



State of the City 2024

A focus on the intergenerational
impacts of Sydney

Introduction

How would you define Sydney's legacy?

When we talk about 'legacy,' we mean the lasting qualities, traditions and habits we've inherited, and the ones we hand down to future generations.

We do not often talk about the intergenerational legacy of cities - the way their networks, places and infrastructure define the outcomes of communities from one generation to the next.

Yet we know that cities powerfully shape the lives, families and living standards of people who inhabit them.

What legacies define Sydney today? And what legacies do we give to future citizens? This report seeks to understand a few of these better.

What trends have lasting impacts on equity, productivity, sustainability and vibrancy in Sydney?

Geography is (still) destiny

Inequality persists in Western Sydney, with ties between income, health and access to work outcomes, but transition is underway with Southwest Sydney recording twice the increase in people with a bachelors degree.

Birth year affects housing affordability

The relative affordability of housing is decreasing by around 4% each decade in equivalent age brackets, with deposits a major challenge. However, different housing types matter.

Celebrating diversity strengthens the cultural economy

Sydney celebrated its diverse communities with a suite of global events, drawing millions of attendees across the city.

Sweltering Sydney will hit Western Sydney harder

Long-term forecasts show greater exposure to heatwaves for Western Sydney, with places in Penrith likely to see an increase in average maximum temperature of 1.6 degrees by 2080.

Innovation is scaling up in Sydney

Sydney is growing a stronger footprint for innovative industries, with new precincts anchoring new businesses. Around ~75% of innovation hubs, programs and businesses supporting emerging technologies are in Sydney.

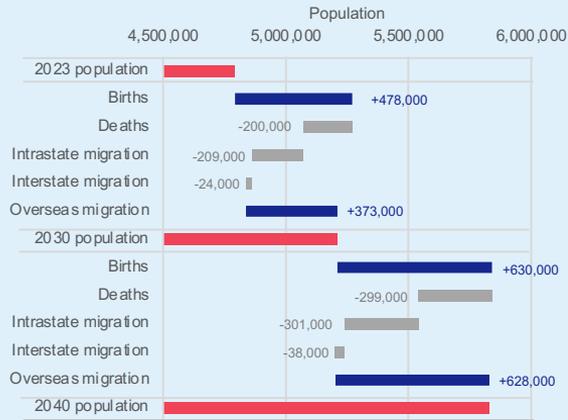
Safe streets, unsafe homes?

Violent crime has been trending down over the past decade, but there is rising incidence of domestic violence and intimidation, harassment and stalking—the majority of which are female victims.

By 2041, Sydney will grow by 1.1 million people, with the city's working aged population growing three times faster in Western Sydney

Drivers of population growth

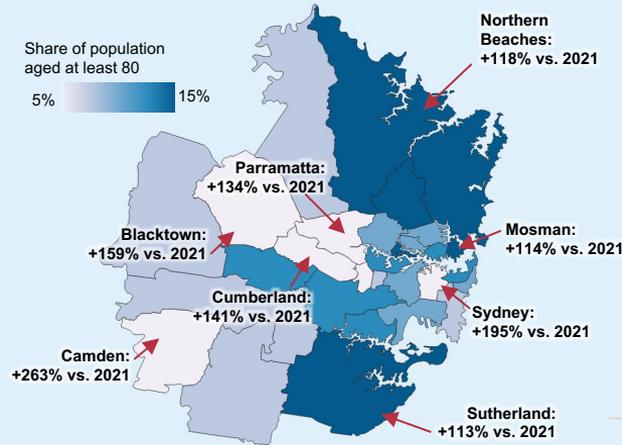
Population in Greater Sydney in 2023, 2030 and 2040 with components of population change



Sydney's population is expected to grow by 1.1 million additional people by 2041.

Ageing in eastern LGAs and inner city

Proportion of population 80 years or older by 2041, by LGA in Greater Sydney



The east and inner city areas, such as Mosman and Northern Beaches, are projected to have the highest proportion of people aged 80+ years.

Growing workforce in Western Sydney

Projected growth in working age population between 2023 and 2041 (aged 16-64)



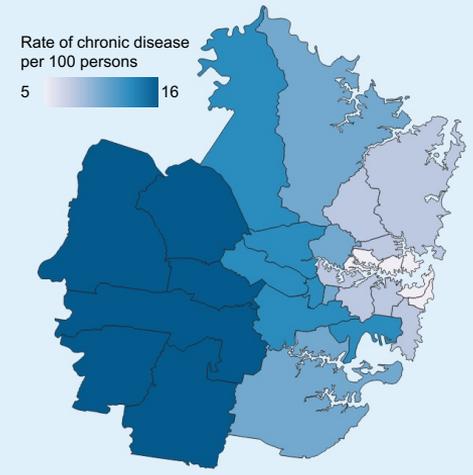
By 2041, 66% of population growth will occur in Western Sydney, where the working-age- population will grow three times faster than the rest of Sydney.

Source: Scyne Advisory (2024) analysis of New South Wales Planning (2022) Common Planning Assumption Projections.

