region, followed by New Zealand.

Although tourism was extremely affected by the pandemic, recovery is on track. There has been a small decline in the number of tourism businesses in the LGA but a growth of tourism job numbers due to a significant increase in the number of part-time employment positions.

Initiatives such as the Sydney Ambassador program have seen a return to pre-pandemic numbers, and in the twelve months to June 2024 we have seen over 99,000 interactions with international visitors, providing information on transport, maps, directions and attractions.

We have served close to 10,000 international cruise passengers from the Overseas Passenger Terminal and White Bay Cruise Terminal.

Figure 4. Total domestic and international visitors to Sydney – travel Dec 2014 to Dec 2023

	Year ending Dec 2014	Year ending Dec 2023	Change over 10 years
Total Visitors (include international, domestic and domestic day trippers)	29.7m	39.2m	24% increase
Total Nights	86.1m	103.8m	17% increase
Visitor Expenditure	$14 b	$25b	43% increase

Source: National Visitor Survey & International Visitor Survey, Tourism Research Australia

Top 4 markets International visitor to Sydney	Percentage as at Dec 2023	Purpose of international visitor to Sydney	Percentage as at Dec 2023
United States of America	13%	Holiday	47%
New Zealand	11%	Visitor Family & relatives	30%
United Kingdom	10%	Business	10%
China	9%	Education	6%
		Employment	2%

Source: National Visitor Survey & International Visitor Survey, Tourism Research Australia

New challenges and opportunities

The tourism sector globally has had a tumultuous time over the past decade and Sydney and Australia was greatly impacted by national and state border closures for a significant period of time during 2020-2021, with a slow reopening and building of confidence for travellers in 2022.

The pandemic and the long recovery that followed had a profound impact on the sector. But with international visitor numbers continuing to grow, now is the time for all layers of government to re-evaluate their visitor economy strategies and find improved ways of working together, to realise new opportunities to evolve the sector.

There are many interconnected factors that impact the Australian tourism market which present challenges and opportunities that need to be addressed to ensure a strong recovery for the visitor economy. Some of these challenges and opportunities are outside of the City's control but many others we can influence or directly impact. These include:

Challenges

1. Sector and economic challenges and impacts

Return of international airline capacity is still lagging behind demand creating a shortage of available seats into and out of Australia, and airfares globally are still high post pandemic with travellers delaying booking in advance, hoping to catch a discounted airfare.

There has been an opening up of new tourist markets in the Asia Pacific region creating competition for Australia and Sydney. We need to ensure that there is renewal of visitor attractions, experiences and strong marketing campaigns to create traveller demand.

We are facing economic headwinds globally and cost of living pressures leaving travel as a discretionary item.

Ongoing supply constraints still impact the sector including workforce and skills shortages, supply chain disruptions and rising cost pressures.

We continue to see lower numbers of high-value international visitors compared to pre-pandemic years including the lower number of Chinese visitors. We must make sure we are considering the needs of diverse visitors from across the globe and country.

We have seen an increase in hotel accommodation in the past decade with many new properties coming online to meet demand at all levels of accommodation, but we need to ensure we manage the short-term accommodation levels to find balance between housing needs and short-term visitor needs.

Opportunities

1.   Leveraging our Creative community and First Nations experiences

We need to grow opportunities to tell the unique story of our Aboriginal and Torres Strait Islander peoples and cultural experiences.

Domestic tourism demand rapidly recovered from the pandemic but has now stabilised. We have an opportunity now to make sure that we are leveraging Sydney's creative and cultural community to enhance the visitor experience to drive repeat visitation. We need to acknowledge and celebrate culture as vital to liveability and wellbeing in our city.

2. Investment in tourism experiences

We need to encourage greater investment in tourism attractions and experiences. It will be important to drive repeat visitation with new experiences on offer and some of the prominent projects coming online in the near future include new Sydney Fish Markets,

redevelopment of Powerhouse Museum, and Barangaroo precinct cultural and recreation transformation.

We must continue to work in partnership with NSW Government and the visitor economy sector to make Sydney a sustainable and accessible destination aligned with the UN sustainable development goals.

The annual events calendar in Sydney has recovered but we need to see a strong pipeline of events to drive visitor demand. Taylor Swift concerts, SXSW Sydney and Vivid Sydney all resulted in strong room night leisure demand and the business/corporate market is also recovering well.

3. Strong collaborative marketing

There needs to be better collaboration with the sector and relevant government agencies on marketing campaigns that showcase Sydney's unique character beyond the iconic landmarks.

Recommendations

Integration with the new Economic Development Strategy

The City's next economic development strategy will set a new vision for the city's economy. We want to ensure that when visitors come to Sydney, they have a great experience, with vibrant street life, a dynamic 24-hour economy and access to diverse and engaging cultural experiences.

Challenges and opportunities outlined in this report have been considered and have helped shape the direction of the new economic development strategy. To address key issues, the new strategy proposes high-level objectives and relevant actions, many of which will focus on supporting the tourism sector as well as the broader visitor economy and help tackle these identified challenges and opportunities.

In addition, we have identified an important momentum building project in the next strategy which will help address how we can evolve the visitor experience in Sydney to meet visitor needs.

Actions in the strategy to support the visitor economy include:

1. Recognise Aboriginal and Torres Strait Islander peoples, cultures and history, and embed it in the experience of Sydney

   - *Our actions will consider how we can support our First Nations local businesses to grow opportunities and promote their unique and authentic offering to all.*

2. Invest in and leverage major events, festivals and business conferences to promote Sydney and its values to global audiences

   - *Events, festivals and activations drive footfall to the city centre and neighbourhoods. We need to continue to work closely with the retail, food and beverage and hospitality sectors to ensure they know how to leverage these events and attract more visitors to their destination and deepen the visitor experience.*

   - *Provide support to local festivals, major events, and business conferences that demonstrate Sydney's vibrancy, cultural and creative life and drive visitation of local and global audiences.*

3. Collaborate to create world class visitor services to deepen the visitor experience

   - *We will work with the sector and government agencies to deliver visitor information services and consider new technology to improve the visitor experience.*

4. Complement infrastructure projects with place making and activation opportunities

- *Our focus will be on the quality of the public domain and the level of activity within it. Creating pedestrian friendly, well connected, safe and activated public spaces are essential to a global visitor destination.*

5. Advocate and monitor regulation reform, with a focus on entertainment, sound, planning and liquor reform

    - *We need to continuously review, reform and make it easier to navigate government procedures and approvals to operate across the visitor economy to encourage and support small scale creative activations in the public domain, drive innovation and reform.*

6. Collect, monitor and share data and insights that illustrate how the city is changing and can assist with decision making with local businesses and government

    - *We will share data with local businesses, business chambers and industry to ensure they understand who is visiting Sydney, their changing needs and experiences they are seeking.*

7. Diversify the 24-hour experience to encourage wider participation

    - *Visitors are seeking new and alternative experiences, we need to make sure there is a diversity of businesses attracting a wide audience to our city centre and neighbourhoods. We need to encourage diversity of trading hours of the retail and hospitality sector to meet those visitor needs.*

8. Upgrade the public domain with creative, green and high-quality amenities

    - *We need to prioritise walking, cycling and public transport to and within precincts to create vibrancy across the 24-hour economy. We need to encourage public space projects to improve opportunities for engagement, activation and quality of place.*

9. Celebrate and promote distinct neighbourhoods and precincts to drive visitor engagement

    - *We need to work in partnership with local businesses on placemaking strategies to support vibrant and unique precincts. We need to work with government and other partners to develop marketing campaigns for these unique Sydney precincts.*

10. Support continuous learning, process improvement and improved business engagement

    - *We will work with state government agencies in the implementation and monitoring of planning and licensing regulation reforms to improve process and drive innovation and creativity to activate the public domain.*

Monitoring and evaluation

The City will continue to monitor the performance of Sydney's visitor economy sector using the following measures as set out in the new economic development strategy:

- Drive visitation across the daytime, night-time and weekend periods
- Drive attendance at and production of diverse cultural offerings
- We will measure international and domestic visitor arrivals, nights and spend.

Retail Action Plan - close out report

Strategic context

The City has an important ongoing role to play in developing a strong retail sector, to support the broader visitor economy. We continue to work with industry and government partners to create an environment that allows retail to diversify, grow and develop to meet the resident, workers and visitor needs.

Our 10-year action plan set the direction for the City to engage with the retail sector and broader stakeholder groups, with the aim of positioning Sydney as Australia's premier retail destination with a shopping experience in the city centre and thriving main streets in each of our neighbourhoods.

Retail is defined as goods and personal services (such as hairdressers) plus cafes, restaurants and takeaway food services. The data in the Retail Action Plan, and this report, has adopted the broadest definition by including pubs and clubs. The core data in the Action Plan is drawn from the City's Floorspace and Employment Survey and other from respected industry and realtor sources.

There have been many challenges and opportunities facing the sector and these were tested during Covid-19 pandemic and subsequent lockdowns. People were unable to go out to shops, but the uptake of online shopping rapidly grew, and this has continued in subsequent years.

