



# CITY OF CHOICE:

## *Sydney as a Global Talent Hub*

Sydney Issues Paper 3

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September 2013



The Committee for  
**Sydney**

In partnership with



**Trade &  
Investment**

# Foreword



**Dan Labbad - Group COO, Lend Lease  
and Chair of the Global Talent Hub  
Advisory Board**

One way to build the productivity of cities is to attract capital and investment. Another way, which is becoming more prominent in a globalised economy, is to attract and retain the highly skilled talent that then attracts businesses, entrepreneurship, investment and innovation. In Sydney, to build our global competitiveness, we need to do both.

The Global Talent Hub project represents a major collaboration between the Committee for Sydney and NSW Trade and Investment; the objective being to identify and implement initiatives that build on Sydney's comparative advantage to attract and retain internationally mobile talent.

The Committee has drawn upon its members and others through an Advisory Board made up of companies with global connections, together with individuals from some of Sydney's major international operations. The Board has given generously of their time and worked closely with the NSW Government to conduct detailed research to gain a better understanding of the locational decisions individuals make when choosing where to live and work.

This report draws together the findings from the first phase of the Global Talent Hub project involving research into the key barriers to attracting global talent to Sydney. It presents insights about the decision-making of these sought-after, well educated, highly skilled, and globally-mobile individuals. The research provides a strong evidence base to design and implement a range of initiatives and policy to provide the necessary environment to attract global talent to Sydney and keep them here.

I am delighted to present this report on behalf of the Advisory Board and the Committee for Sydney. I look forward to continuing a progressive partnership with the NSW Government and the business community to address the issues raised and position Sydney as a hub for global talent.

*Dan Labbad.*

*“In an era in which knowledge is the key to innovation, productivity and business success, being open and able to attract the best people in the world is more vital than ever.”*

Deputy Premier & Minister for Trade & Investment, Andrew Stoner MP

*The Committee has enjoyed a great collaboration with NSW Trade and Investment and our member organisations in researching and drafting this Issues Paper. Long may that continue as such collaboration is a key to the success of Sydney, as of other leading global cities. The Committee looks forward to developing thinking on attracting global talent and to furthering our partnership with government to secure further success for Sydney.*

Lucy Hughes Turnbull AO, Chair Committee for Sydney







# Acknowledgements

## Global Talent Hub Advisory Board

The Global Talent Hub project has been developed under the guidance of an Advisory Board chaired by Dan Labbad, Group Chief Operating Officer of Lend Lease, and includes the following people:

- John Banks, Talent2
- Martin Blake, KPMG
- Dr Robert Care AM, Arup
- Joseph Carrozzi, PricewaterhouseCoopers
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## Research Report

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# Key messages and initiatives



This section summarises the key messages and suggested initiatives of the Global Talent Hub (GTH) project, outlined in this Issues Paper. Each 'Key Message' has text in a blue box below it linking it to the 'Next Steps' section of this Issues Paper.

While some of the initiatives in the Issues Paper will require further development and continued collaboration between public and private sectors and/or further interventions by governments at various levels, many have been identified as quick wins by the Global Talent Hub (GTH) Advisory Board. These include the Global Sydney HR Leaders Network and the new *Official Guide to Living and Working in Sydney*. Initiatives in relation to improving public transport, promoting a compact city model of development in well serviced locations, innovating around the workplace of the future, supporting a 24/7 city and the diversification of the high-time economy are already mainstream activities of the Committee for Sydney and our partners. The findings of the GTH research reinforce the need to focus on these 'city management' issues and strengthen the case for action.

The aim of the GTH project is to inform decision-makers in the private and public sector of ways to improve the attractiveness of Sydney to global talent. Much of what needs to be done next is actually about better communication, informed marketing and networking.

## Key Message 1:

**Marketing of Sydney must emphasise the career and economic advantages of working here as well as leveraging the lifestyles available here.**

The balance of the two is the issue for Sydney - and we mustn't be complacent about or over rely on the quality of life issues alone. Marketing must emphasise the strength and diversity of Sydney's offer in terms of both employment opportunities and lifestyle.

## Next Steps:

1. Refocus the marketing of Sydney for global talent to emphasise the desirability of Sydney as a destination for work

**Key Message 2:****Sydney must be a city open to talent – for the good of all**

Sydney as Australia's Global City can only play its economic role for NSW and indeed the nation if it welcomes global talent and is seen to be doing so enthusiastically and practically. This key principle needs to command support across all levels of government and throughout business and the community.

We grow our wealth as a city by being open to talent. Research around the world has shown that limiting the number of high-skilled workers has negative effects even for lower skilled workers both in terms of job opportunities and wages. Much of the current public debate in Australia has lost sight of this. We must not construct a migration policy which is contrary to our city's economic interest. The NSW Government has understood this in our view and taken a firm advocacy position opposing an over-restrictive approach to 457 visas. We urge the Federal Government to embrace the NSW position.

Australia's capacity to absorb global talent is a crucial advantage and it has always been so. Today, it is more important than ever that we maintain this tradition of openness. A knowledge economy by definition cannot be a closed one. To maintain economic dynamism and productivity, cities must attract talent and migration is an essential part of that program in the developed world. A welcoming city is a successful city. This commitment to openness in a welcoming Sydney is a principle for the Committee for Sydney and it will continue to inform its work and advocacy. We add that there is evidence from the survey that of the non-work dimensions of the locational decisions of global talent, a key factor is whether a city is 'tolerant and democratic'.

**Next Steps:**

5. Protect Sydney's global reputation from recent negative media reports of Australia not being a welcoming place for migrants

**Key Message 3:****Sydney needs to welcome diverse pools of talent and meet needs at key career stages**

Sydney's welcome has redefined itself over time - migrant groups seeking to make our city their home have diversified over time. The same need applies to strategies for attracting diverse pools of talent. The research has reinforced the need for a flexible approach - by governments and companies - which recognises and embraces this diversity and adapts accordingly. We have identified the need to focus initiatives on three key stages in career development and to make sure also that Sydney's welcome is appropriate in a world where an increasing share of global talent will be Asian or female.

**Next Steps:**

1. Refocus the marketing of Sydney for global talent to emphasise the desirability of Sydney as a destination for work
8. Undertake further research as needed

**Key Message 4:****Attract and retain the 'dream demographic': 25-34 year old early to mid-career professionals – and embrace gender equality at work**

Typically, cities with agglomerations of knowledge economy jobs, and the productivity and innovation which flow from clustering knowledge workers and the economic spill-overs they create when they interact, are outperforming cities which offer more dispersed economic activities for example based on resources or manufacturing.

Sydney is Australia's best example of a city with agglomerations of knowledge based globally competitive sectors. Public policy needs to be aligned behind the objective of providing the environment, infrastructure, transport / connectivity and housing which reinforces its attractions to the key 25-34 year old early to mid-career professional cohort. This is typically drawn to close-in suburbs or districts of larger metropolitan areas with better access to jobs, further education, entertainment and other opportunities. This cohort has been called the 'dream demographic' for the knowledge based economy and attracting and retaining them must be a key part of our human capital strategy for Sydney.

We note that this dream demographic is increasingly female. The Advisory Board and respondents emphasised the importance of Sydney's enterprises being perceived as promoting gender equality and Sydney itself as a 'city for all the talents'. In a world where female graduates are becoming a majority of incoming knowledge workers talent, attraction and retention strategies for Sydney and its companies need to be appropriate and indeed leading-edge in meeting the needs of a diverse workforce.

Quote from GTH survey - the following comment was made by an expatriate Australian.

*"When I was in my first 5 years of my career in Sydney working in the finance industry I found many doors were closed to me due to being a female. Comments from HR like "the boys won't*

*hire a girl more qualified than them, or they want to find a male to join their team". It was suggested I take qualifications off my CV or apply for other roles in the finance industry. I decided to see what working overseas was like and I've been away 10 years. I think it may be better now but the boys club in the Australian Finance industry was a factor in my leaving Australia."*

**Next Steps:**

2. Provide better information for prospective and recent arrivals
3. Improve HR practices
4. Tackle issues that are shared with Sydneysiders
6. Partner with local councils on common issues

**Key Message 5:****Sydney also needs to target the returning Australian diaspora**

*Advance*, the body representing some very entrepreneurial Australians abroad, played an important role in the research and shared the questionnaire with its 23,000 members. Its CEO is a member of the Advisory Board. This is a source of global talent which is clearly predisposed to Australia and likely to relocate at some stage. In future the NSW Government and the Global Sydney HR Leaders Network must continue to engage with returning Australians, and position Sydney as their city of choice within Australia. The survey indicated that wherever you emigrated from in Australia, Sydney has strong appeal for potential returners given the dominance it has in those very sectors – finance, professional services and ICT – in which the Australian diaspora community is well represented.

The challenge to attract them back or to Sydney is characterised by both 'productivity' and 'consumption' challenges. They will seek the kinds of career opportunities and economic returns they



have got used to, as well as quality of life factors. In many cases they will have enjoyed better access to public transport, the benefits and flexibility of a 24/7 economy and other key factors influencing liveability including affordable access to domestic help and a range of childcare options.

A number of respondents in this group - and more widely - raised the need for Australian employers to be more innovative in terms of providing child care and flexible working. Others suggested the need for a review of the tax benefits for a wider variety of childcare options including care in the home which is particularly important to families with two working parents especially those living away from support networks and family.

*Quote from GTH survey - there is also the challenge of convincing Australians living and working overseas that returning to Sydney is a plausible career move at their particular career stage:*

*"Sydney has plenty of talent around the world, and if you provide the environment, I think a lot of them would consider returning."*

#### Next Steps:

2. Provide better information for prospective and recent arrivals
4. Tackle issues that are shared with Sydneysiders
6. Partner with local councils on common issues

#### Key Message 6:

**Sydney needs to be a well managed city to attract and retain global talent - so the NSW Government planning and governance reform needs to be implemented alongside new talent attraction strategies**

Public policy indeed has lagged behind the fact that the largely now unmarried 25-34 cohort of male and female graduates whether Australian or attracted from

overseas, have different locational, housing, transport and amenities needs to previous generations and wish to live close to their work. Although beyond the scope of this research other work by the Committee for Sydney<sup>1</sup> has shown how the future success and balance of the Sydney economy will depend on enabling an increase in the denser, compact, public transport oriented type of city development favoured by this cohort with homes being closer to high value jobs. Previous Issues Papers and work by the Gratten institute reinforced this point.

