The Committee for Sydney

SUSTAINING THE ADVANTAGE

BENCHMARKING SYDNEY'S PERFORMANCE 2018

SEPTEMBER 2018

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FOREWORD

Dexus and Landcom are pleased to support *Sustaining the Advantage*, the third in the series of benchmarking reports on Sydney developed by the Committee for Sydney and the Business of Cities.

This insightful research highlights Sydney's strengths and weaknesses, helping civic leaders and key stakeholders plan for future growth while addressing the pain points.

Benchmarking is an important measure of our progress against other comparable world cities. While benchmarking cities and regions has become commonplace within Australia, comparisons on the world stage are less available, and we are proud to be supporting the Committee for Sydney in leading this thinking.

There is further value in the annual publication of this benchmarking data. Three years on from the first Sydney benchmarking report, we are gaining a deeper understanding of the progress and investment made by government and the private sector towards changing the lived experience of our city.

This year's report shows a city continuing to perform strongly on a global scale, scoring well as a home for global firms and a destination for globally significant investment. Indeed, in some rankings Sydney measures third in the world – behind the megacities of London and New York.

The report also addresses the importance of sustaining Sydney's performance, identifying a number of areas to consider when planning for rapid growth.

We commend this report and look forward to it's findings contributing to the ongoing debate about our city's future.

Darren Steinberg,
CEO – Dexus

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CEO – Landcom

Cover image Destination NSW

EXECUTIVE SUMMARY

Sydney is a global metropolis moving to the next level. It is right in the middle of a remarkable cycle of growth – in population, infrastructure and economy – and this is driving unprecedented business and investor demand.

Image City of Canterbury-Bankstown

Sydney's economic transition, spatial development, and global integration is propelling the region towards new levels of achievement and the opportunity to engage in many global networks.

For Sydney, as for other advanced global cities, this success also has consequences. New challenges emerge that require even closer attention and more active management. Consequently Sydney is beginning the journey towards a more managed metropolis. Metropolitan Sydney is taking shape, with an inspiring Metropolitan Plan and a much needed cycle of infrastructure investment. As Sydney grows and takes its place on the world stage, its character, identity, performance, and its global peer group, are all changing.

Global city benchmarks are one resource that can help to make sense of this pace of change. Tracking as they do the ups and downs of the world's cities, the more than 400 global studies of cities reveal the larger dynamics of change and the rationale for why cities have to adapt and improve. They identify key underlying trends and imperatives that need attention. For Sydney, a metropolitan city with special advantages and on the cusp of rapid change, benchmarks can reveal a fresh and forward-looking perspective on the opportunities and challenges that lie ahead.

THE EVIDENCE BASE

This 3rd edition of Committee for Sydney's benchmarking report reviews Sydney's performance over the last 12 months. It draws on a meta-analysis across 70 global indices, 35,000 data points, and more than 200,000 underlying metrics. Sydney's progress is then reviewed across 14 indicators in comparison with more than 30 peer cities around the world – these are very high performing cities that combine both strong business and liveability offers.

In 2018, Sydney's global visibility has improved. It is appearing in more global benchmarks and rankings than ever – in this medium it is the highest profile city in the Southern Hemisphere. Its global visibility will continue to grow, it has momentum. The field of city benchmarks has also been changing. With the arrival of more indices from new providers, more media attention is being paid to distinct themes, ways of understanding how cities really perform, and how they are coping with the challenges of growth. Importantly, these benchmarks are now measuring Sydney almost always at its full metropolitan scale – the 5 million metropolis of Greater Sydney, rather than the municipal entity of the City of Sydney.

This 3rd edition reviews this expanding body of analysis and identifies six core findings:

1. Sydney has consolidated its place among the top global contenders

In 2017 we observed that Sydney had come to form part of a high performing second tier of 10 elite global city 'contenders', all vying to join the top table of 7 cities that have established global functions, and enjoy greatest global reach. Sydney has now cemented its position in this contender group.

Sydney's population is growing faster than the majority of contenders, and demand for Sydney's assets and opportunities from global corporates, capital, students, talent, visitors and other customers is all up, buoyed by our magnet brand, the surge in infrastructure investment, and the longer-term pipeline for growth. In particular, Sydney has excelled in terms of its higher education performance, both as an export market success and in terms of research quality. The data also highlights the way that international students are increasingly playing an ambassadorial role for Sydney, contributing to its positive brand. Sydney's global appeal continues to grow.

2. Sydney's liveability equation is changing

As expected, Sydney's health, safety, life expectancy and natural environment ratings are high and, in some cases, improving. Well-being indexes continue to show Sydney near the very top of the global charts. Sydney is also revealing itself to be a leading city of freedom and tolerance.