In 2012/13 the retail sector represented over 7,800 of approximately 21,500 businesses in the city which was 36% of all business establishments in the local government area (LGA). Retail in our LGA employed approx. 61,338 workers which was 14% of the city's workforce.

In 2022/23, retail now represents approximately 7,626 of approximately 21,614 businesses in the city, which was 35.5% of all business establishments in the LGA. Retail sector in 2022 had 68,175 workers of 519,839 total jobs in the city, which equates to approximately 13.1% of the city's workforce, and is a slight decrease from 2012.

Key action areas

There are a total of **67 actions** in the Retail Action Plan, with four key areas of focus:

1. **Create great experiences**

    This area of focus aims to create great experiences for city workers, residents and visitors to Sydney to ensure they choose to shop in central Sydney and its villages and neighbourhoods. There are **32 actions** in this area, which were grouped into 4 themes:

    - Invest in public domain improvements, infrastructure and services to enhance the attractiveness of central Sydney as a retail destination for workers, residents, visitors and business
    - Deliver public domain improvements in the local neighbourhoods to enhance their attractiveness as retail destinations
    - Create lively and active places that encourage more visits and increase dwell times in central Sydney and surrounding neighbourhoods
    - Promote Sydney as Australia's premier retail destination

2. Build capacity and resilience

This area of focus aims to build the skills, capability and resilience of the retail sector to ensure the city has a diverse range of sustainable, innovative retail businesses. There are 23 actions in this area, which are grouped into 5 themes:

- Support and strengthen retail on main streets and local neighbourhoods
- Encourage the development of a diverse workforce
- Assist the sector to create baseline data, develop emission reduction strategies, and transparently report on performance
- Foster and promote innovation in sustainable retail practices in order to position Sydney as a leader in this field
- Ensure retail sector growth.

3. Remove barriers

This area of focus aims on reducing red tape and removing barriers and clarifying regulatory processes. It assists new retailers and small businesses to interact with council and other levels of government more efficiently and effectively. There are **7 actions** in this area, which are grouped into 2 key themes:

- Remove regulatory process inefficiencies and barriers to business growth and inform business how to navigate the processes
- Assist retailers to capitalise on business opportunities associated with events and shifts in consumer behaviour.

4. Engage with the sector

This area of focus aims to encourage closer cooperation between retailers and more efficient interaction with the regulatory processes of government. There are 5 actions in this area, with one key theme:

- Develop a multi-platform approach to facilitate communication and consultation with and between retail stakeholders.
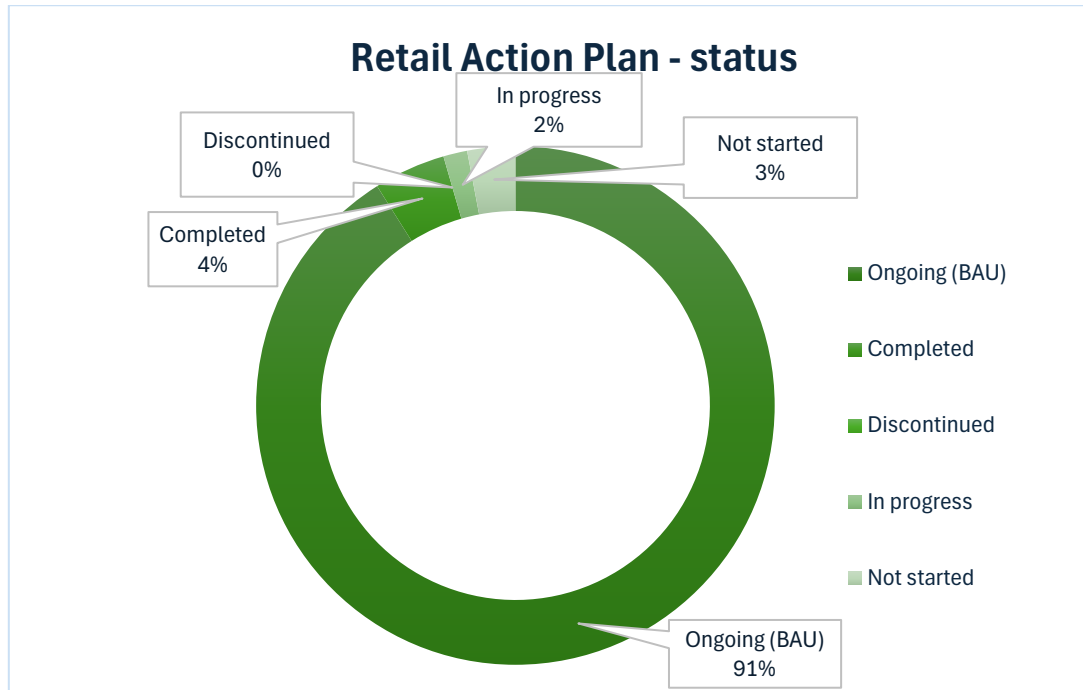
Action status

The status of all 67 actions in the action plan were reviewed and grouped into five categories:

- Ongoing (BAU) – actions that are well-established and have become business as usual.
- Completed – actions that have been completed without a plan to repeat.
- Discontinued – actions that are no longer relevant and discontinued.
- In-progress – actions that have commenced but are not fully delivered.
- Not started – actions that are under consideration but have not commenced.

Of the 67 actions, 61 (91% of all actions) have been implemented and are established as ongoing/business as usual, while 3 actions (4%) have been completed but are not required to be repeated (i.e. actions including studies/research projects), zero actions discontinued, 1 action is in progress (2%), and 2 actions (3%) were not started and are recommended to be closed out. In total, 97% of actions are completed, ongoing or in progress.

Figure 5. Chart of Retail Actions by implementation status

Retail Action Plan - status

In progress 2%

Discontinued 0%

Not started 3%

Completed 4%

Ongoing (BAU) 91%

- Ongoing (BAU)
- Completed
- Discontinued
- In progress
- Not started

The two actions that were investigated but not implemented and are recommended to be closed out, as follows:

- *Advocate to the Federal Government to reform Australia's GST Tourist Refund Scheme to allow competition by private refund operators that will drive tourist shopping and product development to international visitors and allow reimbursement whilst visitors are still in Australia.*

The City consulted with the Retail Advisory Panel and the Australian Retailers Association and it was agreed that this advocacy work should be led by industry. The City agreed to provide a supportive role if industry requested.

- *Facilitate partnerships between the vocational and higher education organisations and the retail sector to pursue research, knowledge and skills development as well as opportunities for entry-level employment.*

The City consulted with the Australian Retailers Association (ARA) who advised that the retail industry peak body, on behalf of retailers was seeking federal government investment to help future-proof the sector and reposition retail as a career. The need to upskill the existing workforce and build career pathways, particularly in the digital transformation of the industry, was essential, but acknowledged that work was being led by ARA and the private sector to meet the skills training required. The City agreed to provide a supportive role if industry requested in the future.

Key programs

Actions have been implemented through providing direct business services, delivering programs, organising events, sponsoring major events and festivals, supporting enablers, offering grants and subsidies, sharing information and key data, providing affordable space and advocating for the retail and related sectors across the wider visitor economy.

Over the years, the City has made significant progress in introducing new programs, advocating for major infrastructure and transport connections, developing policy and providing funding support for major events to strengthen our support for the tourism sector and visitor economy. The following chart highlights some key programs and milestones achieved each year over the life of the action plan and showcases the City's commitment to developing the visitor economy.

Figure 6. Highlights of key program achievements

2013
- Activation of laneways across the city took off and over 100 small bars opened across the LGA
- Over 100 village retail businesses participated in Fashion in the Villages - Fashion Saturday

2014
- **'365 Days of Local Economies' campaign launched** to drive footfall, spend and visitation
- **Sydney Food Trucks** launched to support better late night food options

2015
- **Transformation of George Street** into a pedestrian, retail and light rail boulevard commenced
- **Retail activation program for Pitt Street mall** was introduced to encourage retailers to activate outside

2016
- **Sydney Christmas Best Window Competition** launched
- **Chairs in Squares** program launched to encourage visitors, workers and shoppers to dwell

2017
- Over 1000 retailers participated in **Business 101 sessions & Thought Leaders seminars**

2018
- Launched inaugual the **Retail Innovation program**
- **Future Asia Business summit** was held to encourage more opportunities, insights and learnings for local business to engage with Asia.

2019
- Over 25 retailers were granted **Night Time Diversification** grants, to extend their trading hours and diversify their offering. 600 retailers activated in **Vogue Fashions Night Out** across the city.

2020
- **Reboot Series** went online to encourage innovation, collaboration, digitisation and e-commerce uptake by our local retail sector with over 1500 registrations from across the LGA

2021
- The City launched **'rediscover Sydney', 'Our Sydney' and '365 Days of Local Economies'** campaign to support the reactivation of the city and neighbourhoods post-Covid

2022
- **'shop local' and Black Friday** retailing campaigns were implemented to build confidence post-Covid
- **Alfresco dining fees** were waived to support businesses recover.
- **Sydney Streets** launched across the LGA closing local high streets and encouraging retailers to trade outside.

2023
- The City supported **Trading Blak**, a collective formed to end exploitation within businesses selling Aborignal products, and educate consumers about cultural responsibilities.