In line with this thinking the NSW Government has embarked on a broad based reform program to improve the planning, infrastructure, transport, housing delivery, and governance of Sydney which the Committee for Sydney has welcomed. In our view this will reinforce the attractions of Sydney for global talent and improve the very eco-system of the city in a way which current thinking on the productivity of cities sees as vital to support innovation. The warning from the research also needs to be stressed: this is that many respondents emphasised the need for Sydney to dramatically improve its transport offer in comparison with other global cities, something which other city-research has echoed. Thus in parallel with appropriate talent retention and attraction policies at the level of the enterprise and the city, the well-managed city is also the one which attracts global talent.

#### Next Steps:

4. Tackle issues that are shared with Sydneysiders
6. Partner with local councils on common issues

<sup>1</sup> Cfs, Sydney: adding to the dividend, ending the divide (2013)

**Key Message 7:**

**Such attraction strategies need to be genuinely global, recognising this is the 'Asian Human Capital Century'**

Another formative finding from the data and the other research conducted for the project, is that going forward the origins of global talent to be attracted to Sydney will increasingly be Asian. This means China but also India and other now fast-growing economies in the region on the journey from developing to developed countries.

While the notion that all Asian talent will want the same things and that these are different from those desired by for example talent from an Anglo-American or European background is as flawed as assuming that there are no cultural differences between diverse groups, interviewees and respondents confirm the need for talent attraction strategies and companies to embrace diversity.

The Advisory Board recognised that while most companies have embraced diversity formally there is more to learn and best practice to be shared to enable

Sydney to position itself effectively in the competition for Asian talent. Some felt that recent controversy over 457 visas and migrant policy was in danger of damaging Australia's reputation in certain parts of the world and that this could result in collateral damage for Sydney not just for attracting talented workforce but also in terms of attracting international tourists and students to our universities. Hence the importance of the GTH project itself and of the NSW Government being an advocate for a welcoming, open Sydney.

**Next Steps:**

5. Protect Sydney's global reputation from recent negative media reports of Australia not being a welcoming place for migrants
7. Investigate the impact of Federal tax incentives and migration-related fees



### Key Message 8: Greater recognition of overseas skills and qualifications

A recurring theme of the Advisory Board deliberations and in the response to the survey was the need for practical steps to be taken to afford greater recognition of overseas skills and qualification, particularly where there are perceived to be barriers. There continues to be under-utilisation in Sydney of well qualified migrants from non-English speaking backgrounds. The blockages need to be identified and removed and there needs to be initiatives to enable such talent to play a more appropriate economic contribution to Sydney.

#### Next Steps:

9. Understand issues associated with getting overseas qualifications recognised

### Key Message 9: Embracing diversity when promoting Sydney to global talent

While it is not clear what the causation is of the distinctive locational trends of diverse groups of talent in Sydney, identified in our survey, they do raise a question of the relative extent to which a branding and marketing strategy for global talent needs to stress the lifestyle features and natural attractions which have conventionally been emphasised in promoting Sydney as a destination for relocation or investment. The research indicates they are not as central to certain demographics and cultures as others or rather that what may need to be reviewed is how Sydney's lifestyles (plural) are defined and presented.

While the "beach selling point" of Sydney's lifestyle may not be a conclusive attractor for all global talent – and more positively Sydney's broad-based offer needs to be identified as including a suburban environment for those who choose it and a more urban form for those who don't – the survey shows that whether or not a city is perceived to be 'tolerant' does form a key 'lifestyle' attraction for many key groups. An effective

talent strategy for global talent needs to be shaped by and respond to the diversity of global talent in a global age. This is the strength of our research. It is uniquely informed by this perspective.

It is essential in this context that we maximise the potential of major events such as the Asian Football Cup 2015, the Chinese New Year celebrations in Sydney and international business events, and develop programs to promote Sydney as a place to visit, study and work.

#### Next Steps:

2. Provide better information for prospective and recent arrivals

### Key Message 10: Sydney as a Global Talent Hub: towards implementation in the public and private sectors

The study has resulted in a much deeper understanding of the key facts and factors for global talent in selecting locations and enterprises in which to work. This will we believe prove highly useful to companies and the NSW Government when designing and implementing effective talent attraction policies. Indeed, the work has already shaped the new NSW Government's *Official Guide to Living and Working in Sydney* and will influence the approach of companies in Sydney.

The Global Sydney HR Leaders Network will develop many of the themes of the study and help share best practice at the level of the enterprise and how companies approach the retention and recruitment of global talent. The Committee for Sydney will maintain its emphasis on global talent and its partnership with the NSW Government around the key issues, by ensuring the Advisory Board continues as a key new Taskforce of the Committee.

#### Next Steps:

10. Develop further the Global Sydney HR Leaders Network



# 1. Introduction



## 1.1 The Committee for Sydney Issues Papers: understanding Sydney and seeking to improve it

*City of Choice: Sydney as a Global Talent Hub* is the third in our series of Committee for Sydney Issues Papers and we are delighted it is based on a joint initiative with NSW Trade and Investment.

This Issues Paper follows and builds on the first two in the series:

**Issues Paper 1: Sydney - adding to the dividend, ending the divide** shows how the global knowledge economy is reshaping Greater Sydney, Australia's leading centre of knowledge based industries. It reviews the recent economic momentum in Sydney and outlines policies to ensure it is sustained.

**Issues Paper 2: #wethecity - collaborating to compete in the digital era** reviewed global best practice in urban innovation and city management, engagement with communities, and the use of digital technologies. Cities that collaborate are increasing

their competitiveness and Sydney needs to learn from and implement best practice to build on the momentum and innovation under way in the city, and maximise its assets to compete with the best.

**Issues Paper 3: City of Choice: Sydney as a Global Talent Hub** focuses on talent as the key asset of a global city in a knowledge economy. Cities compete for talent – and Sydney can and must be a leader in that competition.

This Issues Paper provides an overview of the key issues and findings around global talent identified in the wider project on which the Committee has been in collaboration with the NSW Government.

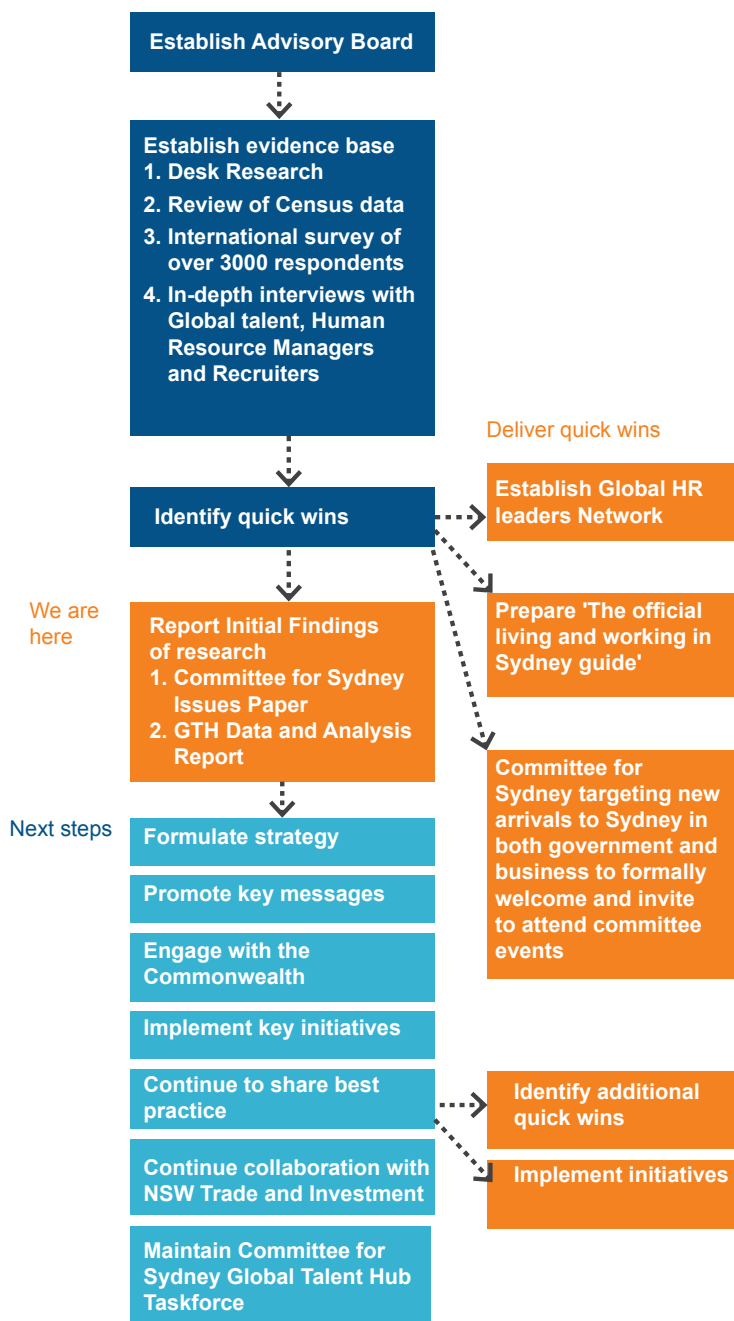
## 1.2 Purpose of the Sydney as a Global Talent Hub project

The Global Talent Hub project aims to raise the global profile of Sydney, particularly as a centre for international businesses and knowledge-intensive industries. It seeks to help the private sector and the NSW Government to better understand what matters



to global talent and to develop effective strategies to attract them. The GTH project consists of a program of activities, initiatives and documents. (The program is summarised below).

Figure 1: GTH Program



### 1.3 GTH methodology and approach: the Global Talent Hub Data and Analysis Report

The NSW Government and the Committee for Sydney (Cfs), along with many companies and individuals, both global and local, have collaborated to steer and provide an evidence base for this major study into 'Sydney as a Global Talent Hub'. This very innovative collaboration has involved original research, including a survey distributed globally and completed by over 3,000 respondents, and widespread consultation with organisations which are expert or have first-hand experience in the issues around retaining and attracting global talent.

'Global Talent' is defined as individuals in knowledge-intensive industries who have employment options in multiple cities and countries. Such talent consists of both Australians and people from overseas.

