



State of the City 2025

No Time to Waste



Time is ticking for Sydney's most pressing priorities

Sydney is a thriving, growing, bustling metropolis. And in all that beautiful mess, we define in this report priority issues for the city – ones with both measurable and meaningful outcomes for communities and places across Sydney.

So much can change in the life of a city like Sydney over 10, 20 or 40 years.

Think back to the Sydney you grew up in, and to the city it is now. The transport network, the costs of living and housing, the widespread actions that seek a rapid but just transition to net zero and immense change to the vibrancy of our city and night time economy.

History shows us that good policy decisions today can correct the course we are on for the future.

This short report is an evidence baseline for some of those pressing priorities – and importantly, it highlights how the big objectives worth achieving will require systems change across the city if we are to achieve these together.

No Time to Waste on...



The Economy: Lifting productivity by 1.5 times

NSW is Australia's largest economy, contributing \$788 billion to national output in 2024 – but our share of national output is declining, with lower productivity, and therefore, lower real income growth per capita.



Housing: 5 years to deliver 377,000 new homes

Sydney will not meet its ambitious 2030 housing targets without system-wide gear shift, from workforce to regulatory planning to construction productivity.



Net Zero: 25 years to net zero emissions

Achieving net zero nationally will need 'course correction' across agriculture, industry, waste and transport – and will rely on a more decentralized power system, which Sydney households have led nationally.



First Nations Australians: Closing the Gap Targets for 2031

Halfway through the 10 year National Partnership Agreement, outcomes are improving in education, employment and housing – with more to do in justice. Yet, a determined shift to economic self-determination is underway in NSW.

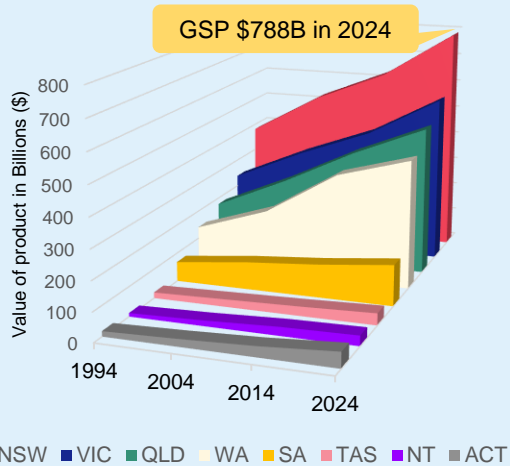


Night Time Economy: Increasing Businesses, Activity, and Safety

With vibrancy reforms underway in Sydney, there has been 26% growth since pre-COVID of night-time economy businesses across the city, in food, design, retail, entertainment and transport.

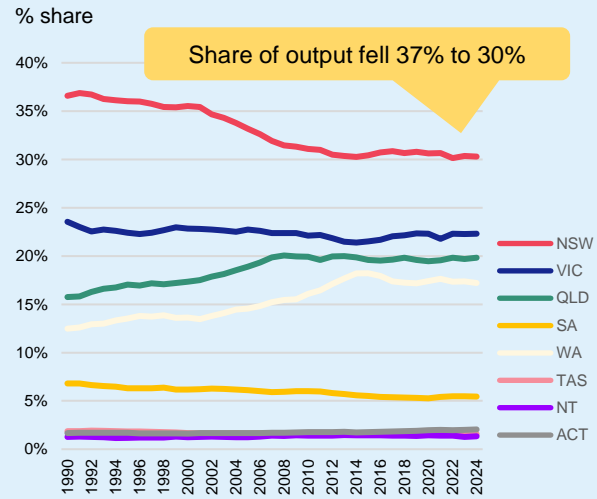
Australia's economy has grown continuously for 30 years, but NSW's share of national output fell over that period, with our economic growth heavily tied to population growth

Gross State Product from 1994 to 2024 by State and Territory



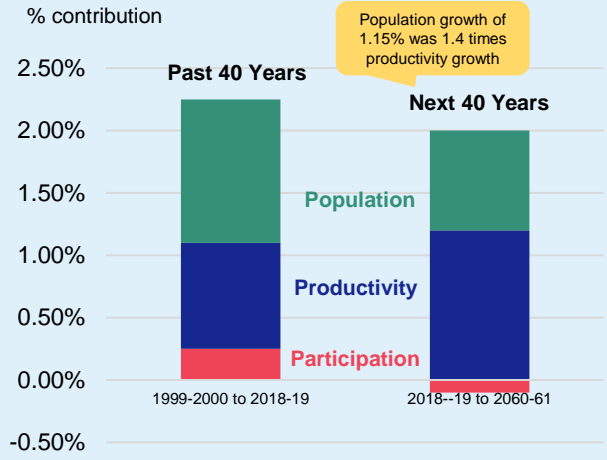
In 2024, New South Wales' GSP was **\$788B**, more than double its nominal economic output from 30 years ago. NSW's economy today is 35.8% bigger than Victoria's and 52.9% bigger than Queensland's but our rate of growth is lower.

States' Share of National Output 1990 to 2024



NSW's share of national output fell from **~38% in 1992 to 30% in 2022** as mining states QLD and WA grew their relative contribution. Over the same period, the Harvard Growth Lab's Atlas of Economic Complexity moved Australia's rank from 57th most 'complex' economy to 102nd.

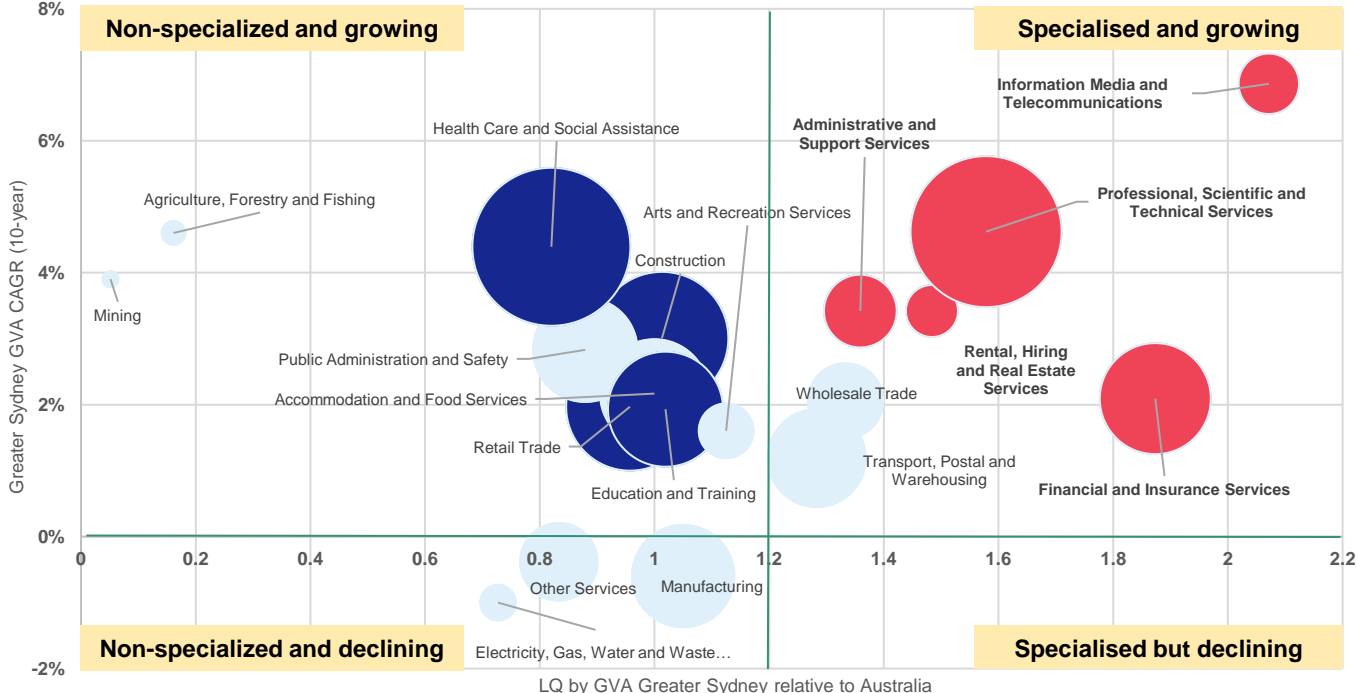
Population, Participation and Productivity Share of Economic Growth (historical and forecast)



NSW's Intergenerational Report shows that between 1999 and 2022, population drove economic growth, with productivity growing 0.85% annually, participation rising 0.25%, and population increasing 1.15%. Looking forward, productivity is expected to lead growth at 1.20% annually over the next 40 years.