Implementation Case Studies

Case study 1 – Creating great experiences - Christmas in the City

The City's annual Christmas in the City event positions Sydney as a global city retail destination and a place to experience Christmas in the Southern Hemisphere.

The City hosts a huge Christmas event across the CBD and neighbourhoods with free children's concerts, Christmas markets, choirs, lights, trees, decorations, street banners, a visit from Santa and the much-adored Martin Place Christmas tree.

This event is not just about the celebration of Christmas but about providing opportunities to the retail and hospitality sectors to participate and benefit from the increased footfall and entertainment that is showcased each year.

We invite retailers, precinct managers, shopping centres, hotels, tourism, and hospitality sector operators to be part of this major event each year. Briefings are provided to inform stakeholders of the many marketing and promotional opportunities including space on Pitt Street Mall to activate retail events across the launch weekend, dedicated What's On pages to showcase retail, tourism and hospitality events, and regular media posts about all the events happening across the city and villages.

One of the key outcomes of hosting this event is the estimated spend on Christmas shopping, food, drinks, and entertainment across the opening weekend campaign. Research has identified that in 2022 over $8.1m was generated by visitors to this weekend event in the CBD alone. Many people visiting the CBD at the Christmas in the City launch weekend attend year after year and come from across metropolitan Sydney.

In addition to Sydney Christmas, the City also produces Sydney New Year's Eve and Sydney Lunar Festival. These events are produced annually, drive huge footfall increases across the city centre and have significant impact on consumer spend across retail purchases, food and beverage, transport, tourism and visitor attractions, accommodation, and travel. The publicity from these events reaches global audiences putting Sydney and Australia in the minds of many potential travellers.

In addition to the events we produce, the City uses our grant funding to support many large and small festivals and events that drive footfall and spend across our local area benefiting our retail, hospitality and visitor economy. Those events include Vivid Sydney, Vogue Fashions Night Out, Australian Fashion Week, local neighbourhood festivals, Delicious Sydney, Good Food Month including Asia on you doorstep and many more.

Image: Christmas in Pitt Street Mall 2019

Case study 2 – Creating great experiences – Alfresco Dining

Through the Alfresco program introduced in response to the Covid-19 pandemic, we have approved over 707 new outdoor dining areas since November 2020, including 180 on-street approvals to support our local hospitality businesses.

The revised outdoor dining guidelines enabled fast tracked approvals, reduced notification times and provided a more flexible and permissive requirements process. It allowed the reallocation of on-street parking bays and, allowed pubs, small bars and takeaway food and drink premises to use outdoor dining.

This red tape reform has been a huge success, and was achieved in partnership with NSW government and its agencies. In addition to simplifying the process, we removed outdoor dining fees from March 2020 until June 2025 to better support the revitalisation of our city centre and neighbourhoods.

Over 2097sqm of road space and 6589sqm in footpath space has been approved for alfresco dining across the city. Hospitality businesses who have taken up this opportunity have enjoyed growth of customers, turnover, staffing and outdoor dining space, which has benefited their businesses, the economy, and the vibrancy of the local area.

Image: Outdoor dining at the Dolphin Hotel, Surry Hills,
Photo: Jessica Lindsay / City of Sydney

Case study 2 – Creating great experiences - Sydney Streets

The City introduced the Summer Streets program in response to Covid-19 pandemic to encourage residents and businesses to safely return to enjoying their local areas, dine outside and activate the streets with music and entertainment.

This program series tapped into global trends reclaiming public spaces for local communities during the pandemic.

Locals loved the program, and we experienced a significant increase in foot traffic, spend and dwell time by visitors to the main high streets that were activated.

These events was then expanded into 'Sydney Streets' which has now become a well-established and successful series benefiting local business including retail, cafes, bars and much more.

The program involves shutting our best-known inner city high streets to traffic for one day. Cars and buses are replaced by street furniture, a crew of roving entertainers, and pubs and bars that spilled out onto the road.

The program started with an event in Kings Cross followed by Redfern Street and Crown Street, then Pyrmont, Glebe and East Sydney. Rather than inviting external vendors to set up

markets, the focus was on encouraging local businesses to shine - one local shop said its sales were up 900% on the event day.

This program continues to roll out three times per year, across seven main streets to drive vibrancy and support for our local businesses. These unique events enable local communities to enliven the public spaces and make them more inclusive, driving social connection.

Image: Stanley Street, Sydney Streets 2022

Case study 3 – Building capacity and resilience and Removing Barriers - Oxford Street Place Strategy

Unveiled in 2022, the Oxford Street Place Strategy is one of a handful in the world to explore ways to protect and preserve LGBTIQA+ culture and communities. It is the first of its kind in Australia – reflecting the importance of this precinct and local LGBTIQA+ community.

Oxford Street is predominantly made up of retail businesses at the street level who will participate and benefit from this important piece of work.

The strategy identifies important places and sets out opportunities to strengthen, support and promote LGBTIQA+ cultural identity and importance. It promotes inclusive businesses, funds new public artworks, and supports establishing a pride museum driving the revitalisation of this important precinct.

This program will help the City deliver more cultural spaces in the precinct – galleries, space for artists, theatres, restaurants, and nightclubs – and a 24-hour precinct with inclusive and diverse cultural offerings that include the full spectrum of LGBTIQA+ communities.

Visibility is vital to create a proud, colourful, and welcoming destination that Oxford Street is known for globally. We will also continue to address disadvantage and connect people with the services they need.

In addition to the place strategy the City has also formed in partnership, the Oxford Street Precinct Pride Business Charter which brings together a diverse and passionate network of like-minded businesses, community organisations and individuals that value and respect the diversity of people and places in the Oxford Street precinct, including LGBTIQA+ communities.

The area's businesses are key to its vibrant and inclusive culture. With this charter, a commitment has been made to maintain the important connection LGBTIQA+ communities have to Oxford Street, and to support and celebrate its culture, led by the City. We are working with local representatives of Rainbow Precinct as the custodians of the charter. Members sign up to a set of commitments that will tackle local challenges and create opportunities to see the Oxford Street precinct thrive.

Membership is open to businesses and organisations operating in the area. Like the locality, members of this charter are diverse and made up of businesses large and small, property owners, community organisations, arts organisations, community service providers and educational institutions operating across the Oxford Street precinct

Other key programs to support Oxford Street include support for the annual Mardi Gras Parade. This global event showcases Sydney as a truly open and inclusive city that celebrates diversity and creative culture. We provided more than $3 million for WorldPride in 2023, helping to host events such as Pride Villages which activated Oxford Street as the festival's focal point.

Oxford Street is also a creative and cultural precinct, with major institutions including the National Art School and the UNSW School of Art and Design and includes clusters of creative businesses.

Once affectionally known as the 'gay golden mile', Oxford Street has a long history as a precinct associated with Sydney's counter-culture movements.

We're committed to building on Oxford Street's reputation as an iconic LGBTIQA+ precinct and a centre of buzzing activity both day and night, with space for thriving businesses, creatives and culture.

Image: Dog walker on Oxford Street circa 1988 Photo: C. Moore Hardy / City of Sydney Archives

Case study 4 – Build capacity and resilience - Greener Innovation grant

Reducing emissions rapidly is the key to achieving our net zero targets for the City of Sydney's area. Many small and medium businesses face barriers to act. These may be because include that they lack the resources to hire a sustainability manager or create a net zero plan.

In 2021, we awarded an innovation grant to create a net zero roadmap for the retail sector, an Australian first.

The project was led by the Australian Retail Association (ARA) in partnership with local clean tech startup Greener as part of the UN-backed Race to Zero pledge. The partnership produced Greener for Business, a sustainability management app that identifies immediate cost savings while outlining a simple net zero action plan for small to medium businesses in any sector.

The ARA net zero road map outlines the decisions, investments, and actions that retailers can make to accelerate their transition to net-zero emissions. The roadmap consists of 6 video modules and a practical guide. The videos feature insights from 8 prominent businesses and climate experts, and cover net zero foundations through to sustainable supply chains. ARA continues to run regular net zero workshops to educate businesses

This represents the first low cost, accessible net zero pathway for small to medium businesses in Australia. In 2022 Greener was awarded #1 cleantech start up in Australia by Climate KIC and received $4million in seed funding from NAB Ventures.
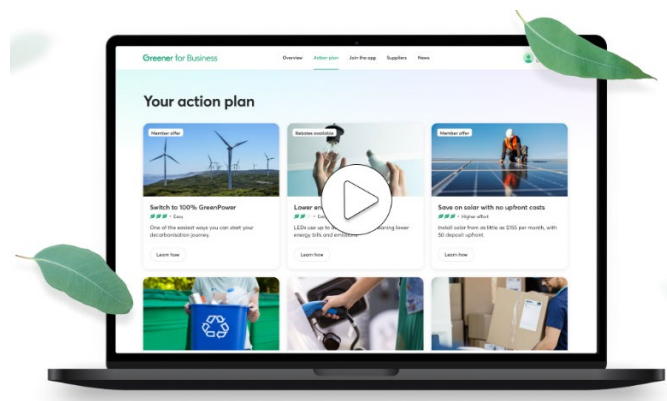
Image of the Greener for Business program

Case study 5 – Build capacity and resilience – Reboot – Business Upskilling Program

This series focused on digital content skills and growing customer and brand for small businesses with a strong focus on the retail sector. The first series in 2021 saw more than 7000 registrations, and the second series in 2022 received over 5000 registrations.