While chronic disease is linked to population ageing, there is a health gap that is linked to geography and disadvantage that is widening

Chronic disease in Sydney

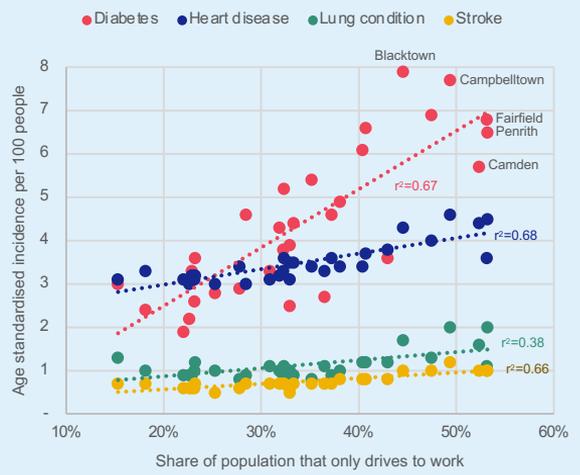
Age standardised case rates of chronic disease per 100 persons, by LGA, 2021



There is a higher rate of chronic disease in western and south-western parts of the city, once average age is adjusted for.

Commuting behaviour and health

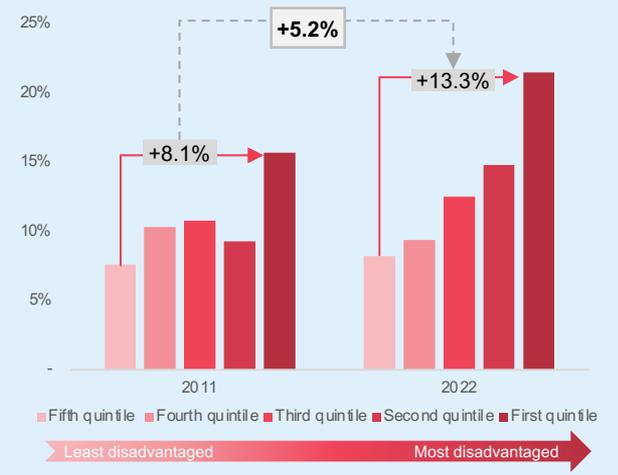
Chronic disease rates and proportions of LGA populations that use only private vehicles to commute



Moderate-to-strong correlations were found for rates of diabetes and heart disease with the proportion of their population that only drives to work.

Health and socio-economic disadvantage

Share of population with pulmonary or vascular disease, or diabetes by socio-economic disadvantage, 2011 and 2022

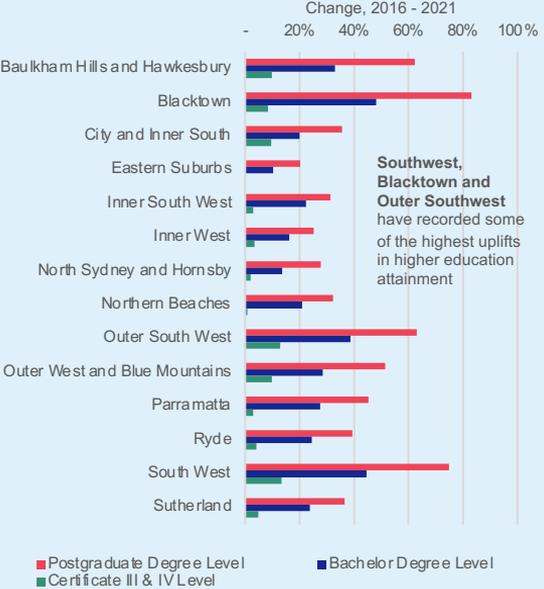


The most disadvantaged in Sydney are over 2 times more likely to suffer diabetes, stroke and heart, and vascular diseases, and this gap widened since 2011.

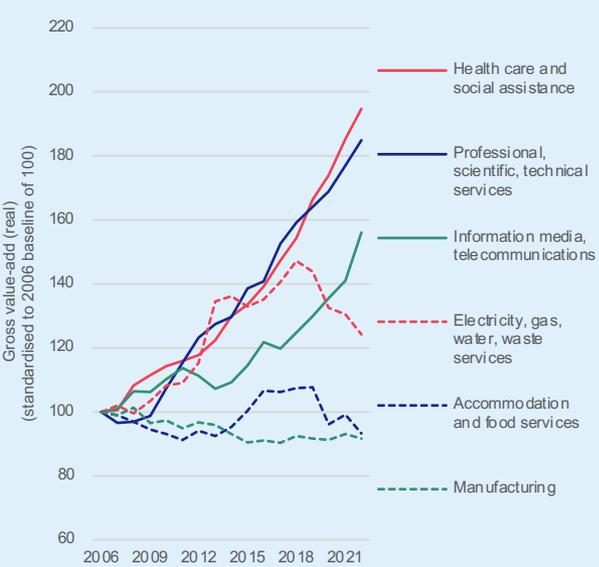
Source: Scyne Advisory (2024) analysis of Australian Bureau of Statistics (2021) Census 2021, PHIDU Torrens University Australia (2023) Social Health Atlases of Australia: Local Government Areas, Australian Bureau of Statistics (2023) Socio-Economic Indexes for Areas (SEIFA) Australia.
 Note: Socio-economic disadvantage metric of IRSAD. IRSAD is one of the four main indexes measured as part of SEIFA and takes into account 21 measures including: income (2016 data), internet connection, occupation and education.