Sydney is a diverse, knowledge-driven, services economy, with both specialised and population serving industries growing strongly

Location Quotient by GVA from 2013-2023, Greater Sydney relative to Australia



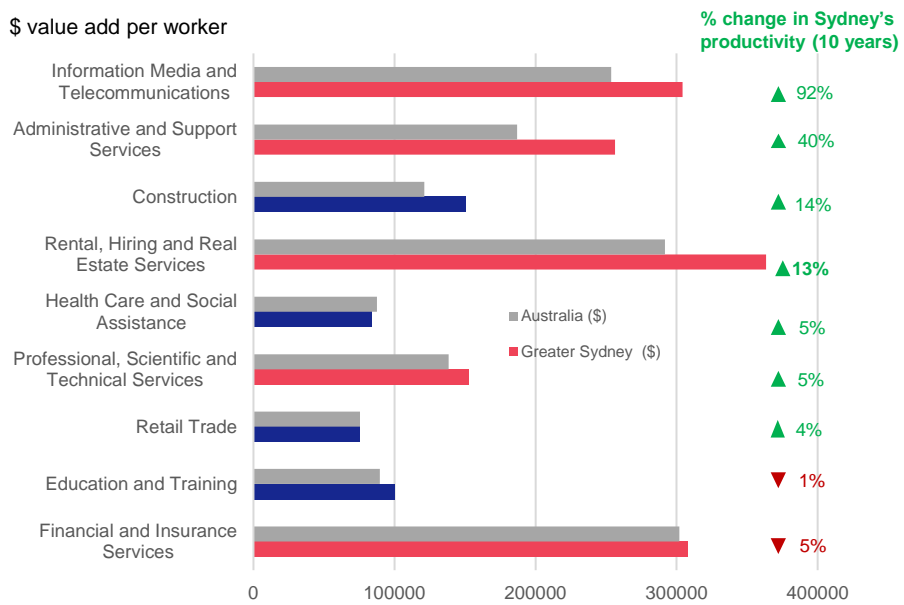
The LQ analysis on this page captures specialization and economic growth across industries in Sydney, relative to the national economy. The circle denotes the number of employees by industry

- Sydney is a knowledge-based economy, with a diverse set of strong sectors and services.
- Four of Sydney's 'Big 5' employing industries are health care and social assistance, professional services, construction, retail and education – and are mostly population serving.
- Sydney's 'Specialist' sectors (LQ>1.2) are information media and telecommunications (2.07), and services – financial and insurance services (1.87), professional, scientific and technical services (1.57), real estate and administrative services.

Source: GVA Data from NIER, 2023

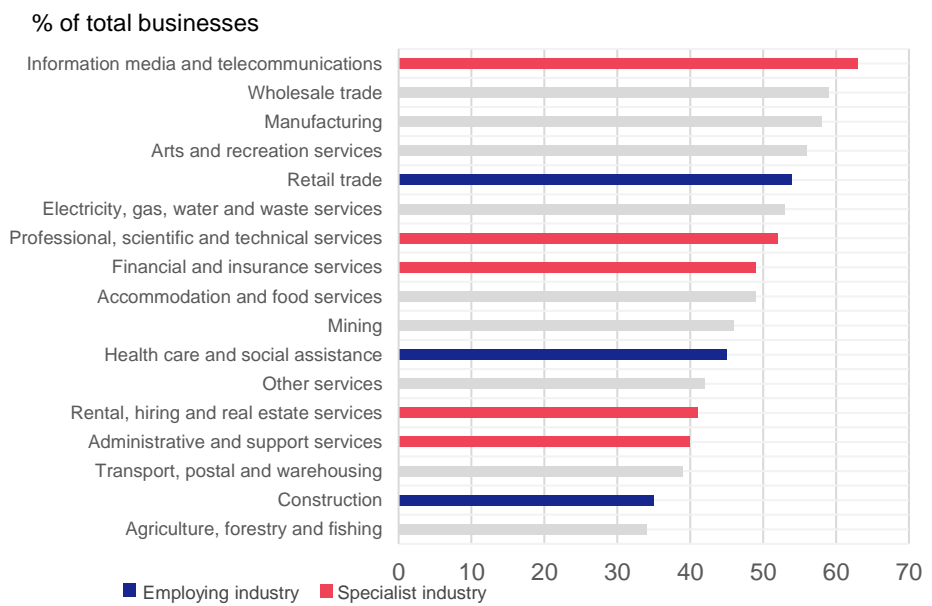
Sydney's specialized service industries achieve higher output per worker, and some perform better in the extent of innovation activity across their businesses

GVA per worker by Sydney's main industries, comparison of Sydney to Australia



Sydney's service industries have higher levels of value added output per worker, with 92% growth in 10 year in information media and telecommunications. Across sectors, GVA per worker is higher in Sydney than the national average.