The webinars provide inspiring stories and examples for retail and hospitality owners, startups, entrepreneurs, creatives, artists, and professional service businesses. Subjects include financial fundamentals, create winning online store, and storytelling content that connects.

Presenters include key personnel from Kelly Slessor, CEO of Shop You, e-commerce coach and digital marketing guru; Naomi Simson, founder of RedBalloon and Big Red Group, editor in chief at news.com.au and more.

Photo: Katherine Griffiths / City of Sydney

Case study 6 – Removing Barriers – 24-hour Trading

Businesses in the city centre can now apply to trade up to 24 hours a day. This will give Sydney's night-time economy, which already employs more than 35,000 people and is worth more than $4 billion each year, a major boost.

Shops on high streets like Crown Street, Union Street and Glebe Point Road will be able to apply to trade until 2am. This will give people more late-night options in their own neighbourhoods, support shift workers and make our streets safer by bringing people of all ages into the area.

The City has created new late-night trading areas in the city's fastest-growing neighbourhoods, like the Green Square town centre and Barangaroo. This change will give residents in these booming areas more places to shop, eat and do business after they finish work.

Live music and performance will also get a boost, with a new 24-hour arts and cultural precinct in north Alexandria, and extra trading hours for venues that hold performances. These changes will help create more diverse night-time options for the 1.2 million people that live, work, visit and do business in Sydney every day. These changes will help set the foundations for Sydney to become one of the world's best 24-hour cities.

Businesses will need to apply for the new hours through a development application. This includes demonstrating good management and showing how they'll manage any impacts on their neighbours.

Photo: Katherine Griffiths / City of Sydney

Case study 7 – Engaging with the sector – Supporting our villages and neighbourhoods

The City invests ongoing resources to support the network of Business Chambers, Peak-body Associations and Industry groups by providing access to grants including the Business Support, Festival and Events, and Innovation and Ideas grants; as well as providing access to capacity building programs, invitations to participate in Business Chamber Roundtable events, seminars, access to research and data, events and briefings.

We have delivered a series of programs to support small businesses, including Reboot Webinar Series, Business Innovation Program, Visiting Entrepreneur Program, and Raising the Bar. Local business chamber members are invited to participate as audience members or participate as case-study business programs.

The City continues to engage with local business chambers, industry associations and local businesses on relevant issues and key policy initiatives such as the outdoor dining policy and guidelines, Sydney Streets opportunities and strategy development and engagement.

Through the various types of grants received by the Chambers, they have been able to deliver a range of projects which support businesses in our local villages and neighbourhoods. Projects include Women in Business seminar series, mentoring and networking events, destination strategy development and marketing, digital and print precinct guides, newsletters and digital communications and capacity building workshops.

Collaboration and partnerships

The City works in collaboration with many key stakeholders across the retail sector to bring meaningful and material impacts to Sydney's wider visitor economy. We cannot act alone and seek to always create strong partnerships and networks with industry, government and others, so, through our combined efforts, more can be achieved.

Wherever possible, we have aligned our strategies and actions with those partners including state and federal government tourism policies.

Our partnerships include (but are not limited to) the following:

Business, Economic Development Covid Recovery Advisory Panel

- Investible
- Stone and Chalk
- Committee for Sydney
- House of Pocket – YCK Laneways
- Business Sydney
- Canva
- Four Pillars Gin
- Property Council of Australia
- Animal Logic
- Australian Retailers Association
- University of Sydney
- BridgeClimb & Hammons Holdings
- NSW Indigenous Business Chamber of Commerce
- Tech Central/Greater Cities Commission
- Placemaking NSW
- Supply Nation

- Banna property group

Retail Advisory Panel

- Australian Retailers Association
- Tourism & Transport Forum
- SCentre Group (Westfield)
- Vicinity Group (QVB, The Galleries, The Strand, Chifley)
- Destination NSW
- Placemaking NSW
- Transport for NSW
- Louis Vuitton
- Tourism Accommodation Australia
- Restaurant & Catering Association
- Tonkin Zulaikha Greer Architects
- Sydney Business Chamber
- Property Council of Australia
- Capitol Theatre

- Events Cinema Group
- World Square (JLL)
- Business Events Sydney
- NSW Small Business Commissioner

Shopping Centres, Retailers & Precincts

- SCentre – Westfield Sydney
- Vicinity Group – QVB, The Galleries, The Strand & Chifley
- Mid-City Centre
- Sydney Arcade
- World Square
- Barangaroo, Darling Square, Darling Square, Sydney Place (Lend Lease)
- 25 Martin Place, Gateway (Dexus)
- South Eveleigh, Broadway (Mirvac)
- The Rocks, Darling Harbour, (Property NSW/Place Management NSW)

- Haymarket and Chinatown
- Central Park
- David Jones
- Myer
- Dymocks
- RM Williams
- H&M
- JD Sports
- Footlocker
- Zara
- PE Nation
- Neighbourhood high street business partnerships
- Chambers of Commerce
- Event producers and Activation agencies

While the above list showcases key partners, the City acknowledges that there are many other organisations that have made substantial contributions to the delivery of the Retail Action Plan. We extend our sincere gratitude to all these unlisted partners who have actively participated in shaping the success of our endeavours.

Measures and indicators

We will continue to monitor and review impacts on the retail sector. There are a number of indicators available to us including our Floor Space and Employment survey, and retail reports from respected industry and realtor sources.

City of Sydney Floor Space and Employment Survey

We will monitor the number of businesses in the retail sector as well as employment, using our Floor Space and Employment Survey data.

Figure 7. Change of Retail businesses and jobs 2012 - 2022

Businesses	2012	2017	2022
Total	21,617	23,508	21,614
Retail businesses	7,868	8,301	7,626
	36.4%	35.3%	35.3%

Jobs	2012	2017	2022
Total	435,769	501,785	519,839
Retail jobs	61,338	57,929	68,175
	14.1%	11.5%	13.1%

Retail Sales

Retail sales results are an important measure of performance in the retail sector. Unfortunately, this data is not available at a City of Sydney LGA level from sources such as the Australian Bureau of Statistics (ABS). The ABS collects retail sales results on a monthly basis a from a sample of retailers, but consolidates it for reporting purposes at a state-wide level.

ABS's most recent retail market update for Australia states that fashion and department stores have driven down an overall slump in retail sales of 2.7% in December 2023 compared to the prior month, data revealed.

This follows a revised rise of 1.6% in November 2023 and a fall of 0.2% in October 2023. Revisions to seasonally adjusted data are larger than usual this month according to the ABS, reflecting improvements in the data as the evolving seasonal pattern becomes clearer.

According to the ABS, the large fall in overall retail turnover in December was caused by a fall in discretionary spending. Consumers have generally brought forward their usual Christmas December spending to November to take advantage of Black Friday sales, Sydney's largest shopping event in the calendar year.

In Sydney centre, Department stores such as David Jones and Myer, fared better, capitalising on Boxing Day sales and the final few weeks before Christmas with a range of promotional events instore, driving customer footfall and spend.

CBRE have provided data on the performance of NSW total retail turnover, seasonally adjusted (Sep 2013 – Sep 2023). Retail sales increased in NSW by 1.3% quarter on quarter in September 2023, the highest quarterly growth recorded this year.

Figure 8. NSW Retail Turnover, seasonally adjusted Sep 2019 – Sep 2023

FIGURE 1: NSW Total Retail Turnover, Seasonally Adjusted (Sep 13 - Sep 23)

+1.7% Year-on-Year

+1.3% Quarter-on-Quarter
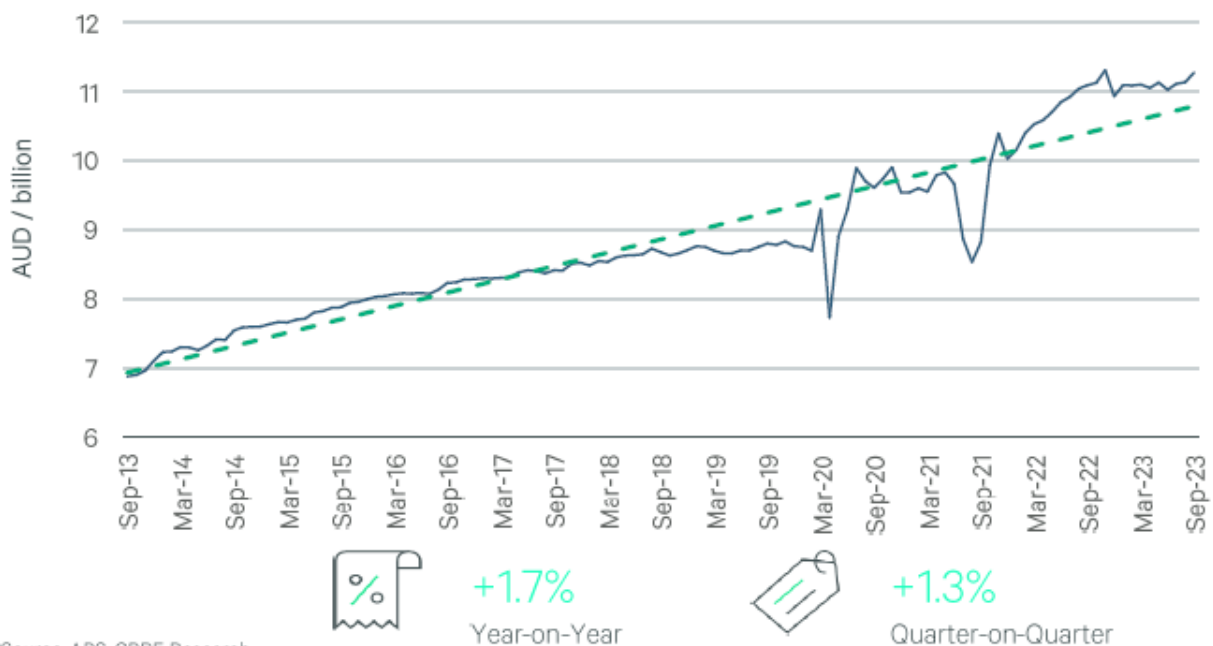
Source: ABS, CBRE Research