But this year, as urban population grows globally and there is more focus on how well cities manage growth, there are many signs that Sydney's inherited liveability equation is changing. Relative to other cities, employee life satisfaction has fallen from its very high level. New measures of everyday experience and soft factors of amenities, vibrancy and quality of place see Sydney slightly losing its position, as other cities improve and as data on the whole of Greater Sydney becomes increasingly available. Declining affordability of housing for long term residents is another influential factor, with knock on effects on measures of Sydney's social fairness and cohesion.

Sydney's liveability model is also questioned by benchmarks of culture which suggest that the city has been relying on an 'events and bed-nights' based cultural economy (consumption) more than one driven by creativity, cutting edge art, place-making, and optimising the culture eco-system. Culture in Sydney is oriented more towards the visitor economy than resident quality of life.

As the benchmarks continue to observe such edges, these issues require attention as they impact on both resident experience, and wider strategic imperatives to attract and retain talent.

3. Sydney's brand remains compelling but living up to brand promise is becoming more of a challenge

Sydney's scores remain very high and are improving for visitor brand and appeal, and for the investor brand in real estate. Here the city is still among the very best in the world amid strong competition.

But since 2017 there has been a decline in performance in measures that include the quality of visitor experience. This partly reflects the improvements of other cities that manage tourism overflows, invest in pathfinding and storytelling, and provide a mix of opportunities and locally generated amenities to all visitor types.

Meanwhile Sydney's score in measures of soft power – which reflect its status as a centre of influence, diplomacy and institutional reach – remain behind other contender cities such as Amsterdam and Shanghai. These cities are making important efforts in this space to attract institutions, cluster global NGOs, host gatherings of influencers and to establish their distinctive contribution to the world, reflecting their confident metropolitan identity. These studies suggest that Sydney's brand identity is compelling but incomplete as it does not yet include a clear cultural and business story to the world.

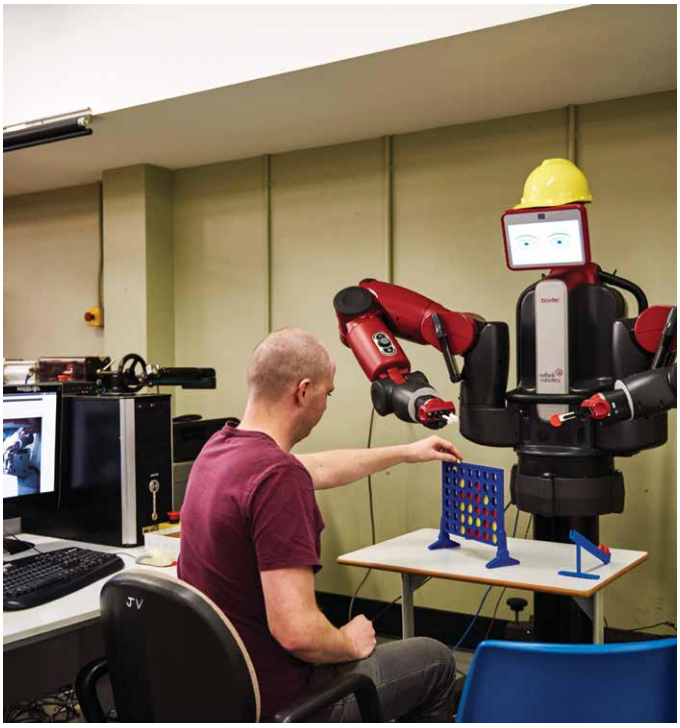


Image Destination NSW

4. International assessment comparisons on Transport and Infrastructure have not caught up with the recent surge in investment in Sydney, so the city is not yet getting credit for the investment and is at a low point in the cycle

As Sydney awaits the dividend of the much-needed infrastructure boost, benchmarks of commuting reliability and public transport are intensifying world-wide. For Sydney they are becoming an area of even more comparative disadvantage, as other cities make more rapid progress, and have started from a base of larger and more integrated public transport network. Sydney is engaged in a shift towards metropolitan systems, a modal change towards public transport, and is catching up with population growth.

Meanwhile there is also a visible relative decline in Sydney's digital infrastructure, with other global cities having moved faster on Wi-Fi hotspots and high-speed broadband.

Some more recent measures reflect Sydney's current cycle of investment, but in general it may take time for the present surge of investment to produce much 'catch up' in Sydney's performance against the top ranked cities.

Importantly, global perceptions of Sydney have not caught up with this. Sydney's infrastructure deficits are not well known by global public opinion and are not reflected in more general surveys of cities. This is a short-term reputational advantage, but it could become a risk in the future if greater progress is not sustained

5. Sydney's smaller-sized innovation economy has limited capacity to attract, accommodate and retain talent, and is a barrier to taking the next step

Despite superb knowledge production capabilities, there is a present risk of Sydney missing out on its full potential in the innovation economy. Sydney is consistently outside the top 20 in innovation assessments – benchmarks show more gravitational pull to leading global innovation hubs.