Innovation Active Businesses by industry, two years to June 2023, Australia

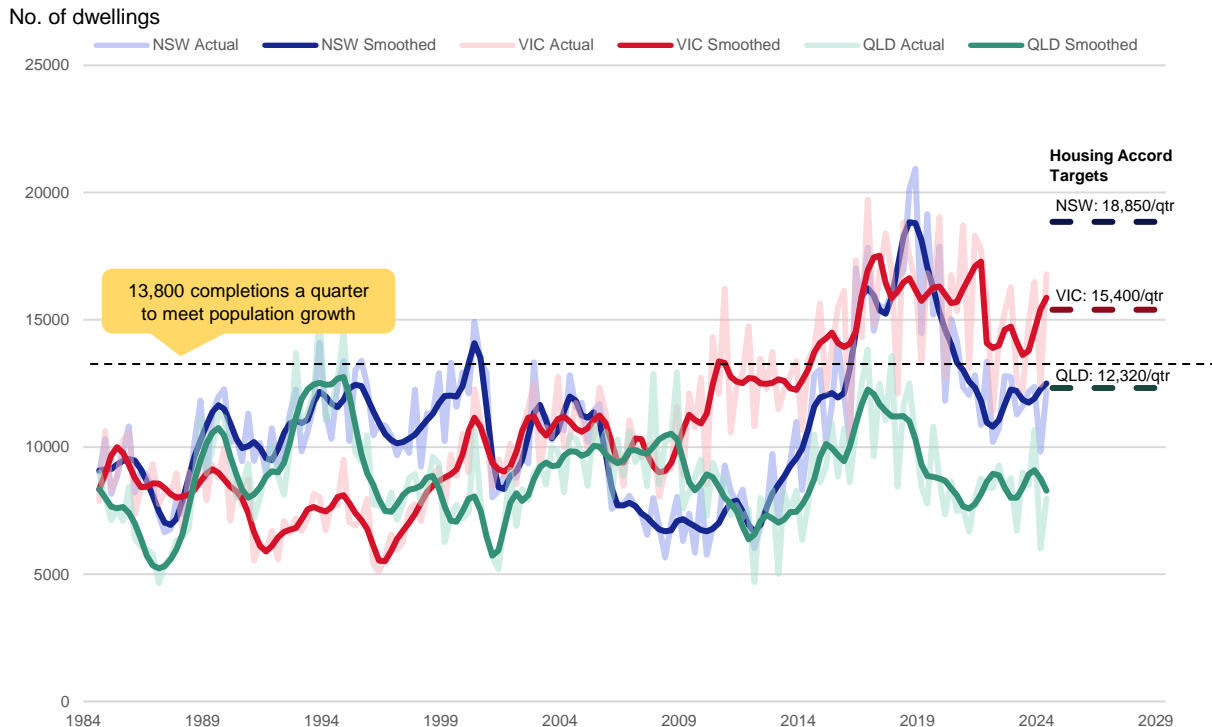


Around 35% of construction businesses had introduced or developed new innovation in the two years to 2023, compared to 63% of information media and telecommunication businesses.

Sources: GVA Data from NIER, 2023; ABS Innovation in Australian Business 2023
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The NSW target to deliver 377,000 new homes by 2030 is a historically unprecedented rate of completion that would address legacy housing shortfalls

Quarterly Housing Completions (NSW, VIC, QLD) against Housing Accord Targets

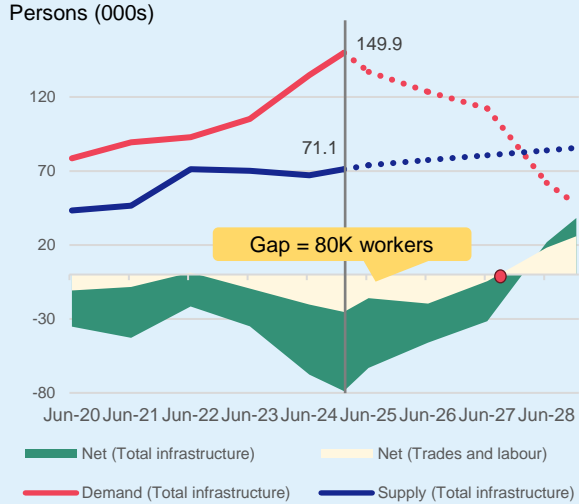


Scaling up to meet the NSW target could deliver the state economy ~\$8.2 billion a year by 2029

- The National Housing Accord targets 1.2 million new well-located homes by mid 2029. For NSW, there is a target of 377,000 new homes, or 75,400 a year.
 - On a quarterly basis, this level of housing completion (18,850 a quarter) is an historic level of supply that has only been reached in one year in the past 40 years.
 - NSW Government announced its target includes 3100 affordable homes and 8400 social homes.
- The Accord targets would meet population growth and address legacy shortfall. To meet population growth, NSW needs 55,200 new homes a year.
- A 'business as usual' pace of delivery would risk a cumulative shortfall of 32,000 homes by 2029.
- However, the benefit to Sydney of meeting the target would be around \$8.2 billion a year by 2029. This is calculated as avoided net migration – in other words, meeting the target would mean Sydney better attracts and retains talented workers.

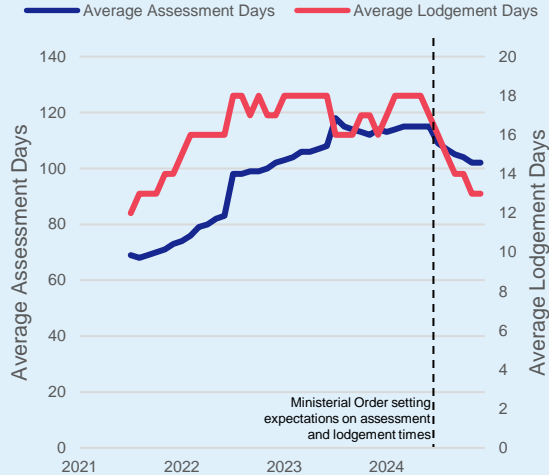
The drivers of undersupply are complex and structural problems, including shortage of workers and trainees, a legacy regulatory system, and low construction productivity

Construction Workforce Need in NSW



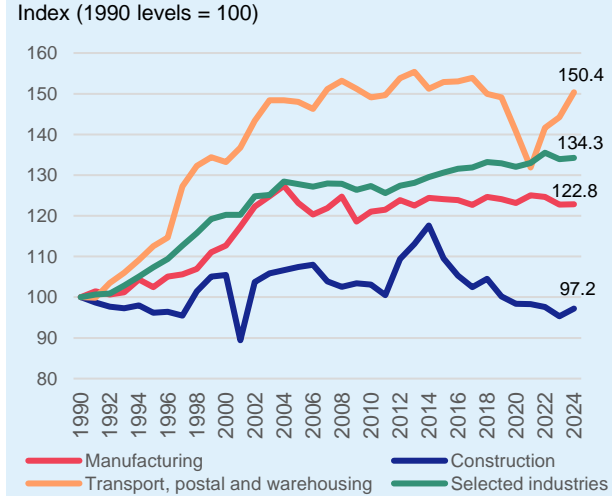
Critical shortages of construction workers continue as we near a peak in infrastructure construction. Infrastructure Australia data indicates a shortfall in NSW of close to 80,000 trades and labour workers, project managers and other skills.

Average DA assessment and lodgement times



Average Development Application assessment times in NSW increased from 83 days at the end of FY22 to 106 days at the end of FY24, but are now decreasing. Policy measures introduced setting expectations on assessment and lodgement times took effect on 1 July 2024. The NSW Planning Portal data indicates 76% of councils are meeting expectations.

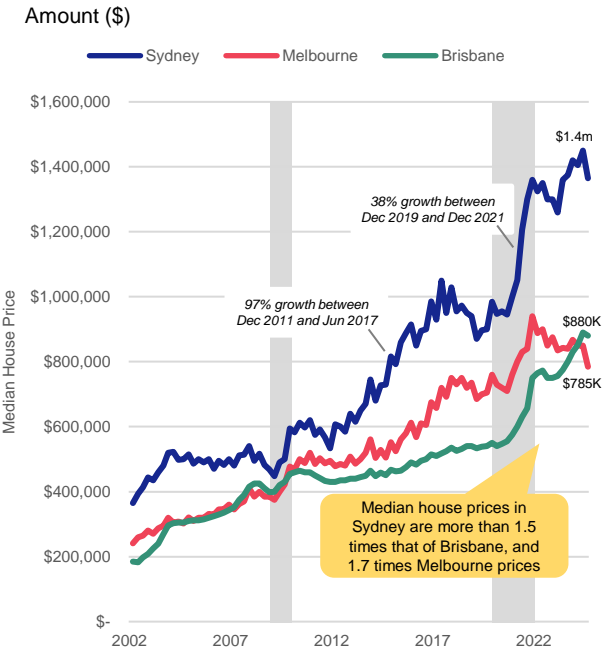
Multifactor productivity indexes by industry