Retail Supply and Rents

Rents remain stable despite higher vacancy in Sydney CBD and Shopping Centres, but interestingly average Prime CBD rents did increase by 1.5% quarter on quarter, whilst Super Prime assets such as Pitt Street Mall remained stable. Green Square Town Centre reached practical completion in Q3 2023, one of the few new floorspaces added to the Sydney central city market of this year.

Whilst the return to office continues to support foot traffic and CBD retail trade, CBD vacancy remains relatively high at 8.1%. CBD Prime assets outperformance is underpinned by the increasing appetite for global brands securing Prime flagship store locations on major streets including George Street, Pitt Street, and Martin Place. The recent lease of 1103sqm in June 2023 at 130 Pitt Street to Adidas for a flagship store is evidence of the demand for these key Sydney CBD strip locations.

Sydney's Pitt Street Mall ranked 8th most expensive retail real estate on the global ranking scale in the 2022 Main Streets report, which measures prime real estate from across the world, produced

by Cushman and Wakefield. Pre-Covid it was ranked 7th globally and is the only Australian city to make the top 50 retail districts. It is valued at almost at $13,000/sqm/year, which is a drop of 7% year on year or 24% since 2018 and this was primarily because of international borders closing in response to Covid-19 pandemic and loss of international travellers.

New challenges and opportunities

There are many interconnected factors impacting the Australian retail market which present challenges and opportunities that need to be addressed to ensure a strong recovery for the retail sector and wider visitor economy. Some of these challenges and opportunities are outside of the City's control but many others we can influence or directly impact.

Challenges

1. **Economic conditions and sector challenges**

   A range of interconnected factors are having an ongoing impact on the retail sector in our city centre, with many of these challenges beyond our control. Some of those factors include consumer confidence; securing staff and creating retail career pathways; global economic headwinds; cost of living impacts; cost of goods, labour, shipping and delivery; supply of goods and services and access to import markets; high interests rates and housing stress – reduced capacity to spend by locals; highly competitive market online v brick n mortar; and weaker Australian dollar – cost to retailers.

   Cyber security is also an increasing concern for businesses across all sectors and it is imperative that retailers invest in mitigating cyber risk, increasing cyber risk awareness and improving digital trust. Cyber risk management not only helps retailers avoid the costs and damage of a cyber-attack, but it also builds customer trust in the brand and keeps consumers engaged.

2. **Local challenges for retail sector**

   Local challenges faced by city retailers include cost of labour to extend trading hours to meet visitor demand, creating opportunities to extend trading footprint outside of premises using a similar process to outdoor dining, and costs to activate to drive customer engagement, footfall and spend.

Opportunities

1. **Strong demand for experiences**

   Consumers are seeking fully interactive shopping experiences and this has driven a surge back to physical stores in the city centre. We are starting to also see the return of Chinese visitors who are seeking luxury experiences, premium retail shopping goods and trust of authenticity of those items. The slightly weaker Australian dollar against other global currencies has also made the cost of those luxury goods cheaper, making retail an attractive proposition moving forward.

   We also have the opportunity to promote a unique point of difference by supporting our First Nations people, culture and history, and embed it in the experience of Sydney for all visitors, including the authentic retail experience that visitors seek.

2. **Strengthening local conditions**

   We need to support and encourage retailers who are using online channels to provide information to customers about the products and services they offer, including ESG

objectives and sustainability aspects as well as their point of difference over competitors. This builds corporate reputation and builds trust with consumers.

Recognising demand for faster delivery options by consumers will mean new opportunities for last mile delivery and fastest delivery service options. The City has a role to play in supporting active and last mile delivery solutions.

It is also important that we share data with the retail sector so they understand who is visiting the city and how they are spending. Retailers need to use this data with their own data to understand who their customer is and learn to service and respond to consumers.

Recommendations

Integration with the new Economic Development Strategy

The four key areas of focus in the Retail Action plan are still current and relevant and should be incorporated into the next Economic Development Strategy.

- We need to create great places and spaces which encourage and support great experiences. Not all experiences need to be transactional, but should draw and entertain visitors to a retail precinct or strip, and increase dwell time in the area. Creating a pedestrian friendly, welcoming retail area is essential to see visitors returning.

- The City should continue to support and provide programs to build capability and skills of retailers to help build capacity and resilience to ensure the city attracts a diverse range of sustainable, innovative and resilient retail businesses.

- We must address barriers, remove red tape and simplify processes so retail businesses can effectively interact with council and other levels of government.

- We need to continue to engage with the retail sector to encourage closer cooperation and partnership, sharing of data and changes to visitor demographics to the city centre and neighbourhoods.

Challenges and opportunities outlined in this report have been considered and helped shape the direction of the new economic development strategy. To address key issues, the new strategy proposes high-level objectives and relevant actions, each of which will focus on supporting the retail sector as well as the broader visitor economy, tackle these identified challenges and opportunities.

Demonstration Projects and actions identified in the next economic development strategy will help address current retail challenges and opportunities, including:

1. Celebrate and embed Aboriginal and Torres Strait Island people and culture in the experience of Sydney

    - *Our actions will consider how we can support our First Nations local businesses to grow opportunities and promote their unique and authentic offering to all.*

2. Invest in and leverage major events, festivals and business conferences to promote Sydney and its values to global audiences

    - *Events, festivals and activations drive footfall to the city centre and neighbourhoods. We need to continue to work closely with the retail, food and beverage and hospitality sectors to ensure they know how to leverage off these events and attract more visitors to their destination and deepen the visitor and retail experience.*

3. Invest in public domain, walking and cycling options that improve safety and the visitor experience

- *Our focus will be on the quality of the public domain and the level of activity within it. Creating pedestrian friendly, well connected, safe and activated public spaces are essential to a global retail destination.*

4. Advocate and monitor regulation reform, with a focus on entertainment, sound, planning and liquor reform

- *We need to continuously review, reform and make it easier to navigate government procedures and approvals to operate across the retail and visitor economy to encourage and support small scale creative activations in the public domain, drive innovation and reform.*

5. Gather, track and share data and insights that show how the city is changing and allow for performance to be measured

- *We will share data with local businesses, business chambers and industry to ensure they understand who the visitor is in a local retail area, their changing needs and spending behaviours.*

6. Support the development of a diverse and sustainable 24 hour economy that meets the needs of residents, visitors and businesses

- *Consumers are seeking new and alternative experiences, we need to make sure there is a diversity of businesses attracting a wide audience to our city centre and neighbourhoods. We need to encourage diversity of trading hours of the retail sector to meet those visitor needs*.

7. Reinforce local character and increase visitation by developing and promoting distinct local places and high-street offerings

- *We need to work in partnership with local businesses on placemaking strategies to support vibrant and unique precincts. We need to work with government and other partners to develop marketing campaigns for these unique Sydney precincts.*

Monitoring and evaluation

The City will continue to monitor the performance of Sydney's visitor economy sector using the following measures as set out in the new economic development strategy:

- Drive visitation across the daytime, night-time and weekend periods

- Drive attendance at and production of diverse cultural offerings

- We will measure international and domestic visitor arrivals, nights and spend.

Tech Startups Action Plan - close out report

Strategic context

The Tech Startups Action Plan, released in 2016 aimed to provide strong support to the tech startup ecosystem in Sydney. It was developed in response to the strong needs from the tech startup sector and seeks to support Sydney's tech startup sector to grow and achieve its potential.

The goal of the action plan was to encourage our technology entrepreneurs to start and grow global businesses and help Sydney's tech startup ecosystem mature, which in turn would create more jobs, boost Sydney's economy, strengthen global connections and improve talent attraction.

In 2016, the city already hosted the largest innovation ecosystem in Australia, with over 64% of Australia's tech startups located in its local government area. However, the sector was still in the early stages of development, facing various challenges as well as competitions from domestic and global cities.