Economic transition in the west of Sydney is underway, with higher levels of educational attainment and growing value-added industries

Change in level of highest educational attainment (HEAP), 2016 to 2021



Economic output in Western Sydney by industry, 2006 to 2021



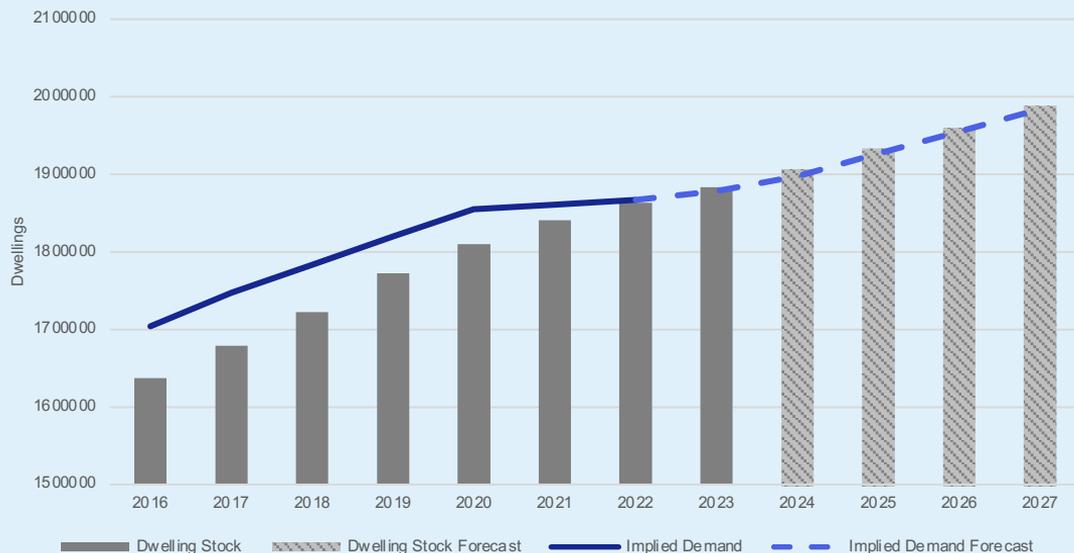
Source: Scyne Advisory (2024) analysis of Australian Bureau of Statistics (2016) *Census 2016 - employment, income and education*, Australian Bureau of Statistics (2021) *Census 2021 - employment, income and education*.

The education gap between Eastern and Western Sydney is closing quickly

- There is a 'catch up' underway, with rates of higher educational attainment in Western Sydney.
 - In 2021, educational attainment in Blacktown had risen to the state average.
 - 27.2% of Western Sydney residents now hold a university degree, compared to 26.3% nationally and 27.8% across NSW.
- Southwest Sydney LGAs recorded more than double the increase in the number of people with a Bachelor's Degree than the Eastern Suburbs and North Sydney.
- This corresponds to a shift in industry in Western Sydney over the past 20 years.
 - Manufacturing economic output declined by more than \$1 billion per year.
 - Health care, professional services, and information media and telecommunications nearly doubled their output to over \$17 billion per year.

Sydney will need to house more than 60,000 additional people each year to 2041

Implied additional household demand against historic completions and forecast supply, 2016 to 2027

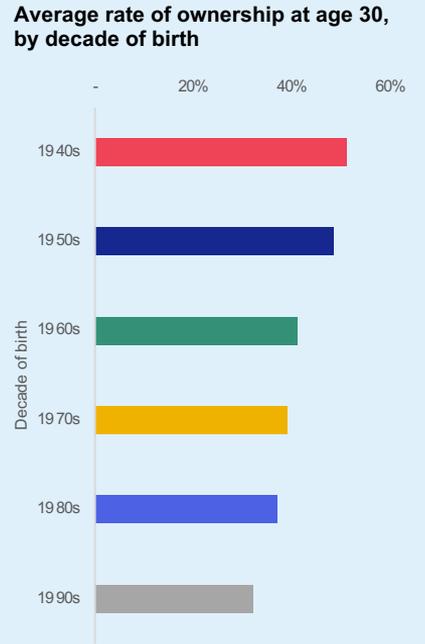
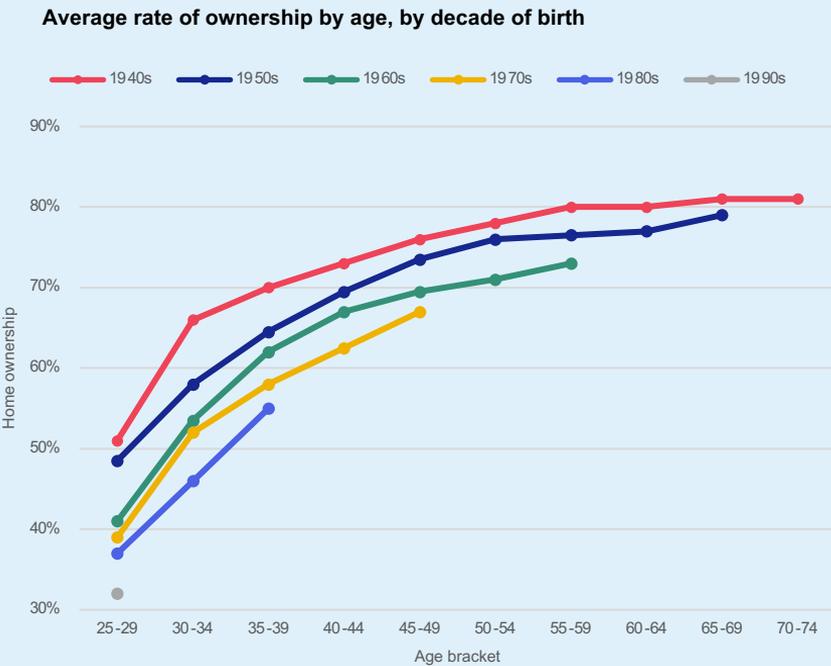