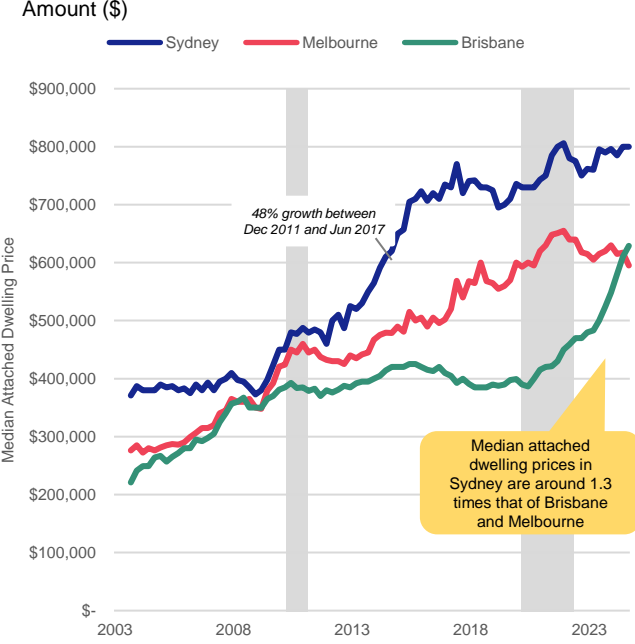
Sydney's construction productivity dropped 0.8% in 2022-23. Overall, national construction productivity has declined 3% since 1990. In the same period, transport has increased productivity over 50%, manufacturing by 23%. 'Selected industries' is a selection of industries agriculture, mining, forestry and financial services.

Housing shortage is a contributor to price pressure, and over the past 20 years, Sydney house prices 'broke away' from other Australian cities

Median House Price in Sydney, Melbourne, Brisbane



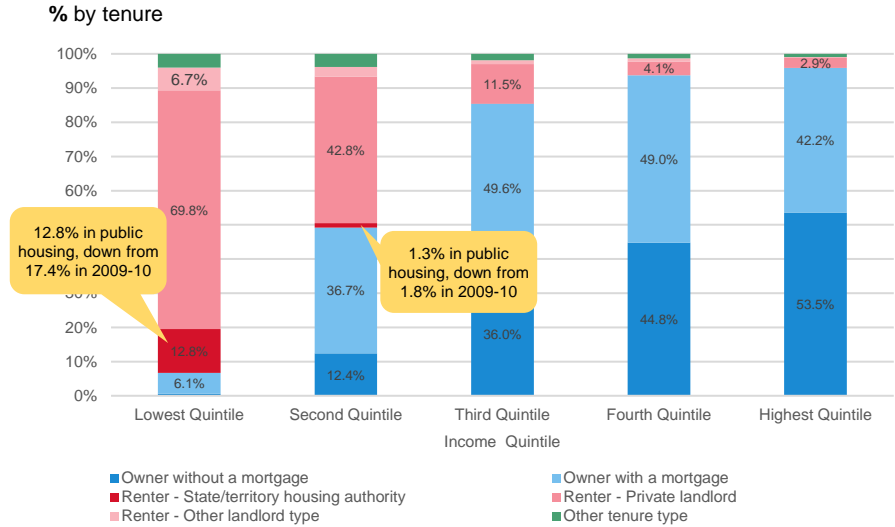
Median Attached Dwelling Price in Sydney, Melbourne, Brisbane



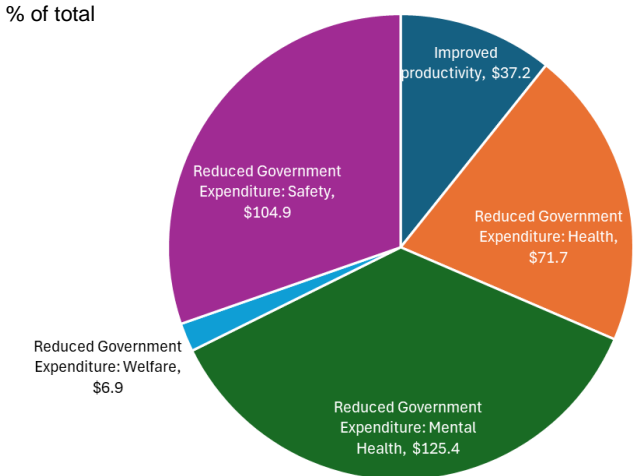
- In September 2024, median house prices in Sydney hit \$1.4 million, compared with \$785,000 in Melbourne and \$880,000 in Brisbane.
- Median attached dwelling prices in Sydney were also higher than in Melbourne and Brisbane
- Key points of 'break away' in Sydney median house prices were in the periods following the Global Financial Crisis and during the COVID-19 pandemic.
- Brisbane has seen recent strong growth in prices, and even overtaken Melbourne in median property prices.
- The 2024 Demographia International Housing Affordability Report rated Sydney as Australia's least affordable market on the basis of a price-to-income ratio.

Less low income earners are in public housing nationally than a decade ago, but NSW investment in social and affordable housing could deliver productivity and savings benefits of \$345m by 2029

Distribution of housing tenure by net wealth quintile 2019-20



Cost Savings to Government Services and Productivity Benefits from the 2029 Social and Affordable Housing Target

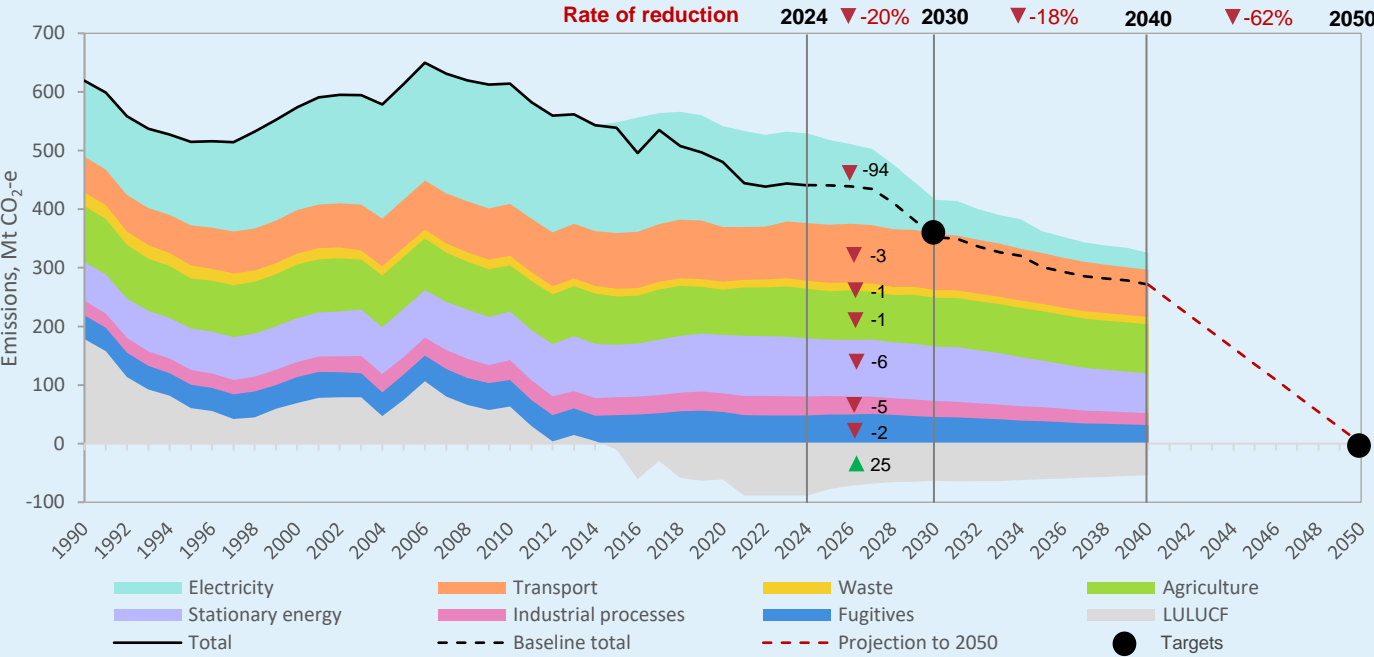


In the decade to 2019-20, changes to housing affordability impacted the mix of housing tenure nationally. In the second and third quintile of households, the share of renters grew between 2009-10 and 2019-20 by 9% and 5%, respectively, however the share in public housing fell. Over the same period, outright home ownership amongst the top two income groups fell by 6.5%.