Key action areas

1. Build the entrepreneurial culture

The aim of this focus area was to encourage more people to become technology entrepreneurs who start and develop high-growth companies. There are **15 actions**, which are grouped into 3 themes:

- Help the ecosystem create data, and report on the economic, cultural, and social impact of entrepreneurs and tech startups.
- Increase awareness of Sydney's entrepreneurs and tech startup ecosystem to increase the number of people engaging and investing in startups.
- Partner with other startup champions to increase support for tech startups and position Sydney as a global tech startup city.

2. Create skilled and connected entrepreneurs

The aim of this focus area was to build a robust ecosystem in which technology entrepreneurs have the capacity and networks to launch local companies that become global companies. There are **12 actions**, which are grouped into 2 themes:

- Increase business education, entrepreneurial skills and access to mentors and networks, and foster an entrepreneurial culture
- Increase computer science education and entrepreneurial skills in the community, especially among young people.

3. Increase the density of the ecosystem

The aim of this focus area was to ensure startups and the organisations that support them are able to scale, and can be located close to one another so they can connect, share ideas, mentor and partner with others. There are **6 actions**, which are grouped into 3 themes:

- Investigate the creation of an entrepreneurship centre.
- Use planning regulations to encourage more innovation spaces and/or affordable spaces.
- Create affordable work spaces.

4. Support entrepreneurs' access to funding

The aim of this focus area was to generate more investors and more investment in tech startups, and connect entrepreneurs with investors and businesses. There is **1 action**:

- Increase the number of informed investors.

5. Develop entrepreneurs' access to markets

The aim of this focus area was to increase the number of consumers prior to and after the release of an entrepreneur's product/service. There are **6 actions**, grouped into 3 themes:

- Encourage more opportunities for entrepreneurs to increase business.
- Encourage more opportunities for startups to become suppliers to the City through its procurement practices.
- Open our data resources to spark ideas and tools that serve business and community.

Action status

The status of all 40 actions in the action plan were reviewed and grouped into four categories:

- Completed – actions that have been completed without a plan to repeat.
- Ongoing (BAU) – actions that are well-established and have become business as usual.
- In-progress – actions that have commenced but are not fully delivered.
- Not started – actions that are under consideration but have not commenced.
- Discontinued – actions that are no longer relevant and discontinued.

Of the 40 actions, 28 (70% of all actions) have been either completed or delivered as BAU, while 9 actions (22.5%) are in progress. Only 2 actions have not commenced and 1 action is discontinued.

Figure 9. Tech Startup Actions by implementation status
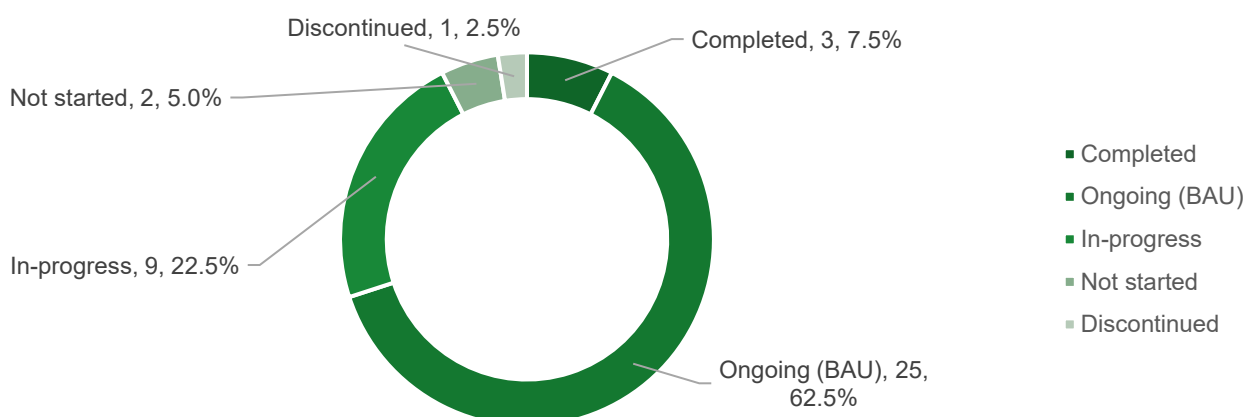
The discontinued action is:

5.2 Investigate increasing the number of Sydney-based companies the Advance Innovation program supports and boosting its impact.

This was discontinued as the Advance Innovation program ceased operation. Subsequently, the City either directly delivered or supported programs that built the entrepreneurial skills of local startup founders. Programs include Business Innovation program, Visiting Entrepreneur Program, Tech Ready Women program, and Future Asia Business Summit.

The two actions that are not started are:

1.8 Formally acknowledge the contribution of entrepreneurs and other members of the tech startup ecosystem, for example, through a Sydney innovation or young entrepreneur award.

2.9 Devise an advocacy campaign to support relevant, exciting and accessible early education in digital technology, particularly for girls.
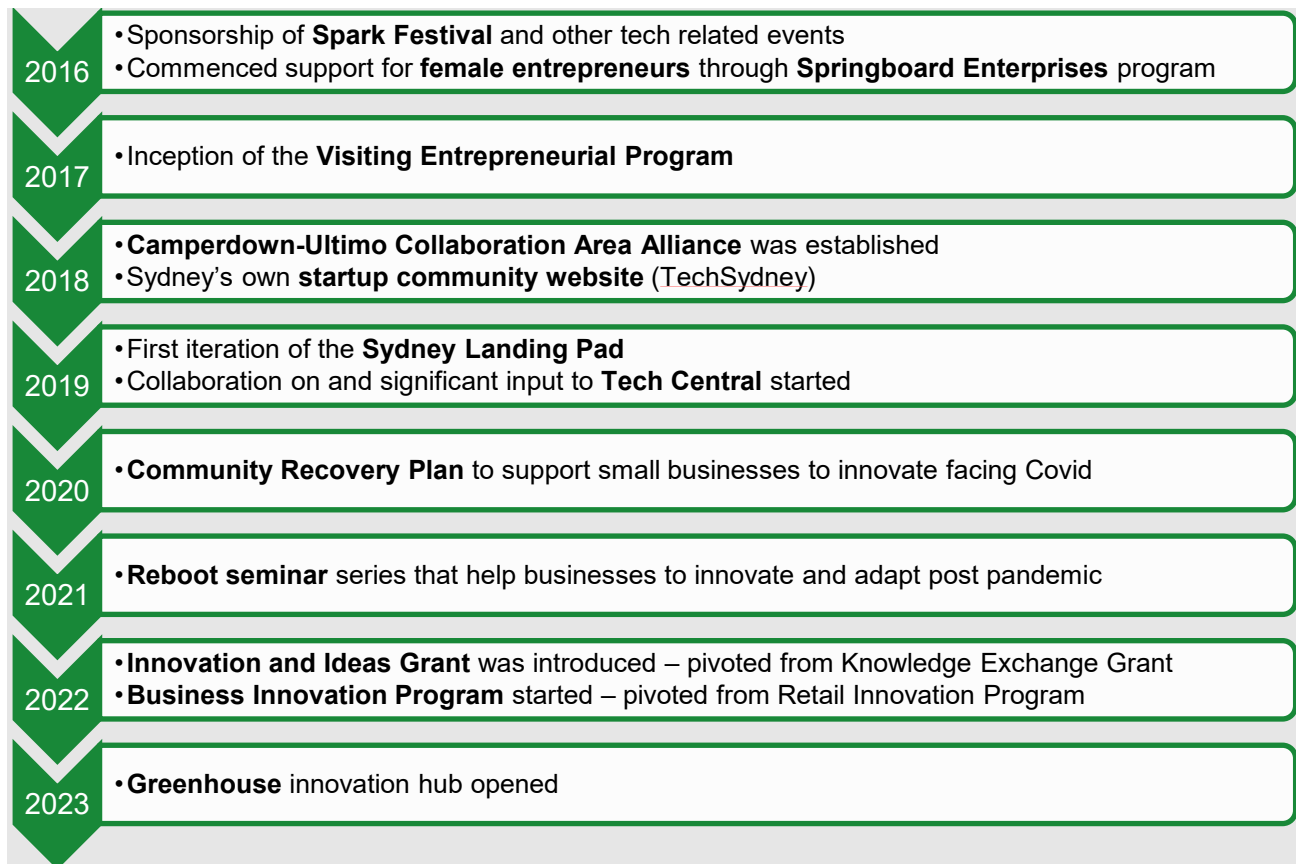
We considered these actions but did not commence them due to resource and capacity constraints. We will integrate these actions into the implementation plan of the new economic development strategy and explore opportunities to progress the aims of these actions.

Key programs

Actions have been delivered or implemented through providing direct business services, delivering programs, organising events, sponsoring festivals, supporting enablers, offering grants, sharing information and key data, providing affordable space, and advocating for the startup ecosystem.

Over the years, the City has made significant progress in introducing new programs and reviewing and pivoting existing programs to strengthen our support to Sydney's tech startup sector. The following chart highlights some key programs and milestones achieved each year and showcases the City's commitment to fostering a thriving tech ecosystem.