Source: Scyne Advisory (2024) analysis of Australian Bureau of Statistics (2022) *Estimated Dwelling Stock*, NSW Department of Planning and Environment (2022) *Greater Sydney Urban Development Program*, NSW Department of Planning and Environment (2022) *NSW Common Planning Assumption Projections*, NSW Department of Planning and Environment (2022) *Sydney Housing Supply Forecast*.

Population growth will require 550,000 more homes in Sydney by 2041

- Sydney needs to deliver over 30,000 new homes on average each year until 2041. This is 20% more each year than was achieved in the past three years.
- Housing supply forecasts suggest that an average of 28,250 homes per year will be delivered over the next three years.
- During the Covid-19 pandemic, the undersupply of housing in Sydney was reduced, with the 'gap' reducing between the total number of dwellings and implied demand (the indicative number of dwellings needed for current population size).
 - In 2016, Sydney's housing stock was around 67,000 less than implied demand .
 - In 2022, Sydney's housing stock was around 3,700 less than implied demand .

Home ownership rates are declining by ~4% every 10 years in equivalent generational age brackets



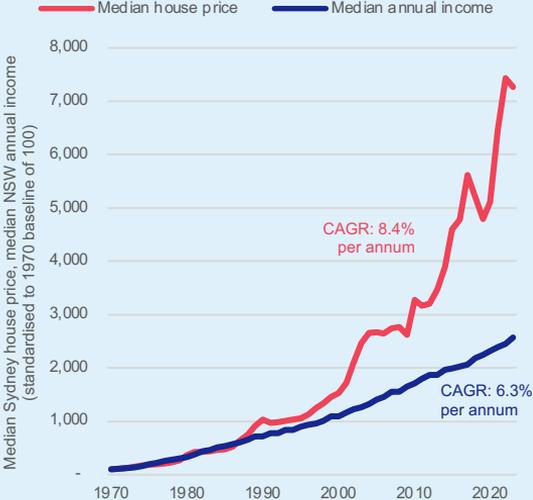
A 30-year-old person 40 years ago was 1.5 times more likely to own their home than a 30-year-old today

- If this trend continued into the future:
 - Sydney-siders born in the 1990s would have a home ownership rate no higher than 60% upon retirement age
 - Children born today would have less than 50% home ownership rates.
- These rates of home ownership are lower than the rates achieved by those born in the 1940s by the age of 30 years.

Source: Scyne Advisory (2024) analysis of Australian Institute of Health and Wellness (2021) *Australia's Welfare 2021 – Australian Institute of Health and Wellness analysis of Australian Bureau of Statistics data.*

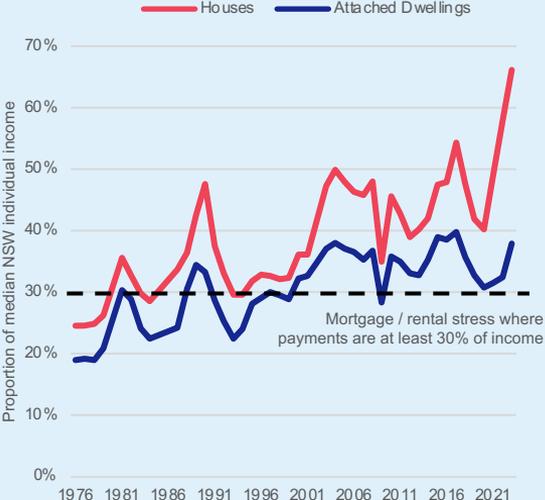
Dwelling prices have been growing faster than full time earnings, with monthly mortgage repayments in Sydney representing around two-thirds of median income

Median house prices in Sydney and median NSW annual incomes, 1970 to 2023



Income requirements for monthly mortgages repayments on Sydney properties, 1976 to 2023

(assumes 25 year loan on 80% of property value)