Of the \$16.8 billion in benefits that could be achieved by delivering the NSW housing targets, the social and affordable housing share would deliver NSW upwards of \$345 million per year to the state's economy through reductions in service spending elsewhere and in improvements to economic productivity. This does not yet account for savings to individuals from better health and employment prospects.

Sources: ABS, Household Income and Wealth, Australia, 2022; Scyne Analysis 2025
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Whilst the electricity sector is decarbonizing at pace, the 2050 target is at risk without steeper reductions across industry, waste, agriculture and transport in the next decade

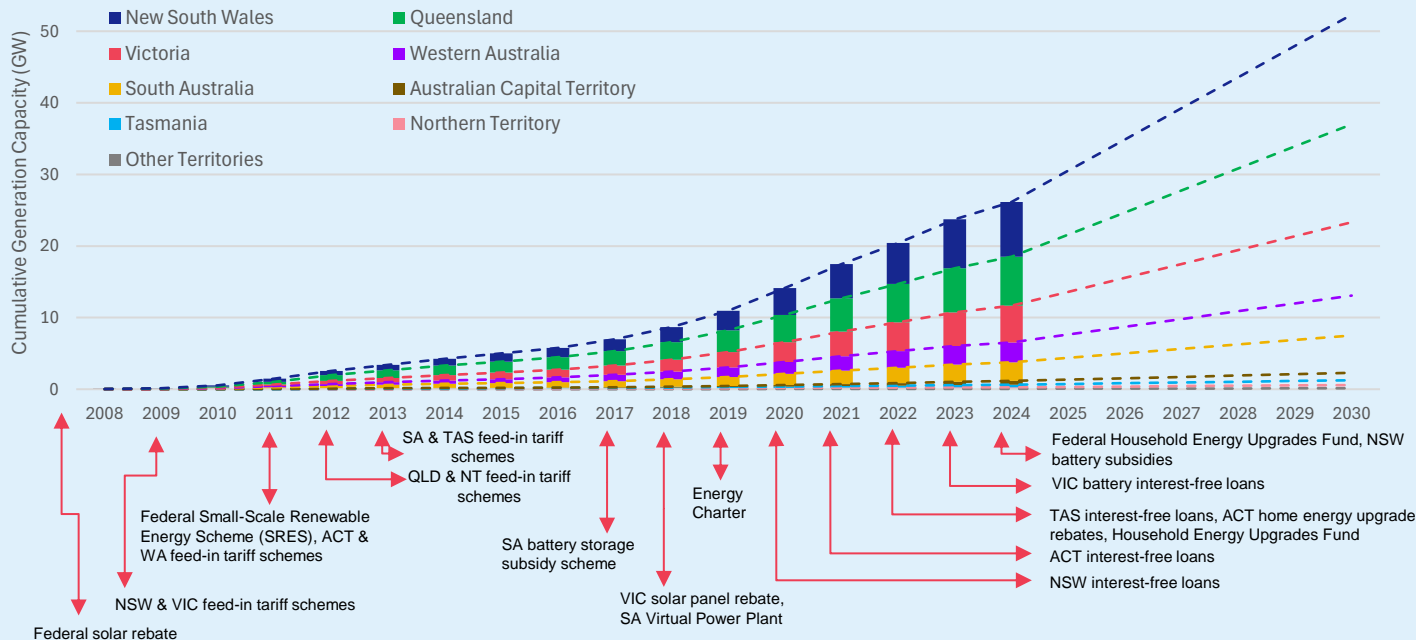


- Electricity produces 35% of Australia’s emissions but will bear over 80% of emission cuts to 2030.
- Under DCCEEW’s baseline scenario to 2040, the electricity sector will decarbonize first, with the 82% renewable energy target being driven by the expanded Capacity Investment Scheme and other measures.
- Yet other sectors will increase or hold their emissions output to 2030 and only start seeing reductions in the decade to 2040.
 - Transport emissions will be 31%, higher in 2040 than in 1990.
 - Agriculture will cut emissions by 12%, industry 20%, waste 43%.
- The rate of reduction we need to achieve across sectors in that time is 20% in the decade to 2030, 18% to 2040 and 62% to 2050.

Source: Australia’s emissions projections 2024, DCCEEW

Rooftop solar is expected to contribute around a third of renewable energy sources to 2050 – with an expectation it can deliver 52GW by 2030

Small-scale Solar Generation Capacity in Australian States and Territories

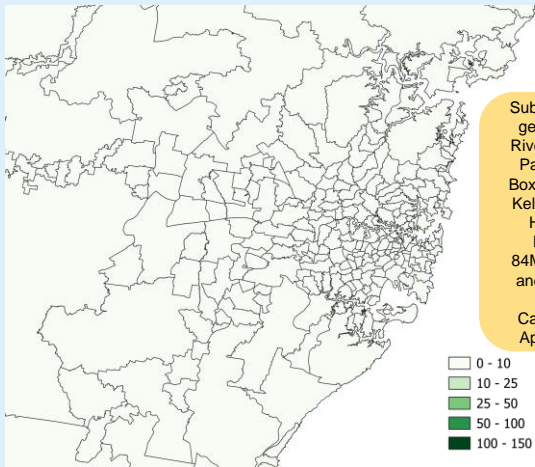


Source: Small-scale installation postcode data, Clean Energy Regulator

- Nationally, small-scale solar generation has reached the half-way point towards the scale expected by the 2030 emissions target.
- Australian Government 2024 projections set that by 2040, wind and solar will deliver more than 75% of the future generation mix, a four-fold increase from 2024.
 - Of this, around 52GW of rooftop solar is targeted by 2030.
- Clean Energy Regulator data indicates that in 2024, small scale solar installations have a total generation capacity of over 26GW.
- NSW became the biggest generator of small-scale solar capacity in Australia in 2020.