Figure 10. Highlights of key program achievements

2016
- Sponsorship of **Spark Festival** and other tech related events
- Commenced support for **female entrepreneurs** through **Springboard Enterprises** program

2017
- Inception of the **Visiting Entrepreneurial Program**

2018
- **Camperdown-Ultimo Collaboration Area Alliance** was established
- Sydney's own **startup community website** (TechSydney)

2019
- First iteration of the **Sydney Landing Pad**
- Collaboration on and significant input to **Tech Central** started

2020
- **Community Recovery Plan** to support small businesses to innovate facing Covid

2021
- **Reboot seminar** series that help businesses to innovate and adapt post pandemic

2022
- **Innovation and Ideas Grant** was introduced – pivoted from Knowledge Exchange Grant
- **Business Innovation Program** started – pivoted from Retail Innovation Program

2023
- **Greenhouse** innovation hub opened

Implementation Case Studies

Case study 1 – Visiting Entrepreneur Program

The Visiting Entrepreneur Program (VEP) stands as the flagship initiative within this action plan. This program has offered a unique opportunity for global and local experts, along with successful entrepreneurs, to engage directly with Sydney's vibrant tech startup community.

Each year, the program focused on a specific theme, with participants sharing invaluable insights into technological breakthroughs and innovation trends.

The aim of the program was to educate local startup founders, investors, and talent to facilitate knowledge exchange and networking among key players in our local ecosystem. By doing so, it fostered a thriving culture of entrepreneurship and innovation while also elevated awareness of Sydney's tech startup ecosystem on a global scale.

Since its inception in November 2017, the VEP has successfully covered a wide array of themes, including social impact tech, artificial intelligence, cybersecurity, blockchain, space, extended reality, cleantech, biotechnology, and quantum technology.

Partnering with over 100 organisations, such as Sydney Startup Hub, StartupAus, Spark Festival, USYD, UNSW, UTS, and Cicada Innovation, the program has orchestrated 74 events, attracting more than 12,800 participants from our local tech startup ecosystem.

The VEP program supports multiple action areas including build the entrepreneurial culture and community; create skilled and connected technology entrepreneurs and support technology entrepreneurs' access to funding

Image: Visiting Entrepreneur Program 2022, The Grounds, South Eveleigh Photo: Cassandra Hannagan / City of Sydney

Case study 2 – Greenhouse, business innovation space at Circular Quay

In 2019, the City made a substantial investment to collaborate with an experienced operator to establish a world-class business innovation hub known as Greenhouse.

This ambitious venture aims to offer a world-leading and affordable home for startups focused on tech solutions to tackle climate change.

Greenhouse is strategically positioned across three floors of Salesforce 56-storey tower at 180 George Street. With an expansive area of approximately 3,800 sqm, the hub offers an array of high-quality spaces tailored to the needs of startups and scaleups.

In addition to workspace, the hub provides essential support to emerging tech companies in the form of investment capital, talent acquisition, and growth services. The vision is to support these climate-tech scaleups realise their global ambitions, firmly establishing Sydney as the

epicentre of smart, inclusive, and green innovation. Greenhouse aims to nurture over 100 high-performing businesses, creating a wealth of 1,500 new jobs within the span of a decade.

To make Greenhouse a reality, the City has committed $31m towards fitout costs and an accommodation grant over ten years. This significant investment ensures the hub will be affordable and inclusive to many communities, including startups founded by female entrepreneurs and Indigenous businesses.

Greenhouse opened in October 2023, was fully tenanted in early 2024, and hosted Sydney's first Climate Action Week in May 2024. Greenhouse is already having significant positive impact on our local innovation ecosystem and the broader community.

Greenhouse project supports multiple action areas, such as building the entrepreneurial culture and community; increasing the density of the tech startup ecosystem; supporting technology entrepreneurs' access to funding and developing technology entrepreneurs' access to markets

Greenhouse Climate Tech Hub was officially launched on 25 October 2023. Photo: Daniel Kukec photography

Case study 3 – Sydney Landing Pad Program

Sydney Landing Pad Program is supported through a Knowledge Exchange grant. It encourages international tech companies with growth potential to successfully expand into Australia, via Sydney and is free to participate.

The program assists overseas companies in familiarising themselves with the Australian market dynamics.

Participants gain valuable insights through access to mentors, legal experts, and recruiters, facilitating a smooth transition into the Australian business landscape.

Moreover, the program actively facilitates the formation of strong networks with potential partners and clients, along with establishing connections with potential investors.

Since 2019, the program has gained international traction and attracted 185 applications from 40 cities around the world with an average valuation of $25 million. To date, 37 companies have successfully participated in the program.

The Sydney Landing Pad Program is an exemplary demonstration of the City's dedication to fostering innovation and global partnerships and the City is now in discussion with industry partners to explore the opportunity to launch the second iteration of the program.

The Sydney Landing Pad program supports multiple action areas as building entrepreneurial culture and community, creating skilled and connected technology entrepreneurs and develop technology entrepreneurs' access to markets

Image: Promotional image for the Sydney Landing Pad. Photo: Haymarket HQ / City of Sydney

Case study 4 – Tech Central

In 2018, the NSW Government unveiled an ambitious plan to establish a world-class innovation and technology precinct within the city called *Tech Central Innovation District*.

The district encompasses six dynamic innovation precincts – Camperdown, Ultimo, South Eveleigh, Darlington/North Eveleigh, Haymarket, and Surry Hills.

Tech Central enables and promotes collaboration through the co-location of education, industry, talent, infrastructure, and investment, including high quality public domain, space for people, active and public transport, excellent pedestrian connectivity and digital infrastructure.

The economic potential of Tech Central is vast. It'll provide up to 250,000 sqm of space for technology companies, including 50,000 sqm at affordable rates for startups and scaleups, in a connected location brimming with heritage, culture and activity.

Host to the largest innovation ecosystem in the country, with an estimated value of $68b, attracting $1.3b early-stage funding annually, Sydney ranks 20th among all global start up ecosystems, and is ranked number one in the Oceania region.

The City has been involved in Tech Central from the start, sitting on the Tech Central Alliance alongside universities, hospitals, and government stakeholders. We are also actively investing in several key areas to support Tech Central including reviewing place strategies and updating planning controls for more commercial space, housing, and jobs

The Tech Central project supports multiple action areas as building the entrepreneurial culture and community; creating skilled and connected technology entrepreneurs; increasing density of the tech startup ecosystem; supporting technology entrepreneurs' access to funding and develop technology entrepreneurs' access to markets

Image: Concept design for central square. Photo City of Sydney

Case study 5 – Spark Festival sponsorship

Spark Festival is an exceptional celebration of innovation, creativity, and technological advancement that brings together a diverse community of visionaries, entrepreneurs, innovators, high-skilled talent, investors, and forward-thinkers.

This annual event, held in the heart of Sydney, serves as a catalyst for collaboration and knowledge exchange within Australia's thriving innovation ecosystem.

Spark is a not-for-profit, grassroots festival that aims to inspire everyone to participate and unlock their full potential in the innovation ecosystem. As a community-driven event, it has offered a mix of free and ticketed events, ensuring it is accessible and open to our broad community, including younger generations and the public.

Since 2016, the City has provided Spark Festival with grants to support its development, promotion and successful delivery over the years. To date, the City's sponsorship has amounted to a total cash value of $300,000 and a further $45,246 as value in kind for street banners and provision of venue space.

Spark festival has so far delivered over 1,000 events with 1,500 collaborators and attracted 70,000 attendees over the years.

"I've worked with councils across Australia, and I've never seen more considered or effective support of startup activity than I have from the City of Sydney. They don't just have an action plan, they take action, and ensure those actions generate results for residents, visitors and workers. The Tech Startup Action Plan has resulted in the intelligent, high-leverage activities that Australia's leading tech startup city deserves and needs to continue its further growth."

– Murray Hurps, Chair, Spark Festival

The Spark Festival sponsorship supports multiple action areas including building the entrepreneurial culture and community, creating skilled and connected technology entrepreneurs, and supporting technology entrepreneurs' access to funding.

Speakers at the Spark Festival event.

Collaboration and partnerships

The City cannot deliver the action plan alone. It takes a joint effort with many other key stakeholders in the innovation economy to bring meaningful and material impacts to Sydney's tech startups ecosystem and advance Sydney's reputation as a leading global innovation hub. The City has forged strong partnerships and worked closely with a wide group of organisations throughout the implementation of the action plan, including (but not limited to) the following:

- Academy Xi
- Airtree
- Antler
- Artesian
- Asialink
- Atlassian
- Blackbird Ventures
- BlueChilli
- Canva
- Cicada Innovations
- EnergyLab
- Fishburners
- General Assembly,
- Greater Cities Commission
- Haymarket HQ
- Heads Over Heels
- Incubate, Innotribe, Innovation NSW
- InnovationAus
- Inspiring Rare Birds
- Investible
- Investment NSW
- Macquarie University
- Mirvac
- Q-CTRL,
- Right Click Capital

- SheEO
- Slingshot
- Spark Festival
- Springboard Enterprises Australia
- StartCon
- Startup Daily
- Startup Digest
- StartupAus
- Stone & Chalk
- Sydney Business School
- Sydney Knowledge Hub
- Sydney Quantum Academy
- Sydney School of Entrepreneurship
- Sydney Startup Hub
- Tank Stream Labs
- Tech Central Alliance
- Tech Council of Australia
- Tech Ready Women,
- TechSydney
- The Studio
- The University of New South Wales
- The University of Sydney
- University of Technology Sydney
- University of Wollongong,
- UNSW Founders Programs
- Zambesi

Measures and indicators

In the past few years, Sydney's tech startup ecosystem has been growing fast, maintaining Sydney's position as Australia's capital for startups. According to Startup Muster surveys, 55% of startup founders in Australia are in NSW in 2023, rising from 41% in 2016.