Desk research on global talent was supplemented by work on the census by the University of Canberra, and interviews with global talent, HR recruiters and employers who kindly agreed to share best practice. Committee for Sydney members including the University of Technology Sydney, PwC and Deloitte collaborated on the analysis of the survey data.

The work was overseen by an Advisory Board chaired by Dan Labbad, Group COO of Lend Lease. The board included a number of directors, CEOs and senior staff of member organisations of the Committee for Sydney including Committee Chair Lucy Turnbull AO, Executive Director of The Sydney Business Chamber The Hon. Patricia Forsythe, and Michael Rose of Allens Chair of the Committee's Financial and Professional Services Taskforce. The full list is included on page 4. A team from the NSW Trade and Investment partnered the in-house Committee team throughout the project.

Our research has sought to find out what the latest academic and professional HR thinking is on these factors but also to survey high-skilled professionals across the world to find out what motivates people to live and work in particular locations, and to also gauge perceptions of Sydney. The understanding

of the current strengths and weaknesses of Sydney emerging from this research will inform the marketing of Sydney for global talent but should also help guide key decision-makers in government about the broader interventions required to ensure Sydney is competitive as a city.

The detailed research findings and data are outlined in the Global Talent Hub Data and Analysis Report (“Data Report”), which is available online at [sydney.org.au](http://sydney.org.au). All the data from the survey underpinning the Global Talent Hub Data and Analysis Report will be freely available. In addition to providing analysis of the survey, the Report reviews:

- The attractiveness of cities and the factors which drive global talent to relocate
- Perceptions of Sydney
- The numbers and profile of global talent in Sydney - where they live and what industries they work in
- Features of key target segments of globally mobile talent.

All sources and data explanations are detailed in the Data Report.

The understanding of the current strengths and weaknesses of Sydney emerging from this research will inform the marketing of Sydney for global talent. The findings will also guide the actions and initiatives both of government – largely at state level but also where appropriate at federal level – and the private sector.

In investigating possible initiatives, the Advisory Board took a pragmatic approach to focus on issues that can be feasibly addressed. For this reason, actions to modify the Australian income tax rate (an acknowledged disadvantage for Sydney) were avoided in preference for considering other tax and remuneration options.

This Issues Paper summarises some of the most insightful data and findings from the GTH research, provides an overview of the importance of global talent for Sydney’s future and outlines some key

initiatives and messages from the GTH project, leading to some next steps to be prioritised.

## 1.4 Rationale for the project

In today’s globalised knowledge economy, cities compete not just for capital investment or business relocations. They compete for talent. While it has always been important for businesses to have skilled people, in an era in which knowledge has become the key actor in innovation, productivity and the success of enterprises, having access to human capital is more vital than ever.

Recent research on urban management stresses the fact that the cities which develop, retain and attract more talent, specifically more knowledge workers with higher education – ‘outperform their competitors’<sup>2</sup>. Cities with higher densities of such workers in the labour market are out-pacing the rest, and given the increasing importance of education to economic success in the knowledge economy, this is likely to continue.

The biggest, most successful companies recognise that talented people are the critical success factor in today’s economy. Mark Zuckerberg, CEO and founder of Facebook once said “someone who is exceptional in their role is not just a little better than someone who is pretty good... they are 100 times better”<sup>3</sup>. And what is true of enterprises is also true of the cities in which they are based.

Cities must attract, and as importantly retain, the highly skilled and knowledge-rich workers on which modern economies rely or they will fail to compete. In the knowledge economy it is the talent and creativity of a city’s workforce that will shape its economic destiny. Sydney needs to attract these kinds of people. They help turbo-charge our economy. They make us

2 CEOs for Cities, ‘The Young and Restless in a Knowledge Economy’, 2005, <http://www.ceosforcities.org/research/the-young-and-restless-in-a-knowledge-economy>

3 [http://www.nytimes.com/2011/05/18/technology/18talenthtml?pagewanted=all&\\_r=0](http://www.nytimes.com/2011/05/18/technology/18talenthtml?pagewanted=all&_r=0)

competitive, they make us productive and they are a magnet for others like them.

## 1.6 The global challenge and the need for a Sydney response: Sydney's time is now

The collaborators on this project all acknowledged the fierce competition for talent. There is a need for effective new strategies and tools to be in place to enable Sydney to attract the key highly sought-after pools of talent whether from within Australia, international sources or indeed members of the highly skilled and experienced Australian expatriate community when they seek to return to these shores.

And of course, now is a good moment to target the world's talent for Sydney with much of Europe and the US mired in the post GFC downturn and with a growing Asian middle class looking for new opportunities. And worsening air pollution levels in China and even Singapore in 2013 has global talent placing an unprecedented and explicit value on clean air.

A survey of Committee members early this year revealed that the majority felt that Sydney was benefiting from a new momentum. This has now been

backed up by ANZ research<sup>4</sup>. With cranes returning to the skyline, upturns in key economic data and a sense that the city is recovering its mojo after the post Olympics lull, Sydney's time to compete for global talent is now. Now is the time to define the city's economic opportunity, to identify the kinds of talent we need and where this might come from, to establish the city's positive 'pull' factors – and its barriers to attracting talent – and to refine the city's positioning in the global market for talent.

The evidence base developed for the GTH project provides a firm foundation on which the talent-attraction and retention strategies of the NSW Government and industry will be based. It will represent part of the overall suite of industry and economic policies for the State and should be seen as complementary to the broader reform program of the NSW Government to make NSW number one again and to secure Greater Sydney's competitiveness.

Importantly, it will also influence the recruitment practices of companies and organisations who have participated in the research – and indeed any others who wish to learn from it or now wish to participate in the Global Sydney HR Leaders Network, created as a direct benefit of the project. This is not an academic project. It is a key to Sydney's future.

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4 Hogan, Warren et al, Australian Economic Update: NSW in Focus (2013)





## 2. Key Findings



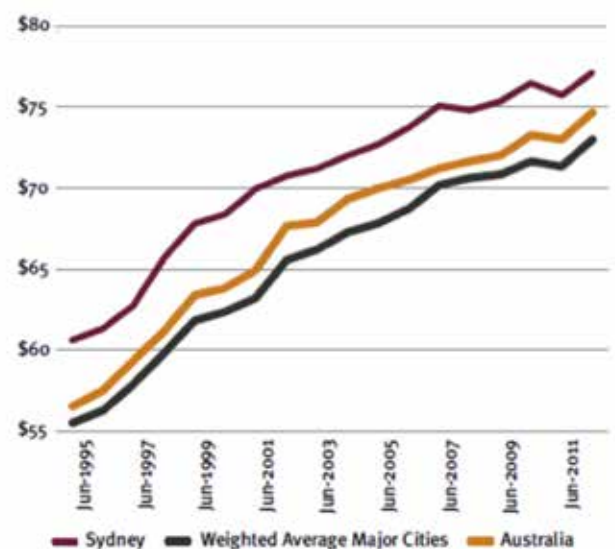
### 2.1 What happens in Sydney matters for the nation

Sydney's continued success matters to Australia. It is the prime location of the nation's key forward-looking, knowledge-based sectors – whether in finance, insurance, creative industries, ICT and the digital economy, education, research or other professional services – and Sydney leads Australia in terms of labour productivity (see Figure 2 to the right).

The spin-off jobs which Sydney's key sectors catalyse are also greater in number and diversity than are achievable in the resources sector. As the commodities boom softens, it becomes even more important that Sydney succeeds economically and supports growth in the increasingly productive knowledge based sectors.

This will require a raft of public policy innovations and investments – in infrastructure and transport, planning and governance reform, affordable housing and continued improvement in education. These are all existing priorities for NSW and the Committee

Figure 2: Sydney's unique agglomeration of financial, professional and ICT Services means it leads Australia in terms of labour productivity



Source: SGS Economics & Planning



for Sydney with initiatives in place to deliver improvements in these areas. Equally important must be a focus on developing the human capital of Sydney and particularly the talent its most competitive sectors depend on.

Sydney's strategies for human capital development and attraction are thus of critical importance to enabling it to flourish in its vital role as Australia's gateway to the increasingly global economy.

## **2.2 Attracting talent helps Sydney's existing communities too**

Research also shows that cities which attract the most talented people are producing more wealth and more jobs for the rest of the community. That is to say, they offer more and better paid jobs to those who service the needs of the higher value added knowledge economy – with the result being higher salaries for workers employed in retail, construction, business and other service jobs. All of us benefit from the 'city of talent'. The pay-off is not just for the few or certain companies. It is for all our communities as we discover that strategic actions designed to make cities more attractive to talent also benefit existing residents – and help retain and support existing talent too.

Essentially an effective talent attraction strategy serves the larger purpose of making the city a good place for all to work, live, invest and visit. The importance of this project is that by utilising evidenced-based research and effective collaboration between the public and private sectors, learning from the experience of global companies and mobile talent, we have for the first time the evidence and the insights to be able to frame effective talent attraction strategies for Sydney to support the initiatives of our enterprises themselves.

## **2.3 There is intense competition between global cities**

The aim of Government and the Committee for Sydney is to ensure that Sydney harnesses its renewed economic momentum and refreshes the basis of its success by continuing to have access to the talent Australia's only global city needs to play its key role in national productivity. Securing the human capital future of Sydney by attracting global talent is a key part of that success. But the competition for the key demographics is fierce and Sydney is competing in the international 'Champions League'. International benchmarking surveys identify the familiar US or EU city names in that competition, though Asian cities are fast approaching the top. Hong Kong, Singapore, Shanghai and Tokyo are the benchmark in our region.

Sydney has tended to be numbered out of the top echelon in recent surveys, though our own survey captured some of the enthusiasm for Sydney of those living here and wanting to move here (see Figure 3 on following page). That result though skewed by the sample does provide a basis for Sydney to build on the interest shown for it by global talent. The survey provides evidence of what global talent perceives to be the strengths of Sydney but also, by comparison with some of the other stellar performers, where it needs to improve. The very purpose of this research is to help Sydney compete successfully in that competition for the world's talent – and it can. To play its economic role for the state and the nation, it must.