Rooftop solar across Greater Sydney saw a 40-fold increase in the 14 years to 2024, with some suburbs generating more than a third of total household demand

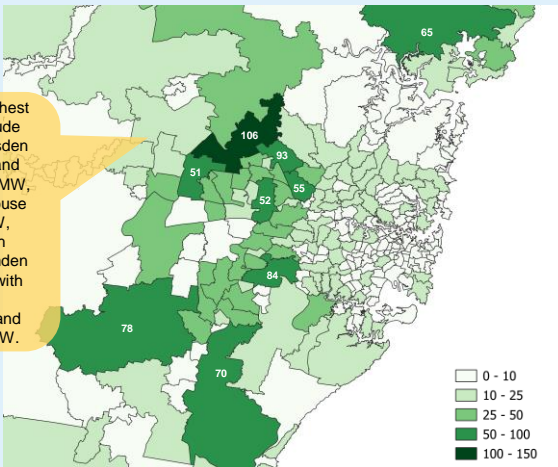
Small-scale Solar Generation Capacity (MW) in 2010



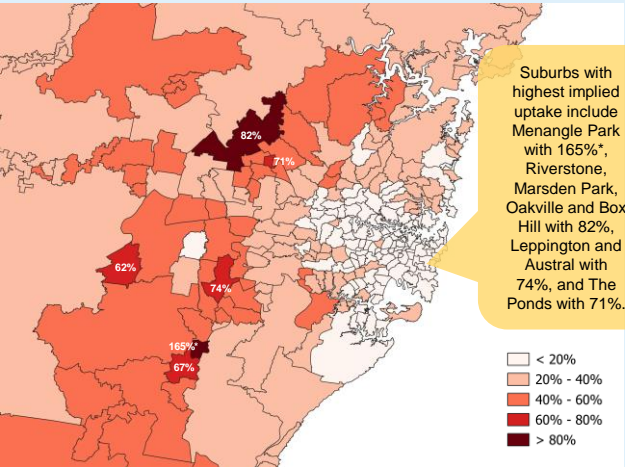
Suburbs with highest generation include Riverstone, Marsden Park, Oakville and Box Hill with 106MW, Kellyville and Rouse Hill with 93MW, Liverpool, with 84MW, and Camden and Oran Park with 78MW and Campbelltown and Appin with 70MW.



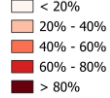
Small-scale Solar Generation Capacity (MW) in 2024



Implied Household Solar Uptake (% Dwellings) in 2024



Suburbs with highest implied uptake include Menangle Park with 165%, Riverstone, Marsden Park, Oakville and Box Hill with 82%, Leppington and Austral with 74%, and The Ponds with 71%.



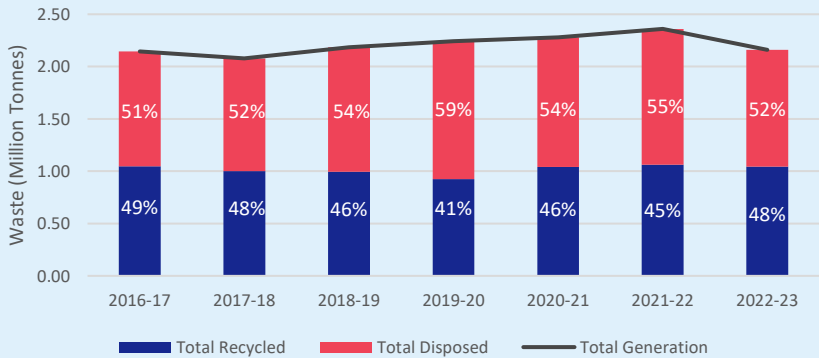
Sources: Small-scale installation postcode data, Clean Energy Regulator; ABS Census 2021; ABS Building Activity

* >100% due potentially to multiple installations per dwelling over time or installations on small industrial and commercial buildings.

- Small-scale solar generation is highest in the outer Western suburbs of Sydney, with Riverstone, Marsden Park, Oakville and Box Hill generating 106MW, Kellyville and Rouse Hill generating 93MW, and Liverpool, Casula, Lurnea and Prestons generating 84MW among others.
- Implied household solar uptake, measured as the percentage of small-scale solar installations over number of dwellings, averaged at 38% across NSW and 26% across Greater Sydney. Sydney's suburbs with the highest uptake include Menangle Park, Riverstone, Marsden Park, Oakville, Box Hill, Leppington and Austral.
- Among Ausgrid LGAs (which do not include Blacktown, Blue Mountains, Camden, Campbelltown, Central Coast, Fairfield, Hawkesbury, Liverpool, Penrith, The Hills and Wollondilly), LGAs with the highest share of generation against consumption in 2023-24 are Hornsby (33%), Northern Beaches (27%), and Sutherland (27%).

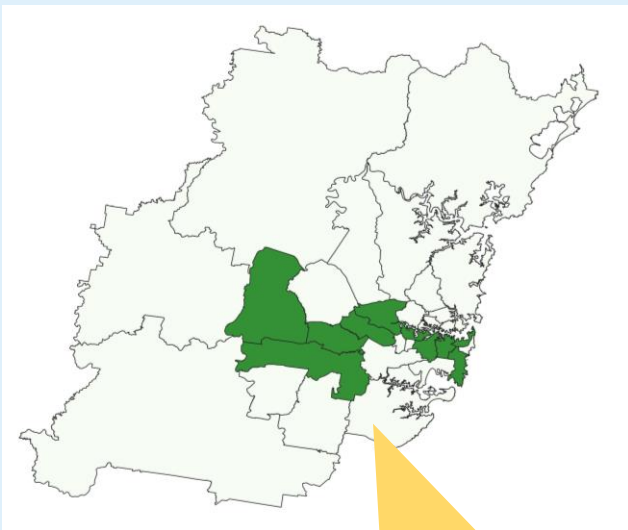
Waste in landfill contributes 76% of all waste emissions, but levels of waste recycling across Greater Sydney have not changed in 7 years

Domestic Waste Generation and Recycling in Greater Sydney



- Sydney's levels of recycling rates (domestic waste) have not shifted meaningfully in seven years from around 41-48%.
- Top 5 councils with high recycling rates in 2022-23 include: Northern Beaches (66%), Ku-ring-gai (63%), Woollahra (63%), Camden (62%) and Randwick (59%).
- Recycling rates in NSW have stagnated at around 65% since 2015-16, well short of the 80% waste recovery rate target by 2030.