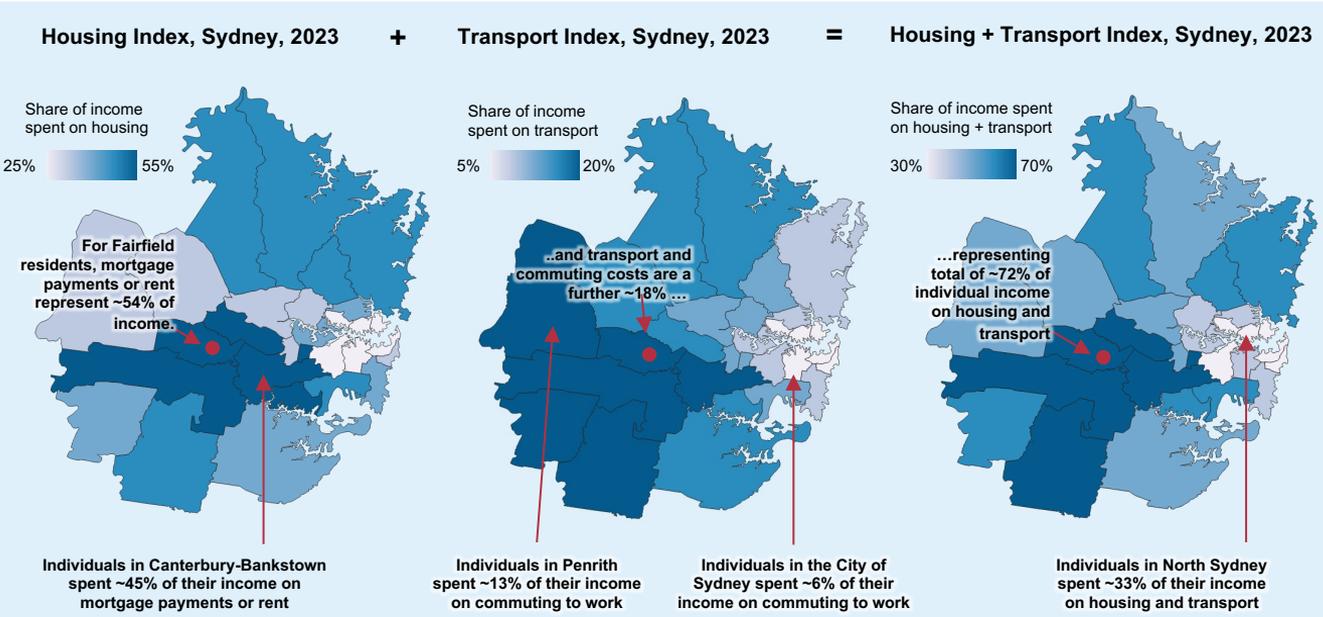


The median Sydney house price is now 16-times higher than the median NSW income

- House prices have consistently grown faster than incomes – growing an average of 8.4% per annum, compared to 6.3% per annum.
 - Between June 2003 and June 2023, the median sales price for an established house in Sydney tripled to \$1.4 million.
 - Over that same time period, median incomes doubled.
- In 2023, the mortgage on a median priced house cost almost 70% of a median salary to service. This is above the definition of housing stress (30% of income).
 - Attached dwellings have remained more affordable by comparison, but still trend above 30% of median income.
- In 2023, the cost of a 20% deposit in Sydney (based on median house prices) represented almost 3.5 times median NSW annual income, compared with 1.5 times in the early 1990s.

Source: Scyne Advisory (2024) analysis of Australian Bureau of Statistics (2022) *Residential Property Price Indexes: Eight Capital Cities*, New South Wales Department of Family and Community Services (2023) *Housing Rent and Sales reports*, Reserve Bank of Australia (2023) *Cash Rate Target*, Reserve Bank of Australia (2023) *Historic Data – Interest Rates*, P. Abelson and D. Chung (2004) *Housing Prices in Australia – 1970 to 2003*, Australia Bureau of Statistics (2023) *Employee Earnings*, Australian Bureau of Statistics (2023) *Average Weekly Earnings*.

Housing and transport costs combined have the most impact on affordability in Sydney's Southwest LGAs