## **2.4 What matters most: the search for higher personal productivity and consumption**

We have sought in our research to understand the key 'pull' and 'push' factors for globally mobile talent today, what Sydney currently offers them and what steps we might need to take to be even more successful in attracting that talent. We know that much talent actively searches globally for excellent job offerings and the opportunity to work with other talented

people: this might be called the search for *higher personal productivity*. We also know that talent is also attracted to cities that provide a high quality lifestyle: *this might be called the search for higher personal consumption*. Understanding these factors, to whom they matter, and the nature of the differing trade-offs between them made by different groups of talent, is vital.

Figure 3 below summarises the results of the GTH survey in relation to what drives locational choices for global talent: is it lifestyle or 'consumption'? Is it workplace or personal 'productivity' issues?

A key theme of discussions from the beginning of the study was the relative weight in the minds of global talent of lifestyle and work factors and the balance or trade-offs made between them. While the notion that migrants or mobile talent choose Sydney

largely on a 'quality of life or 'personal consumption' basis is widely believed, the academic literature on talent attraction and migration has long favoured an emphasis on 'personal production' factors in decisions to relocate. Academic research has tended to support the proposition that people generally make a decision to move to a city or a country on economic grounds – to where they may be more productive and secure higher returns for their skills.

The GTH results indicate, crucially, and consistent with much international research that the dominant issue in deciding where to locate is workplace related. The 'opportunity to work on interesting and challenging projects' tops our survey. This is followed closely by the liveability issue of 'the ease of getting around' and 'safety and security' of the city - both challenges for the urban management of Sydney.

Figure 3: Top 10 most important factors influencing locational decisions

Factor	Per cent*	Category
Opportunities to work on interesting and challenging projects	97.5%	Work
Ease of getting around (public transit, roads, parking, cycling, pedestrian friendly streets)	94.6%	Lifestyle
Safety and security	94.3%	Lifestyle
Ability to work with other highly-skilled people	94.0%	Work
Remuneration or earnings after tax	93.3%	Personal
A workplace that supports a good work-life balance	93.3%	Work
Pleasant and sustainable natural and built environment (climate, air quality, open space, parks, beaches, quality architecture and sustainable design)	92.7%	Lifestyle
Cost of living	91.9%	Personal
Guaranteed job offer prior to arrival	91.1%	Work
Local work ethic and professionalism	90.5%	Work

Source: CfS GTH Survey 2013, n=2567

\* Respondents were presented 40 factors to rate. The percent indicates the proportion that marked a factor very important or important.



## 2.5 A new understanding of the work-lifestyle balance in Sydney

Evidence gathered from conducting a factor analysis of the results to all 40 decision statements in the survey, showed that there is an underlying 'structure' to the way that global talent tends to think about cities in which to live and work. They measure cities in terms of their ability to satisfy firstly work and career progressions needs, and secondly the non-work needs which include everything to do with their family needs and lifestyle preferences.

For Sydney to be successful in attracting global talent, the overall appeal of the work factors and career potential of the city needs to be emphasised and indeed improved. While a good work/life balance is important to global talent, they actively seek:

- enabling environments for business innovation
- challenging and connected work environments
- supportive work-places
- job security

Global talent, by nature focused on their work, do not expect work-life-balance to mean a 9 to 5 job but rather the amenity and options that surround a full and engaging career.

A sub set of this 'productivity' focus is that talented migrants in the knowledge economy will favour cities with what Enrico Moretti has called 'thicker labour markets'<sup>5</sup>. That is to say, they favour cities with agglomerations of high-value employment opportunities where, if they lose one job or don't like

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<sup>5</sup>. CFS, Sydney: adding to the dividend, ending the divide (2013)

the job they have, they can find another one in their sector easily. They also expect such cities to give them more economic and entrepreneurial opportunities from interacting with other talent.

So valuable and attractive are such 'productive' cities – where high value knowledge jobs have been clustering in ever fewer locations in the last few decades – that mobile talent has chosen to live close to such areas, despite higher housing costs. This is a local version of a global trend which also shows that global talent can and will pay for a city's high living costs – because of the other economic and career returns they expect from this location.

Quote from GTH survey - there are challenges facing Sydney in being considered a serious work destination as one respondent says:

*"...the challenge is to provide a work / business environment which provides sufficient challenge for hard working, passionate individuals to stay (or return). Currently I feel you need to make a choice to give up on a large part of your ambition if you choose to stay there, which should not be the case. There needs to be an environment which attracts people who are ambitious to do great things - this will take time to build, but once you start it will take on a life of its own and grow. This is what happened in Silicon Valley, is happening in NY now, and is starting to find roots in Singapore."*

**So whatever its natural attractions Sydney needs to be seen and developed as a centre of excellence, business innovation and productivity in which global talent can foresee such opportunities and interactions happening when locating to this city.**

In terms of non-work dimensions, that cover lifestyle and personal preferences, globally mobile skilled workers consider whether places provide a:

- Tolerant and democratic society
- Accessible, leisurely and safe environment
- Entertainment options

- Services for their children
- A support network
- Meet their partner's needs
- Affordability

## 2.6 Beyond the natural attractions of 'the Harbour City' - a new understanding of what makes global cities attractive

The GTH research strongly supports the proposition that it is only once cities are seen by mobile talent to be highly productive and a good place to work, that the competition between 'highly productive cities' for talent then becomes based on the quality of life or lifestyle available in that city. This is why the number one 'global talent attraction factor' identified by respondents in the survey was 'opportunities to work on interesting and challenging projects'. This means that Sydney's offer should not be confined to lifestyle but must be seen to enable global talent to access excellent career prospects in the context of an attractive lifestyle (or rather 'lifestyles' plural, as another key finding of the research is that an increasingly diverse pool of global talent has a variety of lifestyles or scenes with which it wishes to associate or find in their city).

Even for the global talent who affirm the initial dominance of certain lifestyle issues there is an awareness that they can evolve over time as people move into different phases of their life, for example when people get married, have children and buy homes. We have a more sophisticated notion following the study of what the lifestyle offer of Sydney is, for whom and, as it were, for how long. As one interviewee put it, who was seeking to avoid compacency, *'there is a time-limit or use-by date on Sydney's lifestyle offer'*.

Quote from GTH survey - one comment from a New York based male in the Mid-Career/Professional segment highlights Sydney's key selling points as a location with a work/lifestyle mix:



*"I think Sydney (and Melbourne) both provide an environment which allows people to have an amazing lifestyle (in all my travels few other places compare for lifestyle)."*

Quote from GTH survey - a comment from a female dual British/American citizen currently based in Hong Kong but has spent most of her career in London, highlights the perception:

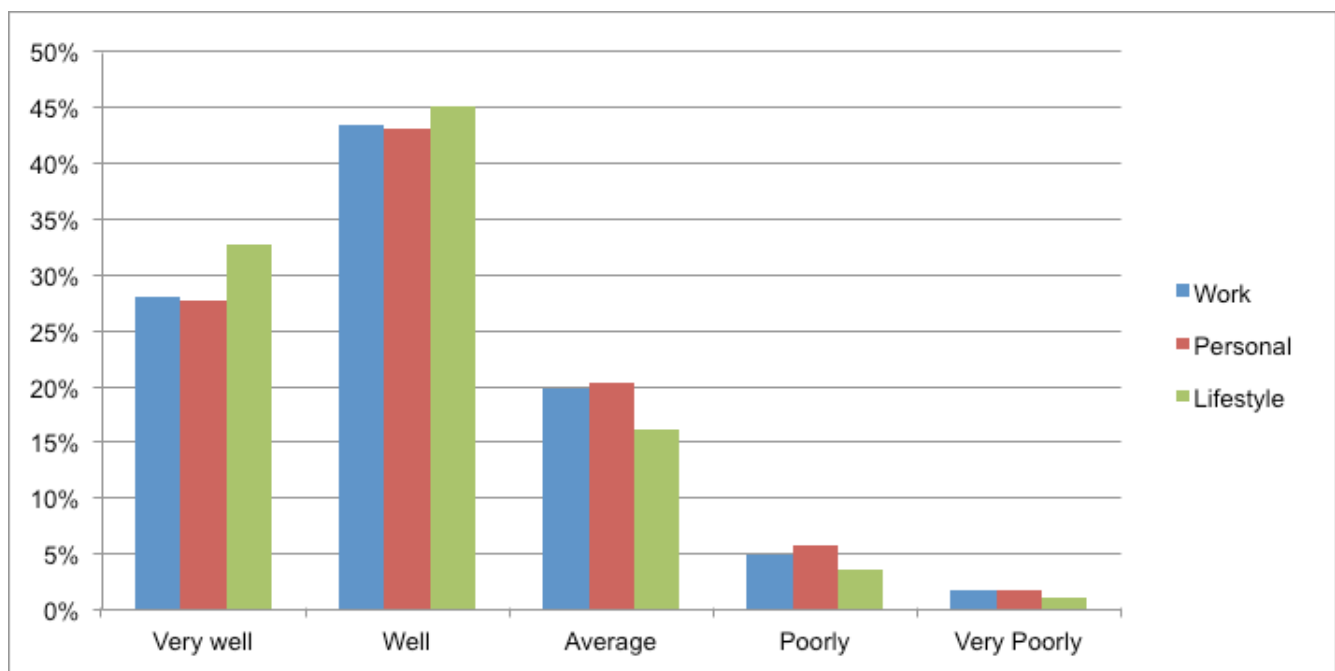
*"...my reason for rejecting Sydney as a place to live was 'only' due to the type of work that seemed to be available. The lifestyle is fantastic, but my perception of the work was that marketing activities in Sydney tend to concentrate on national marketing. My previous experience in Hong Kong and London has been on regional (European or Asian) marketing activities, and I would seek to maintain this scale, or move to a global focus at the next stage of my career. If such an opportunity came up in Sydney, I would be very happy to relocate, the lifestyle is very appealing."*

## 2.7 Quality of life and consumption factors play a part: but it matters who you are...

'Personal consumption' and quality of life factors do play a role in locational decisions made by talent as cities compete to be well managed urban environments in which high quality amenity, liveability, services and connectivity reinforce and interact with agglomerations of high paid-high-skilled jobs. Our sample indeed shows the Sydney scores well on lifestyle relative to other global cities (see Figure 4 below). This result clearly represents an opportunity as part of a wider 'Sydney offer' to highly mobile and sought-after talent, particularly in some key cohorts.