FOGO uptake by Councils in Greater Sydney in 2024

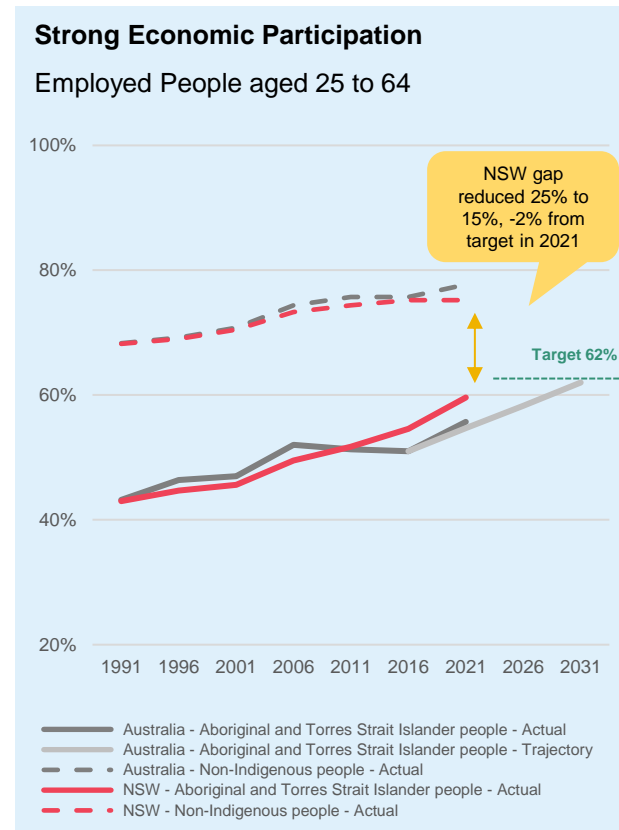
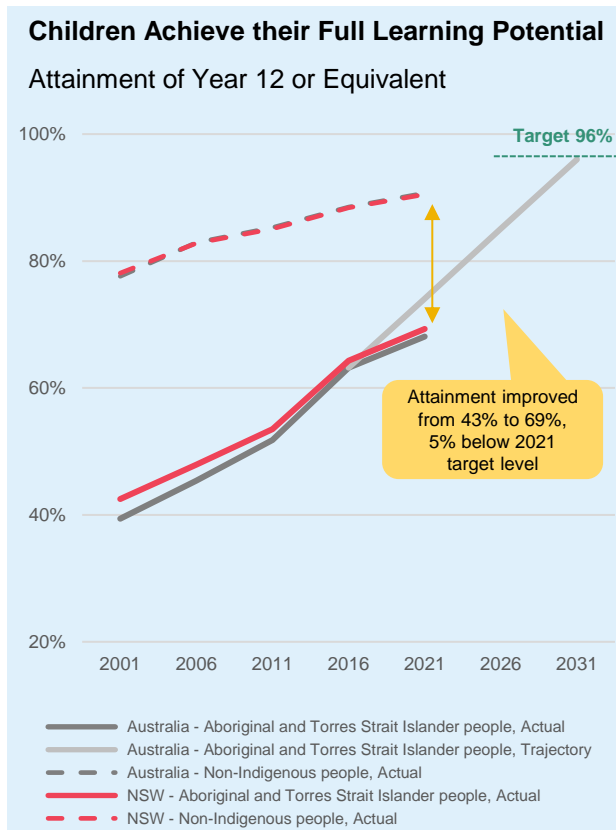
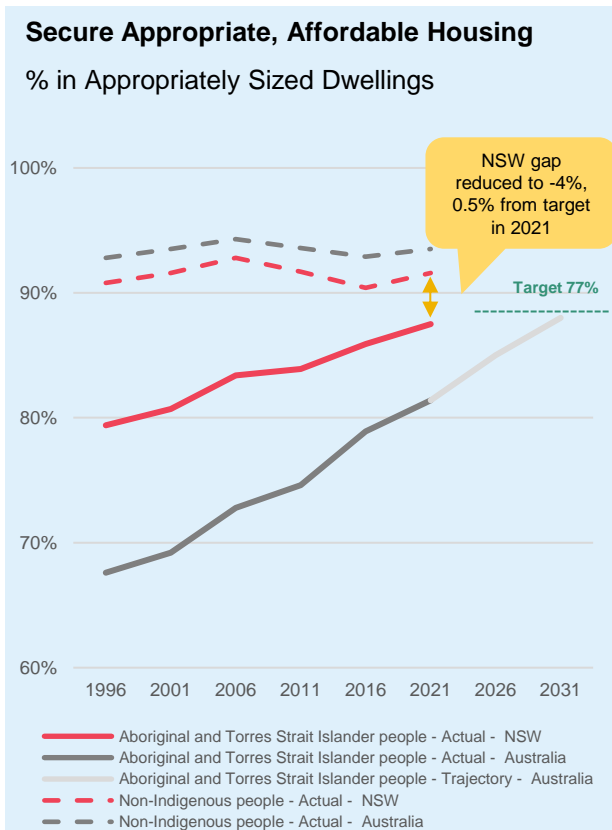


As of 2024, 10 out of 34 Greater Sydney Councils have FOGO services including Canada Bay, Cumberland, Fairfield, Inner West, Liverpool, Parramatta, Penrith, Randwick, Sydney and Woollahra.

- Nationally, solid waste disposed in landfills is the largest contributor (76%) to our waste emissions. Of the non-inert solid waste disposed in landfills, 50% is food waste and a further 18% is garden organics.*
- At current disposal rates, Sydney's landfill spaces are predicted to run out by 2030.
- NSW has set an objective to reach net zero emissions from organic waste to landfills by 2030.
- To date, around 50% of NSW councils have or are planning to roll out FOGO collection services.
- Within Greater Sydney, around one-third councils are currently offering FOGO services.

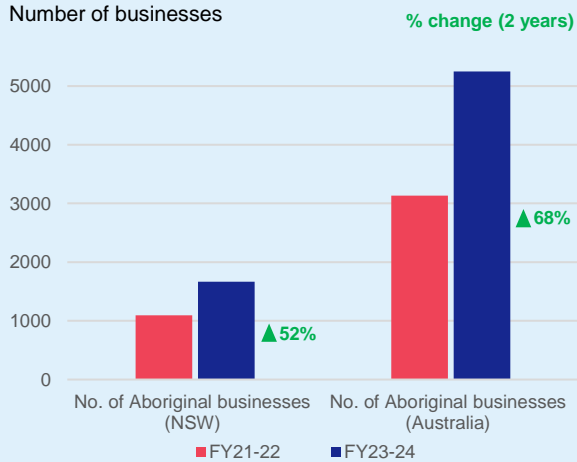
Sources: Local council waste and resource recovery data, EPA; *Australia's emissions projections 2024, DCCEEW; NSW operating and planned organics collections 2024, EPA; NSW Ministry for Environment and Heritage

NSW is showing improvement on 11 of 17 Closing the Gap outcomes



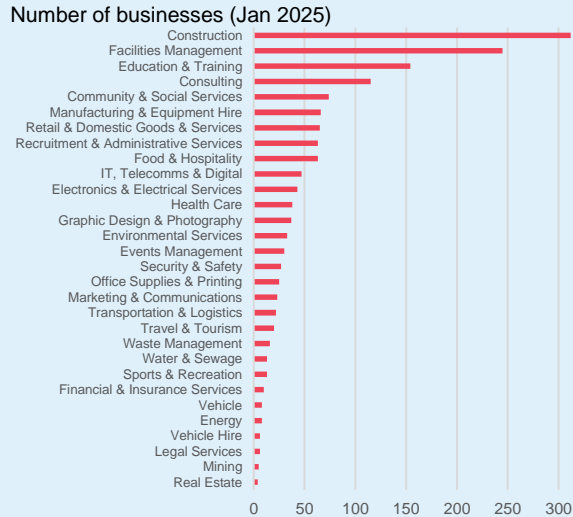
NSW is the only state with Priority Reform 5, a dedicated commitment to deliver Aboriginal Economic Prosperity – and a determined shift is underway in NSW

Growth in Registered Aboriginal Businesses 2021-2 to 2023-4



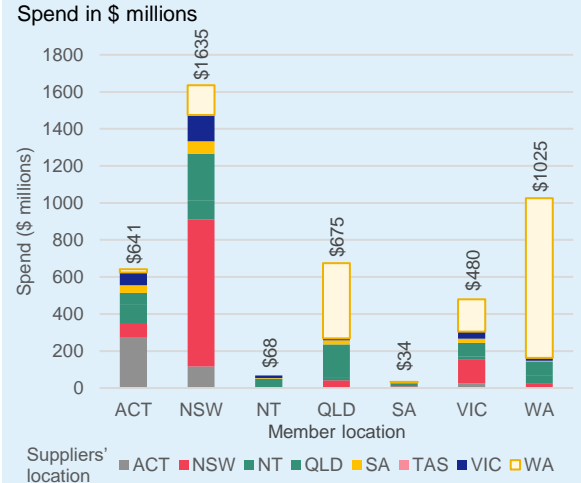
Over 31% of Supply Nation’s registered Indigenous businesses are in NSW. NSW businesses grew 52% in the past two years to 1667 businesses, of which 551 are female owned.

Aboriginal Businesses by Sector in NSW



The top 5 sectors in NSW for registered Supply Nation Indigenous businesses are construction (312 businesses), facilities management (245), education and training (154), consulting (115) and retail and domestic goods and services (65).