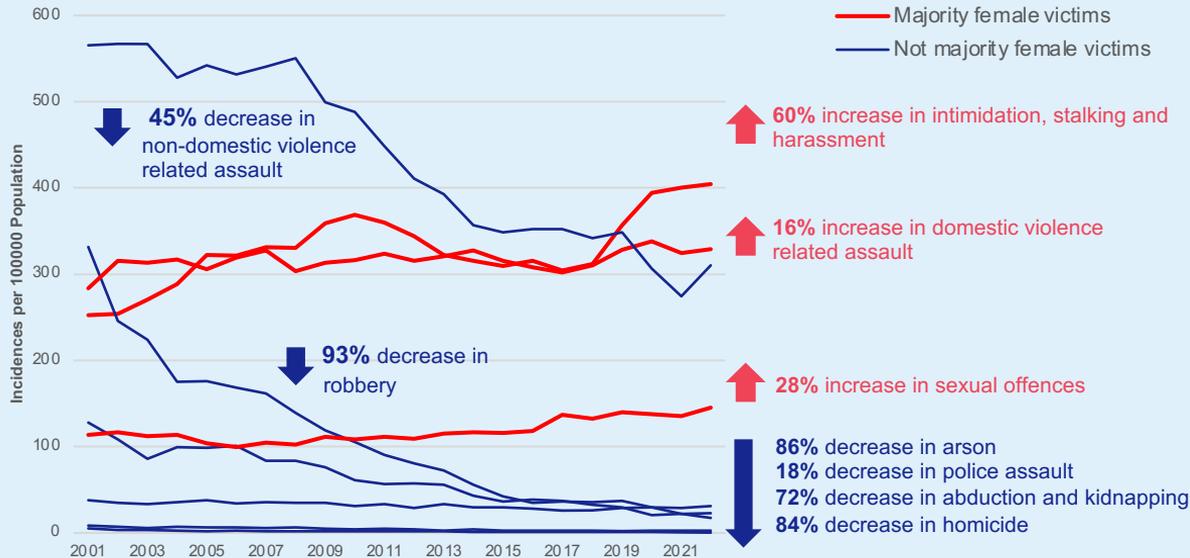
Housing and transport costs comprise the largest share of incomes in West and Southwest Sydney

- LGA-based analysis of various housing and transport costs, relative to incomes, indicated affordability is most challenging in Southwest Sydney LGAs.
- In Fairfield, total housing and transport costs combined represented approximately 72% of individual income.
- By comparison, in North Sydney, total housing and transport costs represented approximately 33% of individual income.

Source: Scyne Advisory (2024) analysis of Australian Bureau of Statistics (2021) *Census 2021 – selected dwelling characteristics, counting persons & employment, income and education*, Transport for New South Wales (2024) *Opal – Adult fares & Rank and hail taxi fares and charges*, Transport for New South Wales (2023) *Economic Parameter Values*, Australian Bureau of Statistics (2023) *Consumer Price Index & Wage Price Index*.

Most categories of violent crime in Sydney have declined markedly over 20 years, except for a few crimes that predominantly affect women

Violent crime rates in Sydney, 2001 to 2022



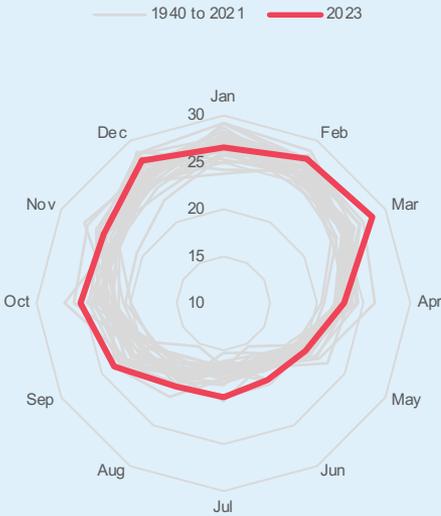
There is a difference in the victim profile between crimes that are declining and crimes that are increasing in Sydney

- Overall assault rates are down 24%, as well as other categories of violent crime rates.
- However, rates per population of intimidation, stalking and harassment, sexual offences, and domestic violence have increased over that time period.
 - Domestic violence related assault rates grew 14%.
 - Sexual offences rates have increased by 28%.
 - Intimidation, stalking and harassment rates have increased by 60%.
- The categories above are majority female victims.
- Further information on levels of reporting and police involvement on family domestic violence crimes can be examined alongside crime data – see for example ABS Personal Safety survey data.

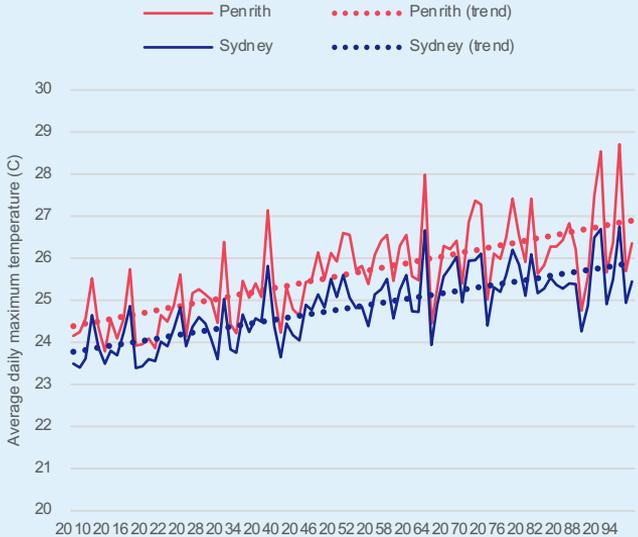
Source: Scyne Advisory (2024) analysis of Bureau of Crime Statistics and Research (2023) *Open Data – Offence*, Australian Bureau of Statistics (2023) *Regional Population 2021-22*.