Because of the increasing globalisation of the knowledge economy, today's mobile high-value knowledge workers also have more choices of potential locations in which to work than previous generations of talent. The demographic which

Figure 4: Does Sydney meet the work, lifestyle and personal needs of Global Talent, relative to other global cities?



Source: CFS GTH Survey 2013

provides most knowledge workers – the key 25-34 year cohort – is also the most mobile group globally. This cohort has been called the ‘dream demographic’ for the knowledge based economy and attracting and retaining them must be a key part of our human capital strategy for Sydney.

As early to mid-career professionals, this cohort is typically drawn to areas with better access to jobs, further education, entertainment and other opportunities. An increasing proportion of this ‘dream demographic’ is female. Human resource strategies for companies and human capital development strategies for Sydney – to attract and retain female talent to our city – must be fundamentally influenced by this fact going forward.

According to the Census, this demographic made up half the total number of global talent moving to Sydney between 2006 and 2011 (see Figure 5 below). Lifestyle attractions must clearly be an integral part of the Sydney offer to this key demographic though both the survey and the interviews confirm the importance even for this group of work or ‘productivity’ factors.

Figure 5: Skilled people moving to Metropolitan Sydney from Australia and Overseas 2006-2011

	Global Talent			Total
	Overseas	Other Aust	Not Stated	
20-24	3,106	4,367	539	8,012
25-34	37,788	16,314	3,434	57,536
35-44	20,714	7,825	2,356	30,895
45-54	6,327	4,018	1,378	11,723
55-59	992	1,256	454	2,702
60-64	521	625	274	1,420
<b>Total</b>	<b>69,448</b>	<b>34,405</b>	<b>8,435</b>	<b>112,288</b>

Source: ABS 2011 Census data

Note: This table excludes a small number (1,216) of people outside these age groups who hold high level occupations.

### Extra Requirements to get people over the line

From anecdotal and qualitative evidence gained via interviews with HR managers it was noted that core packages consists of a job offer and remuneration package, which needs to be globally competitive in the first instance. After this the job opportunity is key. But, to get people over the line relocation assistance packages are common.

Depending on the seniority of the position, these can range from a standard set of activities to a more tailored package. Benefits that may be provided could include:

- Flights/visits home.
- Assistance to get skills and qualification recognised.
- Setting them up with social networks such as sports clubs, church and groups especially for partners with young children. Some workplaces also have internal employee groups.
- Home finder service, often through external provider.
- Flying spouse or partner out to discuss relocation options.
- Finding good schools and childcare
- Processing of 457 visas – some companies will organise and pay for a visa so the potential recruit does not incur any cost or hassle.
- Information packs about the different kinds of visas and how to apply for them, about social networks in local areas and working and living in Sydney.
- Induction to workplace.

## 2.8 Definable Groups of Global Talent

The research identifies three broad groups for talent retention and attraction. These categories encompass the majority of global talent but do not cover key target segments. For example, further research is required to understand the attractors of the critically important innovation drivers we seek to attract - entrepreneurs, and the best academics and researchers.

However, articulating these groups helps to focus thinking, policies and interventions around them. They are:

- Late Career Executives with incomes of over \$250,000
- Mid-Career Managers and Professionals with incomes \$105,000 to \$250,000
- Early Career Professionals and Graduates, earning less than \$105,000, with a degree level qualification or higher

These are vital stages on which to focus policy and initiatives.

### Late Career/Executives

This group is the most difficult to recruit as they are in demand around the world and Sydney is not the first choice in most industries. It includes senior people such as high level Managers, Executives and CEO's for whom local salaries may not be competitive with destinations such as London and New York. As they get older, these workers become less likely to relocate. Conversely, they are also the easiest to identify because they are highly visible.

They bring a large amount of experience in management and strategic decision making. High quality executives create good business culture through knowledge of best practice, in terms of more productive processes or the best business practices, which benefit the economy as a whole.

### Mid Career / Professionals

This group includes experienced workers or mid-level managers who are interested in advancing their careers. They are often in great demand around the world so there is always competition for them. This group includes technical specialists in niche areas. Australia lacks a large labour supply pool for this kind of talent and so companies are forced to look overseas.

These individuals are very valuable to both business and the economy of Sydney as a whole. They bring a high-level of skill that can be transferred to build local capabilities and competitive advantage.

This group is particularly interested in experiencing another way of life and also places a significantly high value on the ability to work with other highly skilled people. Those at the top of their particular industries are attracted to clusters of talent that Sydney and Australia may lack due to the relative size of the economy.

Can be split into two groups:

- 'Pioneers' - those who are willing to relocate indefinitely. They need less relocation assistance and often only require time to get up to speed in their role.
- Those who are willing to relocate for 2-3 years to advance their careers. These people retain their connections with home and typically will not stay longer and may leave early.

### Early Career/ Graduates

Typically in the 20 to 30 age group, they are 'Global Citizens' and are becoming increasingly 'country agnostic'. They are willing to move around the world to build their careers and experience. Companies usually do not have trouble attracting this group as Sydney's work and lifestyle offer makes remaining in or moving to Sydney very attractive at this point of their careers. They are also at a 'footloose' stage of life and are more likely to be single.

This group is useful to the economy as they have technical capabilities and are seeking to develop these with practical experience. They are usually willing to relocate, which also presents the converse challenge of retaining these same workers in Sydney, particularly as they transition to the next life stage and find partners. Our research suggests however that once this group has a connection with Sydney they are more likely to come back later in their career.

### The Dream Demographic

Detailed demographic analysis of the top US cities has pointed to the importance of attracting and retaining the young college educated cohort as a critical success factor for the economic success of cities. The CEO's for Cities report "Young and the Restless in a Knowledge Economy" (2005) argues that these talented young (25-34 age group) workers - or "the dream demographic" - are an indicator of economic vitality.

"Like the proverbial canary in the coal mine, the sustained out-migration of talented young workers signals, at the very least, an economy facing potentially serious future challenges. A community that doesn't attract, welcome or retain these desirable workers likely has problems with innovative entrepreneurs of any age."

The report notes the changing profile and residential preferences of these young people. They are increasingly seeking close-in suburbs or districts of larger metropolitan areas with better access to jobs, further education, entertainment and other opportunities. They are also increasingly female.

Public policy needs to be aligned behind the objective of providing the environment, infrastructure, transport/connectivity and housing which reinforces its attractions to the key 25-34 year old early to mid-career professional cohort. This cohort is a key demographic for the knowledge based economy and attracting and retaining them must be a key part of our human capital strategy for Sydney.

As an increasing proportion of this 'dream demography' is female, human resource strategies for companies and human capital development strategies for Sydney - to attract and retain female talent to our city - must be prioritised.

## 2.9 It also matters where you come from, what household structure you have and where you choose to live

Although the image of global talent is dominated by perceptions of younger singletons, the picture in Sydney is becoming more mixed, and increasingly influenced by the ever more diverse origins of global talent - and the evolving structures of households.

So a significant proportion of Sydney's global talent consists of workers with children, with workers from overseas providing a high proportion of all global talent with children (see Figure 6).

The image of global talent coming largely from a British or European background, while historically founded, is decreasingly true of Sydney, Australia's most cosmopolitan city. Figure 7 is based on census data and indicates that the majority of Global talent moving to Sydney are from outside Australia and that the proportion of British migrants is still significant but a rising proportion of talent is coming from Asia and the developing world.

As the origin of global talent coming to Sydney changes, different cultural preferences and family structures are driving different residential outcomes. This diversity in background and household structure - and possibly age of arrival - seem to be driving different locational preferences within Sydney. The existence of this diversity in the backgrounds of global talent is a major emphasis of this project and highlights the need for appropriate policy interventions by both the public and private sectors.

The evidence from our survey clearly shows that while knowledge workers generally cluster in the inner city areas, there are disparate patterns of settlement

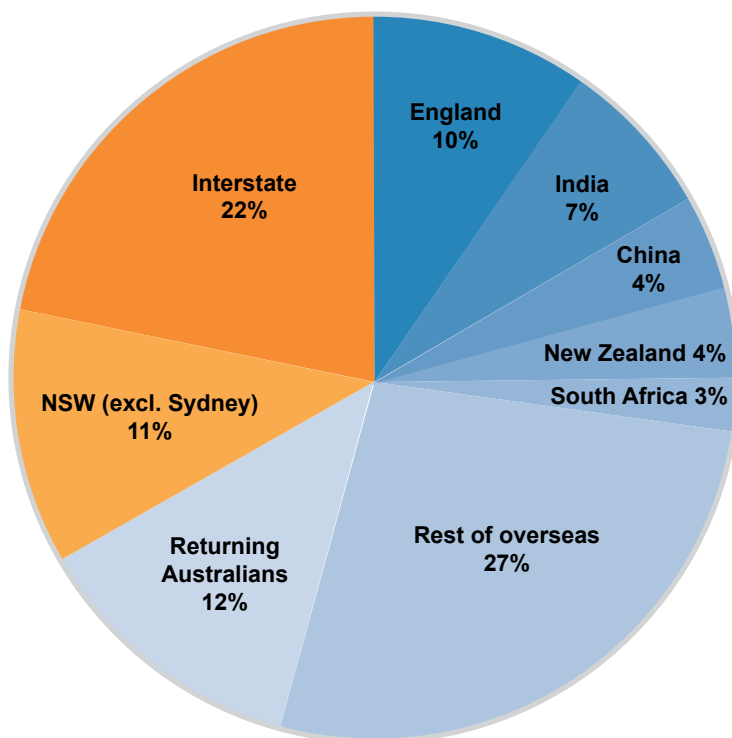


*Figure 6 Global Talent Workers with Children, from Australia and Overseas, 2006-2011*

	Global Talent	Global Talent with children	Percentage of Global Talent with children
From Australia	34,949	8,501	24%
From Overseas	69,837	20,156	29%
Total	104,786	28,657	27%

Source: ABS Census 2011

*Figure 7: Proportion of People with Higher Levels of Occupations Moving to Metropolitan Sydney from Australia and Overseas 2006-2011*



Source: ABS Census 2011. Data excludes those with higher level occupations who did not state where they came from

for ethnic groups when they choose to live in the suburbs (see Figures 8 & 9 on the following page). Those of a British origin for example are choosing different locations in which to live than those from Asian backgrounds – with beachside destinations and more compact style inner city locations being preferred by the former with a more dispersed less coastal set of locations favoured by Asian arrivals, with some concentration around town centres that provide clusters of culturally relevant activities and services (see Figure 10 on the following pages). Examples are Haymarket in the CBD, Hurstville, Chatswood and inner south Western centres such as Auburn. The diversity of preferences also changes by family structure; those with children exhibiting a stronger preference for suburban lifestyles, while those without being more accepting of higher density apartment-style accommodation, closer to jobs and other opportunities (see Figure 11 on the following page).