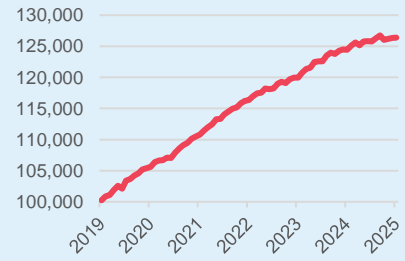
Social Procurement Spend on the Aboriginal Business Sector by location 2023-24



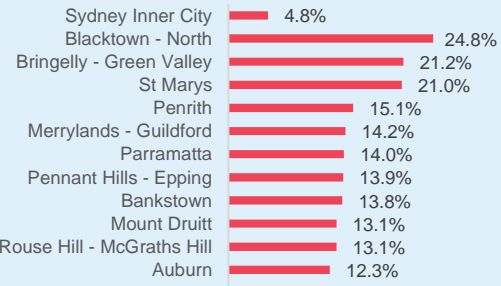
NSW Aboriginal Procurement Policy in 2023/4 spent \$391.1 million with Aboriginal businesses across 678 contracts. Some 772 NSW suppliers received contracts nationally in 2023-24.

The number of active Sydney businesses in the night-time economy has grown 25% since 2019, with strongest growth in Western Sydney

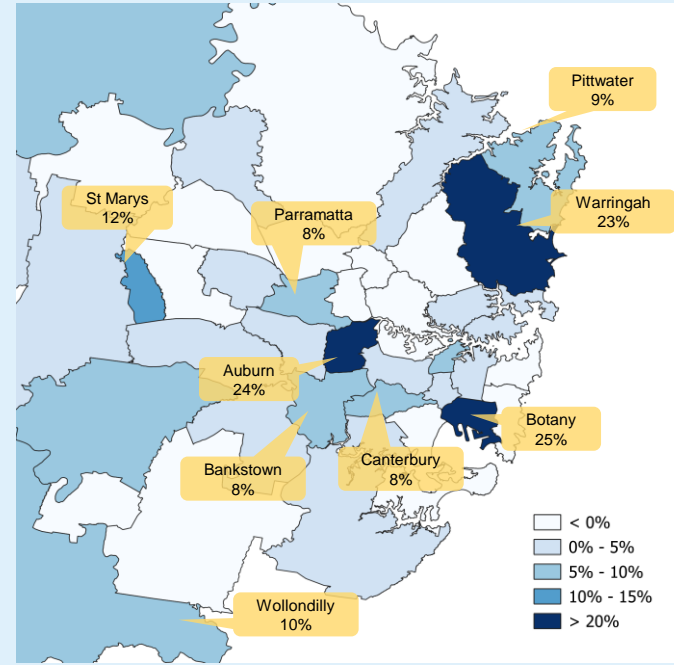
Number of GST Active NTE Businesses



Growth in Core NTE Businesses by selected SA3 between Q3 2022 and Q3 2024



Growth in Night-time In Person Spending (Annual % 2022 to 2024)

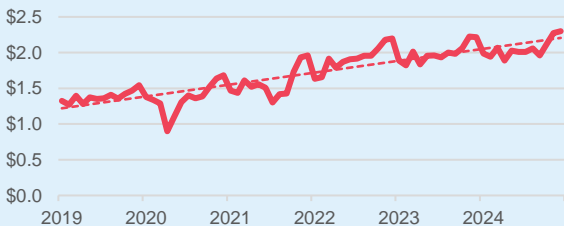


- From 2019, the number of GST active 'night time economy' businesses has grown by 25% to 126,374 businesses.
- Of these businesses, more than a quarter are in food, 18% in design, 13% in retail, 12% in entertainment and 12% in transport.
- Spillover to other sectors is evident, with growth across evening sport and physical recreation activities, and the creative sectors.
- The fastest growth in the number of night time economy businesses between 2022 and 2024 was in Blacktown (25% growth), five times the size of growth in the inner city of Sydney (5%).
- Strongest growth in night-time in person spending was in Botany (25%), Warringah (23%) and Auburn (24%)
- In March 2024, there were 18,514 licenced premises in NSW, of which 49% are restaurants, and 16.5% licenced to operate to 12am or beyond.

Sydney's Vibrancy Reforms are supporting growth in night-time, in-person economic activity

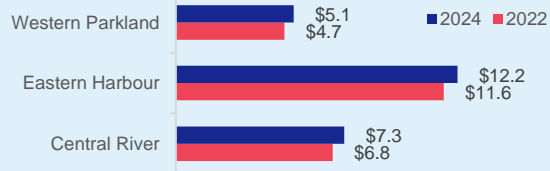
Customer Night-time Spend

Monthly spend (\$ billion)



Annual Night-time Spend by Three Cities

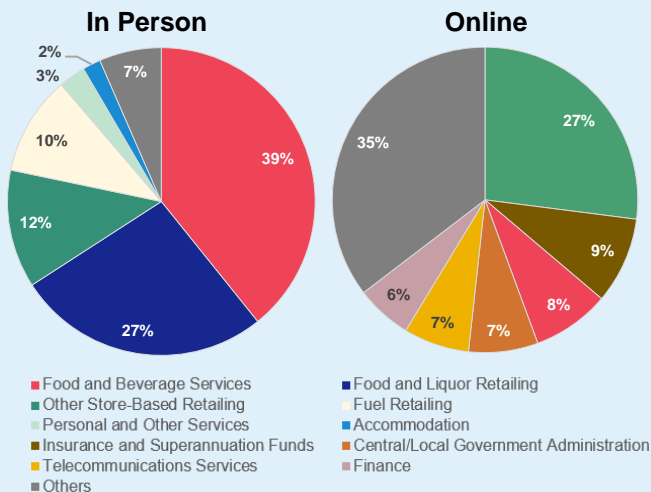
Annual spend (\$ billion)



Night-time spending by NSW residents in Sydney grew 80% on pre-COVID 19 levels to \$2.3 billion in December 2024. Across the three cities in 2024, the Eastern Harbour City's night-time spend was \$12.2 billion, whilst the Central River City was \$7.3 billion, and Western Parkland City \$5.1 billion.

Customer Night-time Spend (Online vs In Person)

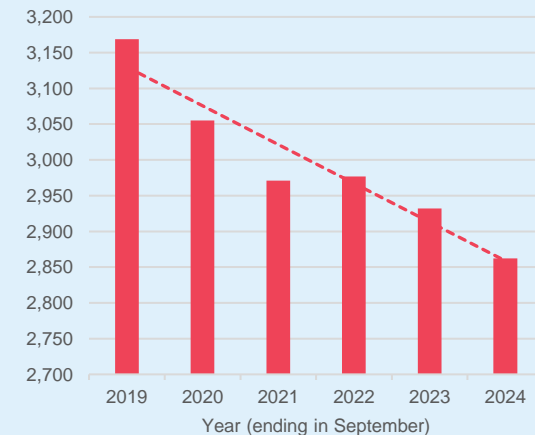
% of spend by category (2024)



In-person spending is more than half of the night-time economy, with highest consumption categories in food and beverage related sectors. Online consumption by comparison involves online shopping, managing finances, paying bills.

Night-time Alcohol Related Incidents 2019-2024

Annual counts of reported domestic assault incidents*



Importantly, despite the increase in night-time business and spend across the three cities, there has been a decline in the number of alcohol related incidents in the five-year period from 2019 to 2024. During this period, night-time alcohol related domestic assault incidents have declined at a rate of approximately 15%.

Thank you to our Scyne contributors, including:

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Keep in touch

Committee for Sydney

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