In 2023, Australia had its eighth warmest year on record, being almost 1 degree hotter than the 1961-1990 average

Average monthly temperature, Sydney Airport, 1940 to 2023



Annual average of daily maximum temperatures across Sydney, forecasts from 2010 to 2099 (RCP 4.5)



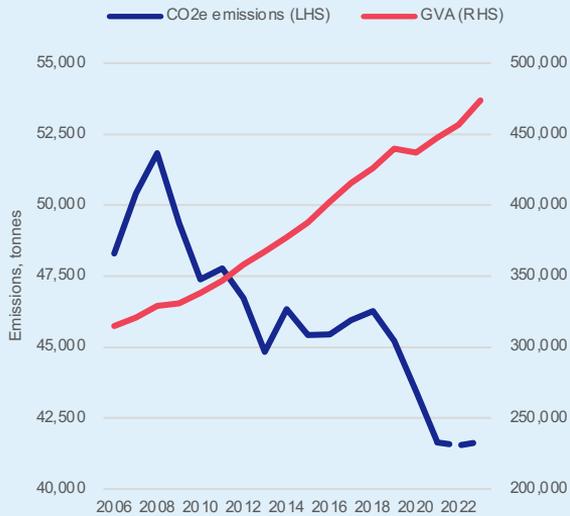
Average temperatures in Sydney are increasing

- In 2023, Australia had its equal eighth-warmest year on record with the national mean temperature 0.98°C warmer than the 1961-1990 average.
- In 2023, Sydney recorded its all-time highest monthly average temperatures in March and July.
- Sydney Airport AMO measured 43.5°C as the hottest day in 2023, while Penrith measured 43.9°C.
- Under the IPCC's moderate scenario, CSIRO and Bureau of Meteorology forecast that by 2080, Sydney can expect further increase to its average maximum temperatures of 1.4 degrees, and in Penrith, this would be an increase of 1.6 degrees.
- By 2080, the difference between average maximum temperatures in Western Sydney and Eastern Sydney will be 1 degree.

Source: Scyne Advisory (2024) analysis of data sourced from Bureau of Meteorology for Sydney Airport and data sourced from CSIRO and Bureau of Meteorology, Climate Change in Australia website.

Sydney has steadily reduced its emissions on average by 3.2% each year, while economic activity has grown by 50 percent

Economic gross value-add (GVA) and carbon emissions in Greater Sydney



CO2e annual average growth rate, select Australian capital cities and comparator countries



Sydney's journey to next zero has not disrupted growing economic output

- Sydney's economic value-add has grown by an average of 2.6% per annum over the last ten years, reaching almost \$500 billion in 2023.
- CO2 emissions, however, have declined by an average of 3.2% per annum over this same period.
- Sydney's rate of decarbonisation puts it second amongst other state capital cities, with Adelaide's annual emission reduction at 3.6% per year.
- By comparison, the United Kingdom is achieving emission declines of around 4.1% per year, and New Zealand is achieving declines of around 2.7% per year.

Source: Scyne Advisory (2024) Spatial Insights Mapping (SIM) model, and analysis of Australian Bureau of Statistics (2023) *Australian National Accounts: State Accounts*, Australian Department of Climate Change, Energy the Environment and Water (2023) *Australia's National Greenhouse Accounts 2021* and data from World Bank, OECD and Global Carbon Budget (2023) made available via Our World in Data. Note: Carbon emissions for Greater Sydney beyond 2021 are indicative estimates based on forecast emissions totals for Australia.

Sydney in 2023 continued to hit records as the major events capital, attracting people from across the city and global visitors

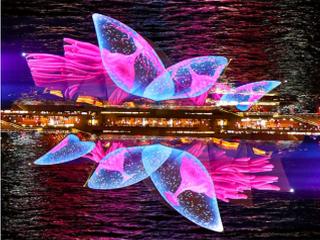
Attendance at major events & festivals in Sydney, 2023

SYDNEY WORLD PRIDE



\$235m in visitor expenditure
1.0m people attended
61% increase from prior event
1,699 jobs supported

VIVID SYDNEY



\$206m in visitor expenditure
3.5m people attended
35% increase from prior event
260,000 international attendees

RAMADAN NIGHTS



1.4m people attended
13% increase from prior event

SYDNEY FESTIVAL



0.4m visitors
48% increase from prior event

FIFA WOMEN'S WORLD CUP



0.6m visitors
11 matches held in Sydney (including the Final)

SXSW SYDNEY



0.3m visitors
 first-ever host city of an annual South by Southwest (SXSW) event outside of Austin, Texas