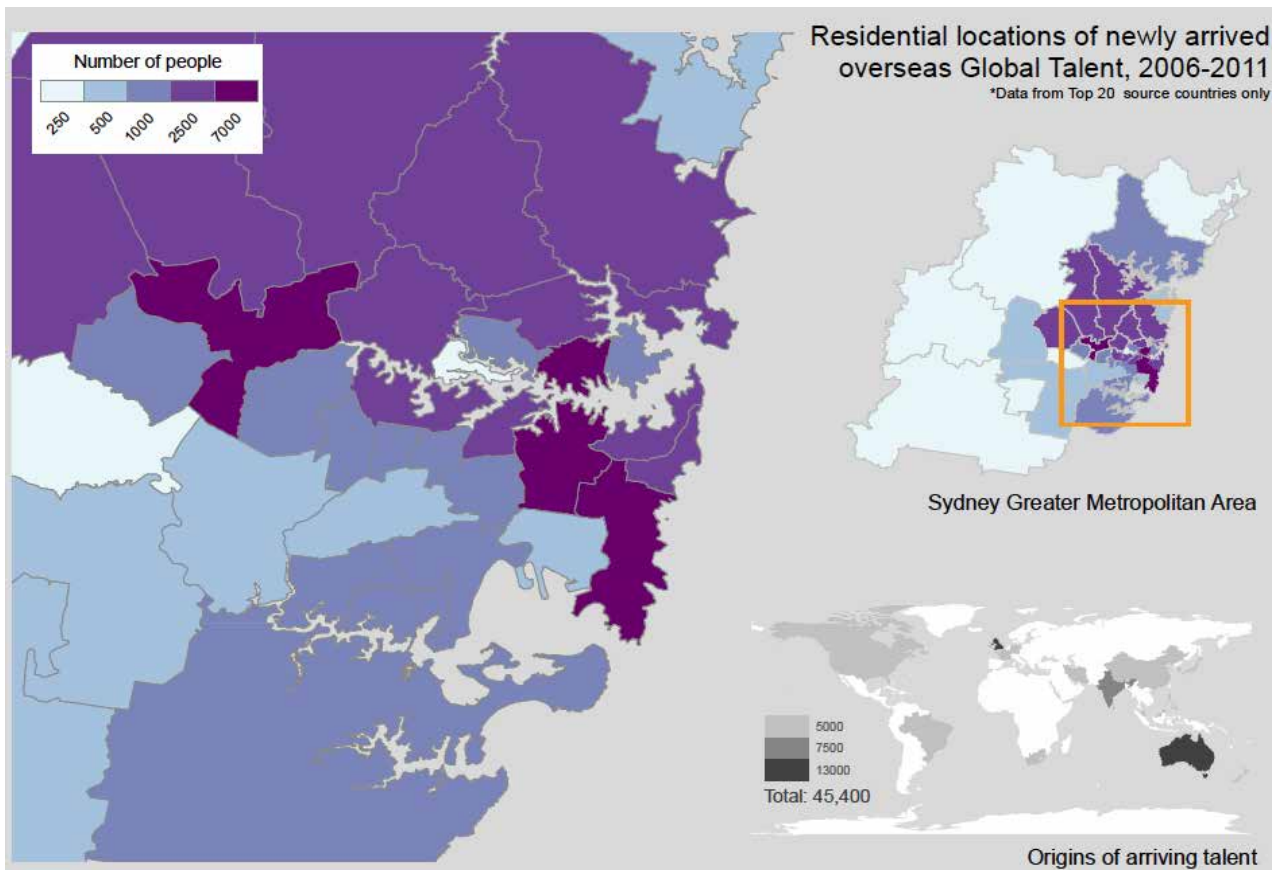
These are significant trends which suggests the need for marketing of Sydney's 'lifestyle offer' to develop a broader understanding of that concept. Or to recognise that it's plural: 'lifestyles'. The good news is that Sydney does indeed possess a diversity of residential offers and locations to attract that diversity.

There is also evidence from the survey that lifestyle and quality of life are understood by global talent not just to mean the beach, restaurants, bars or the many cultural attractions of our global city – whilst all important to attracting some groups of global talent.

They are now increasingly understood to include the experience of the city: the experience of getting around by public and private transport, the availability or otherwise of child care, options for flexible working, and the tolerance or otherwise of the host community for diversity.

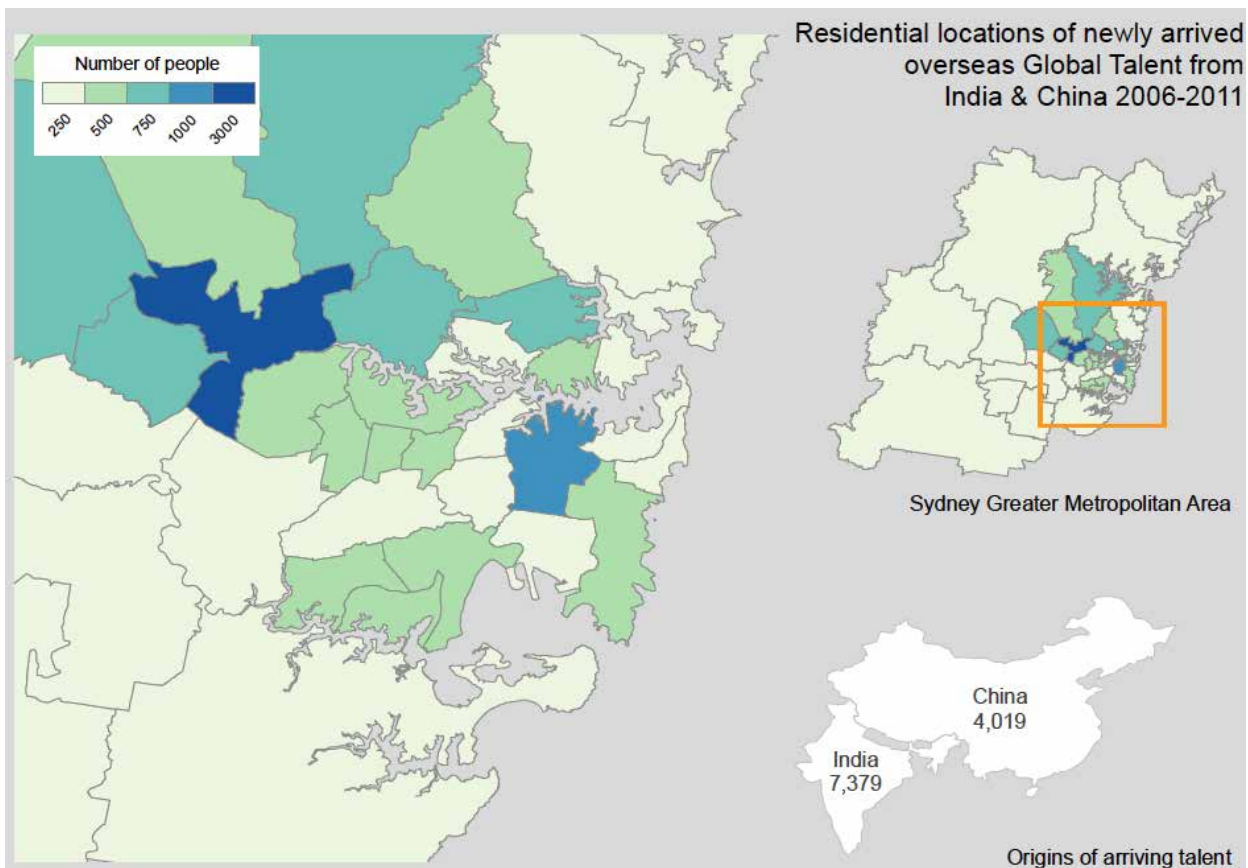
It should be noted that respondents to the survey highlighted the cost of living in Sydney to be high overall in comparison to other cities, although separate benchmarking against other cities indicates that this is primarily due to high housing costs and

Figure 8: Residential locations of newly arrived overseas Global Talent, 2006-2011



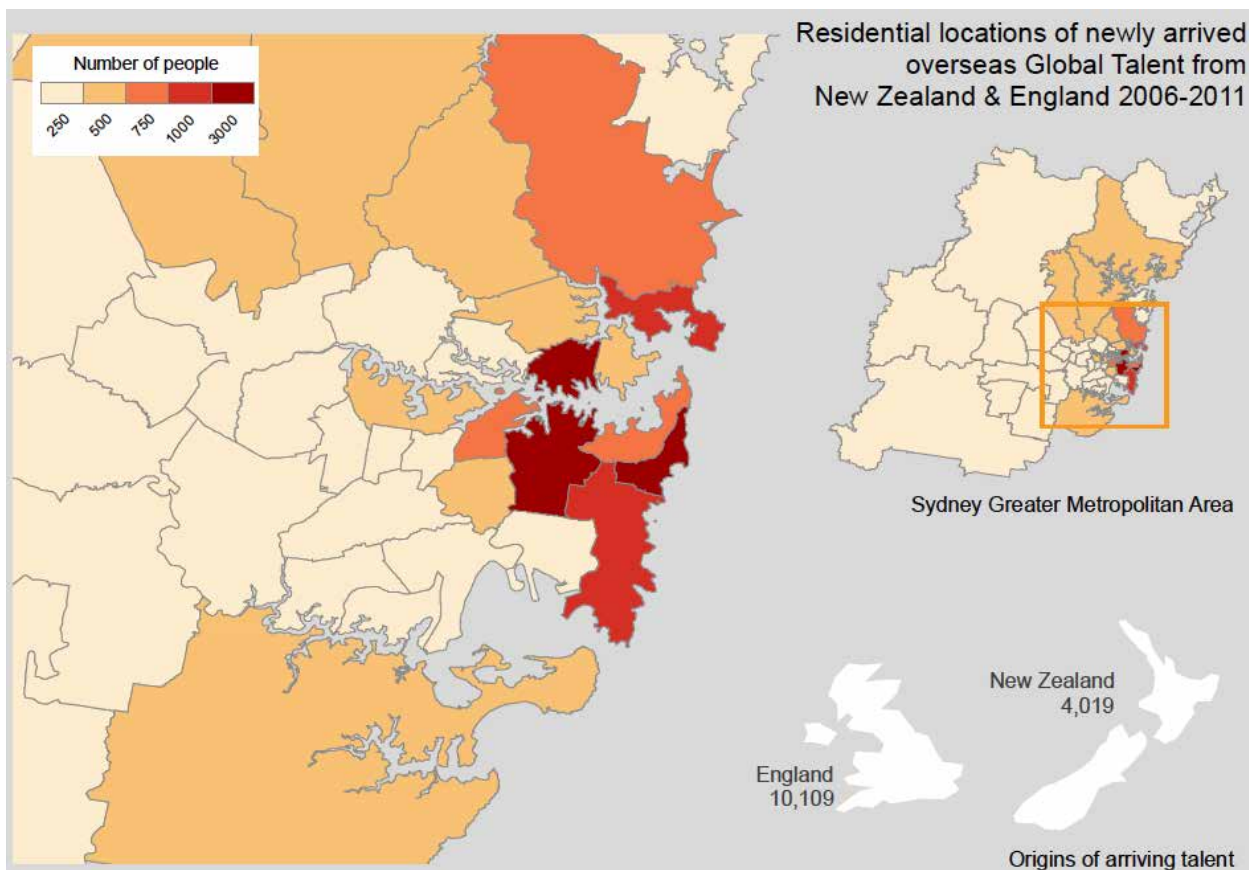
Source: Data from Top 20 source countries only, Data from ABS Census (2006-2011) with mapping by CfS