The workforce in the city has become better educated, providing a strong support to the growth of Sydney's knowledge and innovation economy. The proportion of workers with bachelor or higher degree increased from 57.3% in 2016 to 66.4% in 2021.

Sydney's startup ecosystem has matured significantly, with the emergence of several successful companies as unicorns in recent years, including Immutable, Safety Culture, Zip, and Afterpay, in addition to Atlassian and Canva.

Between 2018 and 2022, there were 277 successful exits, over three times the global average. The cumulative value of exits was over US$12.3 billion in this period. The estimated ecosystem value has grown to US$78 billion (calculated as total startup valuations, including exits from the 2nd half of 2020 to 2022), while it was only USD 6.6 billion in 2016 as single year.

In 2023, 210 startups located in the city secured investment at the total value of $3.45 billion, accounting for 42% of the total funding to startups in Australia. The growth was tremendous, up from $1.83 billion in 2019. (reference: Techboard data).

New challenges and opportunities

The landscape of Sydney's tech startup ecosystem has changed significantly since the action plan was released. While the ecosystem has experienced strong growth and maturity, new challenges and opportunities have emerged, requiring strategic interventions to sustain and further enhance the city's position as a leading innovation hub.

Challenges

1. Space Affordability

One of the persistent challenges faced by tech startups in Sydney is a scarcity of affordable and suitable spaces, especially during the early stages of their development when funding is limited. The city also lacks affordable event spaces that hinder networking and collaboration opportunities.

Post-COVID, an opportunity presents itself with high office vacancy rates and the potential for reduced rents in the city. Some suitable under-utilised commercial space could be adapted for startups as co-working spaces, incubators and accelerators, creating a more inclusive and vibrant tech community.

2. Need for talent

Sydney's tech startup ecosystem heavily relies on talent from overseas, including international students. However, the pandemic has disrupted the inflow of international talent, leaving a gap that could hinder the further development of Sydney's innovation economy. While other global cities are making significant investments to compete for talent, Sydney faces challenges to win the talent war.

In addition to attract and retain global talent, Sydney must also focus on nurturing local talent and encouraging them to thrive in the tech sector. Stronger collaboration is needed between educational institutions and industry partners to strengthen STEM education, promote creativity and entrepreneurial culture.

3. Access to funding and investment

Sydney's tech startup ecosystem has witnessed substantial growth in early-stage investment for promising startups and scaleups. However, a notable challenge remains for startups at the ideation and very early stages, as they struggle to secure seed funding.

Sydney needs to attract more active and experienced angel investors. High-quality networking events need to take place more often to allow frequent and stronger interactions between investors and startup founders. Government also has an important role to play in providing small funding through innovation grants.

4. Other Australian Cities

As the leading innovation hub in Australia, Sydney faces growing competition from other cities like Melbourne, which has been steadily catching up in the tech startup space. While Sydney maintains its prominent position, it is essential to acknowledge that the gap between the two cities is narrowing, reflecting the need for proactive measures.

To reinforce its position as the capital city for startups and innovation, Sydney needs more efforts and investments to accelerate the growth of its tech startup sector.

Collaboration, rather than competition, presents the path towards collective growth and success. By complementing each other's strengths, sharing best practices, and creating a united front, Australian cities can collectively enhance the nation's reputation as a thriving and competitive destination for tech startups. Through joint efforts, Sydney and other Australian cities can elevate the entire Australian tech ecosystem, reinforcing their positions on the global stage and attracting more opportunities for innovation and growth.

Opportunities

1. Specialisation and established tech companies

Sydney's innovation ecosystem stands out with its strong specialisation in key areas, including FinTech, CleanTech, Quantum computing, healthTech, and eduTech, among others. These competitive advantages present an excellent opportunity for further advancement and growth.

Notably, established tech giants like Atlassian and Canva, which have emerged from Sydney's ecosystem, are now giving back to the sector. Through mentorship programs, knowledge-sharing initiatives and collaboration projects, these successful companies are empowering the next generation of innovators. By providing invaluable insights and guidance, they help startups chart their way to success, instilling confidence, and resilience in the aspiring entrepreneurs.

2, Tech Central innovation precinct

Tech Central presents a significant opportunity for Sydney's tech startup ecosystem. This dedicated innovation precinct brings together startups, research institutions, investors, and industry players in one central location, fostering collaboration and knowledge exchange.

The state government's strong commitment and investment in Tech Central ensure the availability of state-of-the-art infrastructure and facilities, attracting top talent and providing startups with a conducive environment to thrive.

The concentration of resources and support within Tech Central enhances Sydney's reputation as a leading global tech hub, encouraging collaboration with industry leaders and increasing access to funding opportunities.

By fostering an innovation-centric culture and promoting local and global visibility, Tech Central plays a pivotal role in driving the growth and success of Sydney's tech startup ecosystem.

To continue thriving as a dynamic tech startup ecosystem, Sydney must address the challenges of space affordability, talent retention, funding gaps, market expansion, and commercialization of innovation. Leveraging the city's specializations, reinforcing its position

among Australian cities, and embracing opportunities like Tech Central will be instrumental in maintaining Sydney's reputation as a leading global innovation hub. By fostering collaboration and innovation, the local government can ensure Sydney remains at the forefront of the tech revolution.

3. Connection to global markets

Sydney's tech startups face limitations in expanding their market reach due to a relatively small size of the domestic market.

However, Sydney's geographical location offers a significant advantage, being close to the fast-growing Asian economy. This proximity provides an excellent opportunity for startups to build strong market connections and tap into the vast potential of the Asian market.

Despite this potential, Sydney has not fully leveraged its geographic advantage, as indicated by its relatively low scores in the market reach assessment by Startup Genome reports.

4. Commercialisation of innovation

Sydney hosts several world-class universities and research institutes that drive innovation. However, commercialising innovation remains a challenge. The gap between research and successful businesses is caused by many reasons, including a lack of entrepreneurial skills, funding, industry partnerships, or market validation opportunities.

To bridge the gap, Sydney must improve in the following areas. It needs to foster collaboration between research institutes and industries.

Sydney also needs to showcase and promote successful stories to encourage aspiring entrepreneurs to pursue their ideas with confidence. Government should also play a pivotal role in supporting and sponsoring pilot projects that turn innovative concepts into viable products, propelling the commercialisation process.

Recommendations

Key projects

The successful delivery of key projects remain a priority for us. The below projects represent a significant investment by the City and have the capacity to realise substantial impact for the sector and city economy.

- The development and promotion of Tech Central Innovation District in collaboration with state government and other key stakeholders; and

- The delivery and scaling of Greenhouse Climate Tech Hub offering high-quality programming and affordable space to Greentech startups and scaleups.

Integration with the new economic development strategy

The lessons learnt in the delivery of this action plan, as well as the new challenges and opportunities identified in this review are inputs into the City's new economic development strategy.

The new strategy sets a vision to champion a global economy that unlocks innovation, which is sustainable and inclusive, and provides great local experiences. It promotes economic development across four outcome areas – sustainable, inclusive, innovative, and experiential – with success in the innovation outcome listed as:

- Sydney is a destination for talent and ideas, driving an innovation-led transformation of all areas of the economy.

The following high-level actions are listed in the new strategy and either carry forward key actions from the Action Plan or respond to the new challenges and opportunities listed in this review:

- Encourage investment in Sydney that supports the evolution and growth of the sustainable finance sector

- Trial and test new ideas and approaches to support industry innovation in the transition to net zero and circular economies

- Boost Sydney's innovation ecosystem and connect it globally to attract and retain businesses, talent and investment

- Plan for economically competitive and resilient places, including development of quality workplaces supported by infrastructure

- Work with education institutes, industry, and community organisations to provide inclusive career pathways and address skills gaps

- Promote areas with strong sector specialisations and a clustering of complementary economic activities

- Collaborate with enablers in the innovation ecosystem to foster startup communities and provide affordable workspace and event space

- Foster a culture of entrepreneurship through knowledge sharing, festivals, network building and active promotion of experimentation

- Support local business to innovate, build skills and adopt new technologies, including artificial intelligence

- Strengthen connectivity across Greater Sydney and NSW with clean, high-frequency, reliable and safe public transport options

Monitoring and evaluation

The City will continue to monitor the performance of Sydney's innovation ecosystem using the following measures as set out in the new economic development strategy:

- Grow worker productivity across key knowledge and innovation intensive industries
- Increase clustering in precincts of knowledge and innovation intensive industries