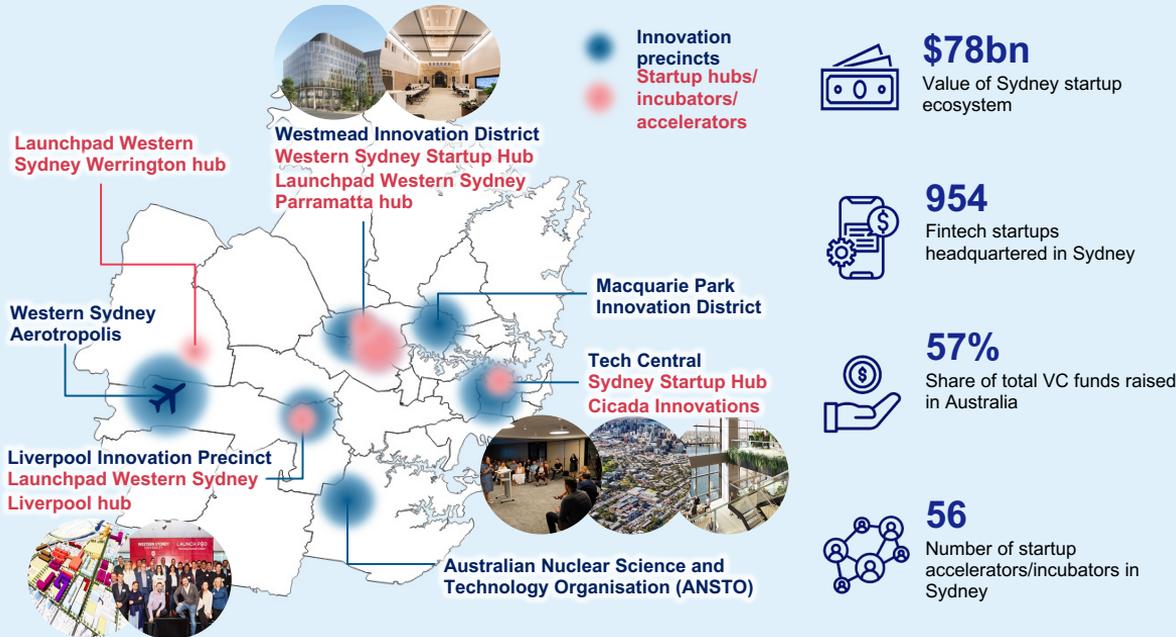
Sydney celebrated across its diverse communities, drawing global visitors and economic activity

- Sydney's calendar of cultural events has helped New South Wales become a centre for culture in Australia – in 2023, a third of adults in NSW visited a museum, and more than half saw a live performance.
- Sydney's major cultural and sporting events attracted millions – even after strong growth in 2022, audiences at Vivid Sydney and Ramadan Nights reached new highs.
- The cultural economy in Sydney is strong – Vivid Sydney generated \$206 million in visitor expenditure; Sydney World Pride generated \$235 million in visitor expenditure and supported 1,699 jobs in the economy; and the economic impact of Ramadan Nights was over \$33 million.
- The cultural and sporting offering in Sydney is bringing people back to the city – weekend foot traffic in Sydney is reaching its pre-Covid highs.

Source: Scyne Advisory (2024) analysis of Audience Outlook Monitor (2023) August 2023 survey results, City of Sydney (2023) Walking count surveys, and publicly available information.
Note: audience growth for Mardi Gras includes World Vision 2023 and is compared to 2019 festival attendance. Other festivals compared to 2022 attendance. Growth rates estimated based on rounded attendance figures.

Sydney is the epicentre of Australian innovation, with NSW attracting 57% of venture capital raised nationally

Key innovation precincts and incubators across Sydney, 2023



\$78bn
 Value of Sydney startup ecosystem

954
 Fintech startups headquartered in Sydney

57%
 Share of total VC funds raised in Australia

56
 Number of startup accelerators/incubators in Sydney

Innovation is growing a stronger footprint across the city

- Around 75% of innovation hubs, startup and accelerator programs and businesses in NSW which support investment in emerging technologies are located in Sydney.
- Sydney’s innovation ecosystems are maturing and are no longer confined to CBD. Support for the creation and growth of technology startups, scale-ups, and businesses is spreading to multiple precincts across the city.
- In 2022, 57% of total venture-capital funds raised were in NSW, with the next biggest being Victoria capturing 30%.
- Sydney is developing a strong specialisation in fintech, with 60% of Australia’s fintech companies headquartered in Sydney.

Source: Scyne Advisory (2024) analysis of Australian Trade and Investment Commission (2024) *Innovation Map* and publicly available data from Startup Genome, State of Australian Startup Funding and Sydney Start-up Hub (2024).

Thank you to our Scyne Contributors:

Janice Lee
Partner, Sydney
Scyne Advisory



Jackson Hrbek
Manager, Melbourne
Scyne Advisory



Di Rutter
Partner, Sydney
Scyne Advisory



Aiden Davies
Senior Associate, Sydney
Scyne Advisory



Catherine Jones
Partner, Sydney
Scyne Advisory



Luke Whitehill
Associate, Sydney
Scyne Advisory



Chris Wajzer
Director, Sydney
Scyne Advisory



Millicent Jiang
Associate, Sydney
Scyne Advisory



Fay Parker
Manager, Sydney
Scyne Advisory



Jinhee Kim
Manager, Sydney
Scyne Advisory



Keep in touch

Committee for Sydney

[sydney.org.au](https://www.sydney.org.au)

 [@Committee4Syd](https://twitter.com/Committee4Syd)

 committee@sydney.org.au

 +61 2 8320 6750

Scyne Advisory Infrastructure & Property

[scyne.com.au](https://www.scyne.com.au)