Figure 9: Residential locations of newly arrived overseas Global Talent from India &amp; China, 2006-2011



Source: Data from ABS Census (2006-2011) with mapping by CfS

Figure 10: Residential locations of newly arrived overseas Global Talent from New Zealand & England, 2006-2011



Source: Data from ABS Census (2006-2011) with mapping by CfS

that Sydney's costs are comparable to other global cities on most indicators.

## 2.10 Global talent also wants a well-managed city with good public transport

We also have a clearer sense, because of some of the urban management and infrastructure challenges of Sydney, of how the principle of the 'great work-life-balance of Sydney' comes under stress in the actual lived experience of the global talent living and working

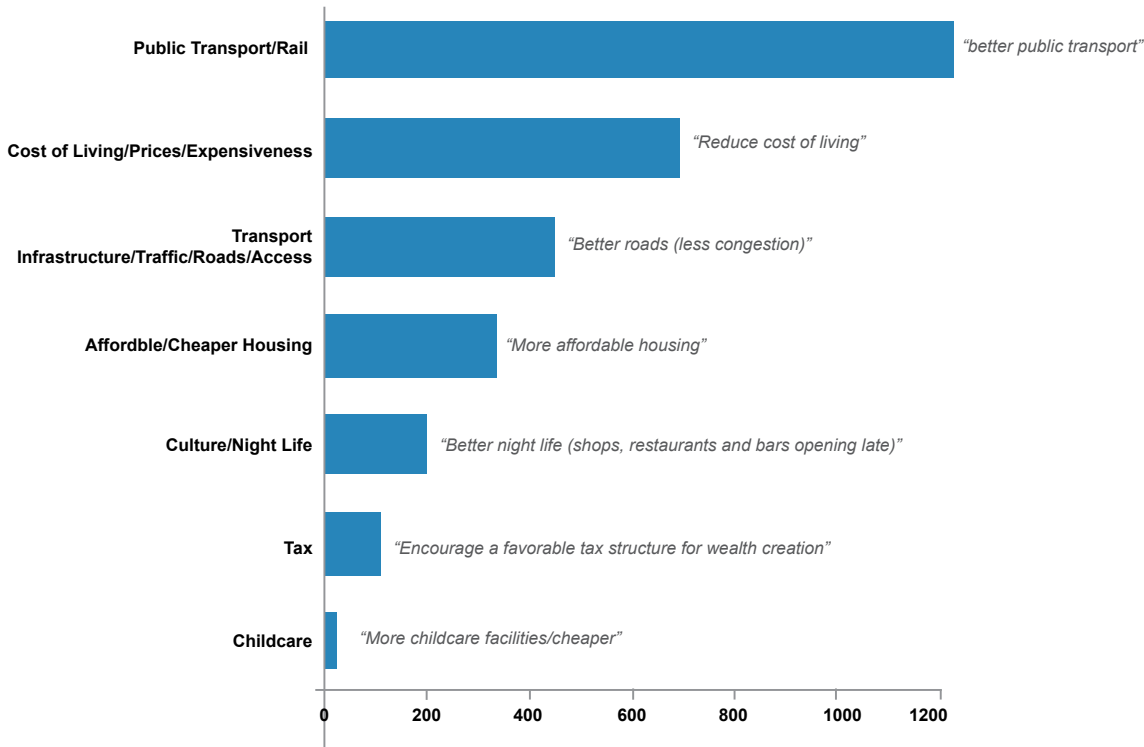
here. The concerns expressed by many participants in the survey about infrastructure, transport and housing not meeting their expectations of a global city speak to the need for public policy and investment to focus on managing the city well as another key element in an effective talent attraction strategy – because the perception is that other cities with which Sydney is in competition do that well (see Figure 12 above).

The introduction of the Opal card is a step in the right direction towards an easy-to-use ticketing system. This would not only make it easier to get around the city, but it sends an important message to global talent who have worked in other cities that Sydney is on the road to innovation.

Figure 11: Residential Preferences of New Arrivals working in Higher Levels of Occupations - with and without Children, 2006-2011

With Children	Per cent	Without Children	Per cent
Ku-ring-gai	6.7%	Sydney	18.8%
Hornsby	5.8%	North Sydney	6.6%
Warringah	4.7%	Randwick	6.5%
The Hills Shire	4.6%	Waverley	5.2%
Blacktown	4.5%	Parramatta	4.1%
Top 5 - Sub-total	26.3%	Top 5 - Sub-total	41.2%

Figure 12: Survey results: 'What are 2 things you would change to make Sydney more attractive as a place to live and work?'



Source: CFS GTH survey 2013

The good news is that the NSW Government and partners are already focussed on addressing these infrastructure challenges and have in fact recruited help from outstanding global talent to complement local teams. But our survey respondents suggest we have some way to go to match the infrastructure offer of competing global cities.

The airport is another strong indicator of the attractiveness of a city. For Sydney, the location of the airport, close to the CBD of Sydney, is a positive. Global talent are frequent travellers so reducing restrictions on the current operations on Sydney Airport together with improving public transport access gets the vote of global talent.

## 2.11 The overall Sydney Offer: has to be multi-faceted, including productivity and consumption factors

Most of those surveyed agreed that Sydney has great natural attractions for mobile talent. However, there was a common view that such attractions were, in today's international market for people, a necessary but not sufficient basis for the promotion of Sydney as a destination for global talent. Such attractions were important and remain a key part of the Sydney offer – particularly to specific cohorts and at certain stages of career – but that offer had to include the other key factors, which research and experience show, that increasingly diverse global talent looks for when making location decisions. These include crucially:



- **The work offer:** this is the core 'productivity' side of the equation. Will I be able to exploit my skills to greatest personal economic advantage? Will I have access to the quality and range of work experiences I need to be successful in my career, and will I get to work alongside or for the best people in their field? Will I be connected to global business networks and have access to training and development opportunities? Will my qualifications and training be as recognised here as in other places I might work? Moreover, if I don't like this job are there other job opportunities for my skills and at the level I need available and accessible in the city? Increasingly, the question is also: can my partner also access appropriate employment opportunities?
- **The city environment offer:** will I be able to find affordable accommodation where I want to live – and easily accessible high quality public transport connecting me with jobs and cultural and social amenities? Will I have access to the quality of life/ consumption opportunities I seek? Will I be able to strike the right work/life balance in this city?
- **The social offer:** will this be a welcoming place for me and/or my family enabling me to feel at home quickly? Is this a place in which I can find friends or partners? Is this place welcoming to an increasingly female talent pool? Is this place welcoming to an increasingly Asian talent pool?
- **The support offer:** will I be able to afford childcare or other family or domestic support of the kind easily available in other global cities? Will I be able to find or afford the schooling appropriate for my child/ren?
- **The government offer:** will the visa regulations be flexible enough to suit my needs and that of my employer? Do they facilitate and attract global talent or deter them? Will the 457 route attract or deter me? Will the tax regime be competitive with other jurisdictions where I could work?

The research also shows that the decision to come to Sydney is inevitably more complex for those with partners and families than for 'singletons' and that they also tend to come at a more advanced stage of their careers. For such global talent cities need to meet their partners' and children's needs - the survey suggests they are looking for more of a support offer from enterprises and more of a network in the city. It is clear from the research that participating organisations vary as to whether they feel themselves to be offering the most appropriate support for expatriate global staff with partners. All felt that much more needed to be done at enterprise level and perhaps through social networking enabled by organisations such as the Committee for Sydney or the best practice sharing of the HR Leaders Network, to assist global talent to settle in – to socially integrate both in terms of business and social networks – in their new city.



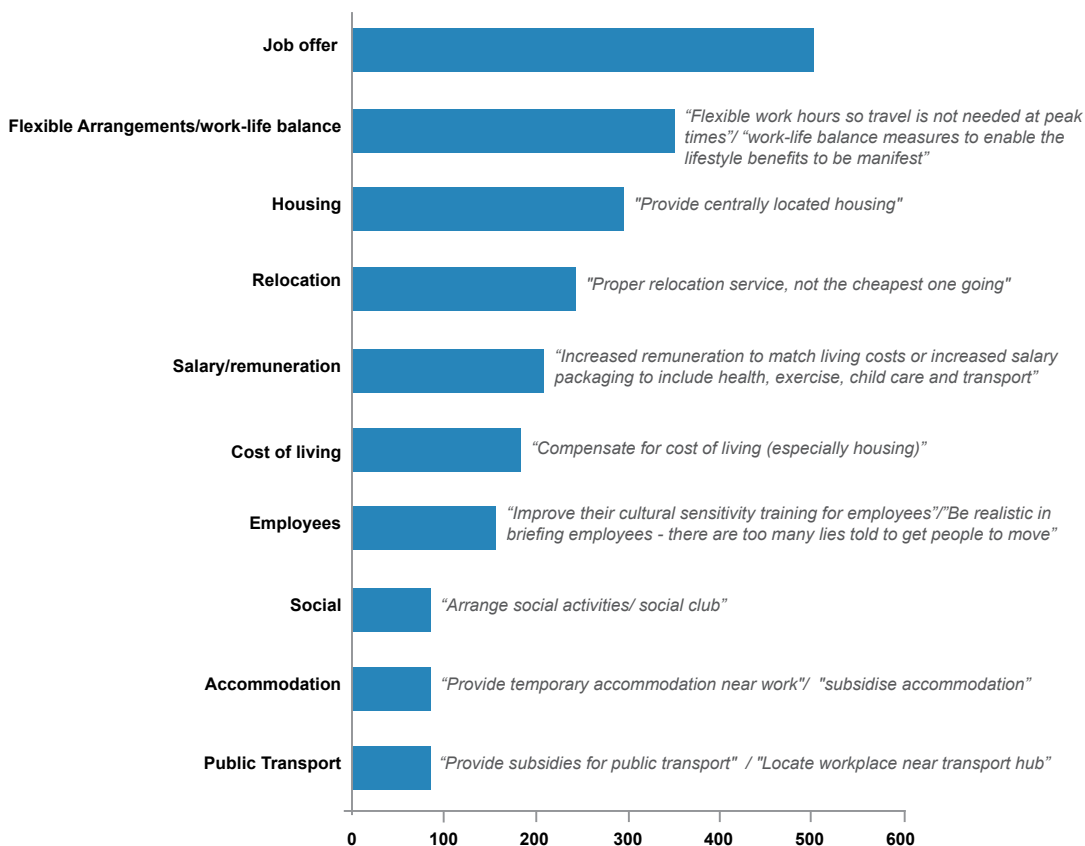
## 2.12 What does global talent expect of employers in their new city?

The survey elicited some important findings around the key concerns, expectations or asks that global talent have in relation to their own companies or potential employers.

Figure 13 highlights specific actions that an actual or potential employer could do to make Sydney more attractive as a place to live and work? While it was likely that the costs of moving and living were going to be cited by global talent as important factors, the highlighting of the need for companies to offer more

on the 'social support' front is interesting and was perceived by participating companies to be factually based. All had experience of losing some global talent because of the social challenges of living in a foreign or unfamiliar city. Innovation around this need is required and the Committee for Sydney itself now targets some high profile global talent in Sydney with a view to providing them with a network which can sustain them at the start of such a big change.

Figure 13: What are 2 specific actions that an actual or potential employer could do to make Sydney more attractive as a place to live and work?



Source: CFS GTH survey 2013

The Advisory Board felt more could be done on this aspect of the experience of global talent in Sydney and that there was an opportunity for the new HR Leaders Network to share best practice on this and perhaps to join forces to create some new social networking activities. The quality of relocation services was also highlighted and again best practice across the private sector could be shared.

Quote from GTH survey

*"My biggest problem with living in Sydney is the poor public transport. It often takes me an hour to travel by bus to or from work which is just under 10 km from home. A good trip takes 45 minutes and a bad trip an hour and 15 minutes."*





## 3. Next Steps



### Options for further investigation and collaboration

In the first section (page 6 - 11) we outlined the key messages and initiatives. Below, we set out some next steps and options for further investigation and collaboration.

Some improvements will be driven by companies either on their own or where possible by sharing best practice among them. It has been a very positive legacy of the research process for this project that the Committee for Sydney has been able to establish a Global Sydney HR Leaders Network which will seek to do that. The new NSW Government 'Official Guide to Living and Working in Sydney' will continue to be updated and encourage dialogue between users of the guide, businesses and the NSW Government. The Guide will be a practical legacy of the research and is informed by its findings, insights and recommended actions.

The Committee for Sydney is going to maintain its focus on global talent. It will support the new Global

Sydney HR Leaders Network to help coordinate next steps and initiatives arising from the project. Proposed areas of focus reflect the key findings and messages highlighted in previous sections.

### Next Steps

#### 1. Refocus the marketing of Sydney for global talent to emphasise the desirability of Sydney as a destination for work

While Sydney's lifestyle remains the city's major selling point, the challenges are to:

- Better define Sydney's role in global talents, career paths and better promote the advantages it offers for career progression.
- Ensure marketing efforts are targeted to different demographics, feature the diversity of Sydney and highlight the choice of housing and lifestyle opportunities.



## 2. Provide better information for prospective and recent arrivals

There is a need for better information about working and living in Sydney, targeted to prospective and recent arrivals. In particular, gaps were identified around orientation activities to assist new arrivals to understand how to acquire basic needs (such as driver's licence, identifying quality schools, etc) as well as the diversity of residential options and their relative proximity to expected place of employment.

All information should be shaped by and respond to the diversity of global talent we seek to attract. It is essential that we maximise the potential of major events such as the Asian Football Cup 2015 and develop programs to promote Sydney as a place to visit, study and work.

Business Events Sydney (an independent not-for-profit company supported by the NSW Government and the private sector) has also offered to be a delivery mechanism to target prospective arrivals. Echoing the core theme of the research, business events bring industry leaders to global cities that offer two vital things: the best opportunities for business and knowledge exchange, as well as the best lifestyle or environment. As such, Sydney has proven extremely successful in attracting leading professional association conferences, as well as corporate meetings, to its shores.

Each business event introduces new global citizens to Sydney's industries and communities, and offers great opportunities to tap into leading global talent pools. Business Events Sydney has played an active part in this project, and play a valuable role in enabling businesses and governments to target global talent attending business events who may ultimately relocate here; providing a valuable platform and addition to Sydney's talent attraction strategies and toolkit.

## 3. Improve HR practices

Options might include:

- a. Greater opportunities for global talent to integrate into Sydney's social and business networks
- b. Improved engagement between the Australian Diaspora (Australian citizens residing overseas) and Sydney businesses and local business networks;
- c. Greater flexibility in working arrangements to allow employees to travel to and from work outside of peak congestion times and juggle family responsibilities;
- d. Greater acknowledgement by employers of overseas experience.

## 4. Tackle issues that are shared with Sydneysiders

Many of the concerns that have been identified are shared with the local community (cost of living, transport, diversity of cultural activities, availability of childcare). Improving these for local residents will also increase the attractiveness of Sydney to global talent.

## 5. Protect Sydney's global reputation from recent negative media reports of Australia not being a welcoming place for migrants

Australia's internal discourse about refugees and 457 visas is being transmitted around the world, but is most likely to influence perceptions of Australia in Asia where underlying stereotypes may still exist of Australia being exclusive and intolerant of diversity. The work of the NSW Government in expanding and promoting all forms of skilled migration should be commended and continue.

## 6. Partner with local councils on common issues

Local government has a role to play in considering amenity issues and the factors that impact on it including access to childcare, transport issues and

the natural and built environment including climate, air quality, open space, parks, beaches, quality architecture and sustainable design. These were all identified as important personal and lifestyle factors by survey respondents.

Three LGAs host around a quarter of new global talent arriving into Sydney. This suggests that activities in partnership with the City of Sydney, North Sydney and Randwick (and their neighbouring LGAs) will most efficiently reach a significant proportion of global talent.

#### **7. Investigate the impact of Federal tax incentives and migration-related fees**

There is a need to better understand the impact of the removal of the Living Away From Home Allowance (LAFHA) from the global talent perspective, in particular in the context of additional fees and restricted access to government services that temporary residents face while they are in Australia. This should include an analysis of whether the changes have delivered a level playing field in terms of taxation and charges for 457 holders and others visa holders compared to permanent residents.

#### **8. Undertake further research as needed**

Possible areas include:

- a. Analysis of the 'outflow' of people leaving Sydney. The ABS 2011 Census data has been analysed for the inflow of people only. An analysis of the outflow, where people are leaving from and going to and from which particular industry, is not reflected in this report but may inform the global talent narrative further.

- b. Identification of the drivers and barriers for important target segments to relocate to Sydney. The survey did not provide sufficient data to fully analyse certain segments - entrepreneurs, academics, and researchers - which are critically important drivers of innovation in the economy.

#### **9. Understand issues associated with getting overseas qualifications recognised.**

Further investigation may be warranted to understand the reasons why a significant proportion of overseas-trained individuals, particularly people from non-English speaking backgrounds, experience difficulty in getting their qualifications recognised.

#### **10. Develop further the Global Sydney HR Leaders Network**

The Committee for Sydney has already established a Global HR Leaders Network to share best practice between organisations with the potential to develop a series of initiatives to support the Global Talent Hub project. The group have assisted with the development and review of the 'Official Guide to Living and Working in Sydney'.

## 4. Conclusion



### **Whatever the challenges, Sydney's time is now and the journey has only just begun**

We have seen that the GFC and the rise of the Asian middle class give Sydney a unique opportunity to attract the global talent it needs. This together with the new momentum in Sydney and exciting new developments opening up added world class office capacity for financial and professional services – at Barangaroo, Circular Quay, at Darling Harbour and potentially in the new Central to Eveleigh corridor – give Sydney exciting opportunities to attract a world class workforce. With effective global talent strategies we will deliver on our true potential.

All this is set against the backdrop of a Metropolitan Strategy which sees Sydney grow its high value jobs base by hundreds of thousands over the next 20 years and a focus on place shaping and the development of a more connected and dense city. At the same time, we have a reforming NSW Government with a program for urban transformation which is credible and comprehensive. This is Sydney's time

and we want to share our city with the world's best global talent.

This Issues Paper and the Global Talent Hub Data and Analysis Report – and the collaborations and initiatives under way – are just the beginning of the journey. The collaboration between the public and private sectors will continue to deepen. This process, the new evidence-base for policy and the emerging initiatives we will jointly promote have all raised the bar in terms of how we understand the needs of – and win the competition for – global talent.

The agenda is now set for a more developed campaign and suite of initiatives to address the key barriers to attracting and retaining talent in Sydney. And the result of that is to benefit all Sydneysiders here now and in the future.



The Committee for  
**Sydney**



**Trade &  
Investment**

Thank you to the following organisations for providing images for this report:

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