The gap between university performance and innovation performance is notably high for Sydney. Attracting large numbers of international students to prestigious institutions is clearly an important growth dimension of Sydney's economy. But there is a potential risk that 'exporting degrees' to high numbers of international students is prioritised at the expense of hosting an advanced innovation economy that promotes invention and discovery, leverages cutting edge knowledge, and generates enterprise growth. These need not be alternatives.

The benchmarks analysis suggests that efforts to turbo charge the innovation economy are still nascent. There may be a focus on innovation precincts coming ahead of the innovation eco-system requirements – including the presence of firms in competitive sectors, overcoming siloed work habits, incentives for entrepreneurship, affordability for start-ups, and availability of risk capital.

The small size of the innovation economy is one reason we observe more examples in 2018 where measures of talent see a fall for Sydney. Talent attraction and appeal is high, but retention of talent via the innovation system and through the career cycle appears to be an emerging obstacle for Sydney.

6. Benchmarks are switching from cities' inherited assets to systems co-ordination – Sydney needs to be vigilant as the focus changes.

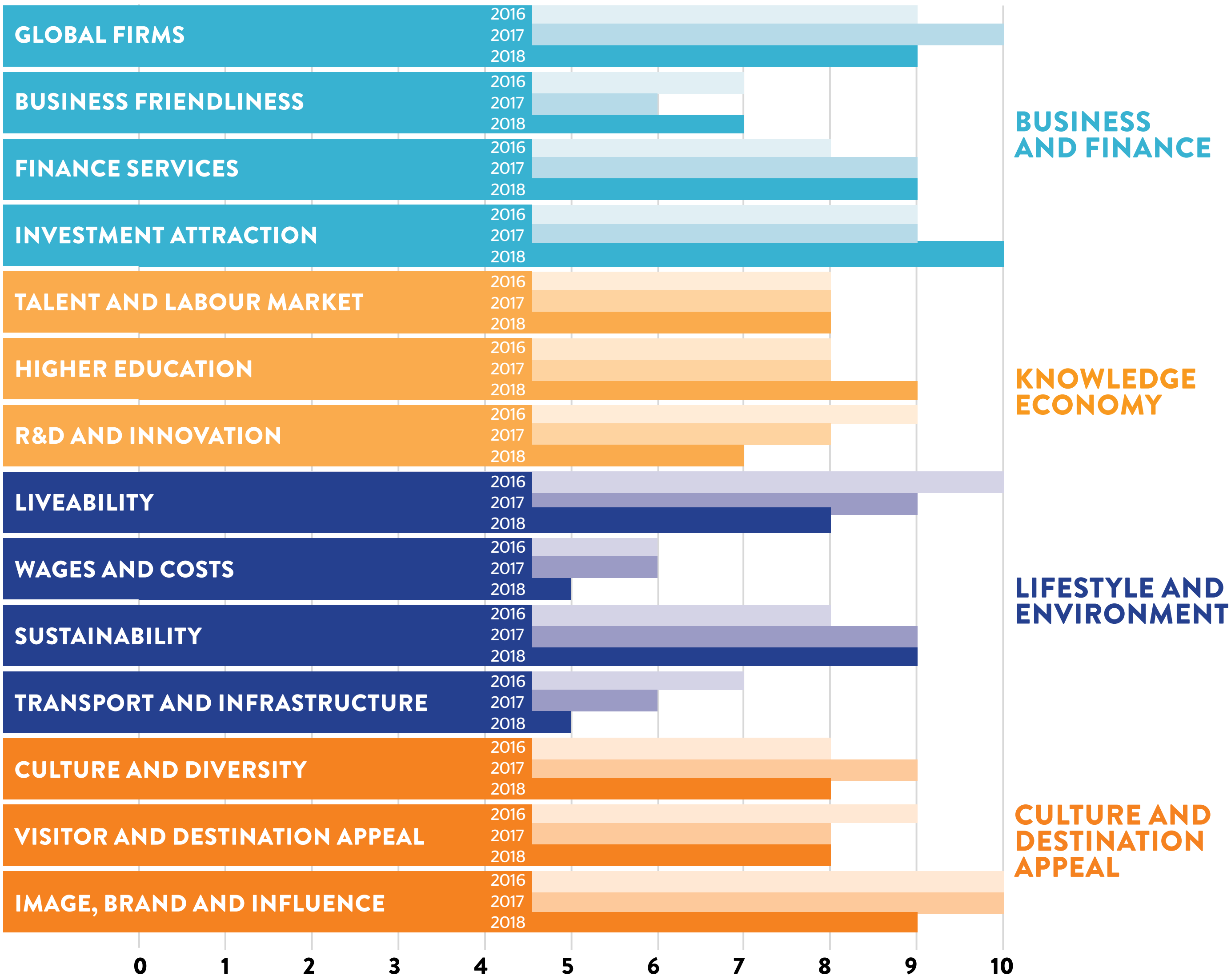
The new ways that city data is now being assembled and aggregated allows more creative ways to measure city success. For example, City Sustainability and Resilience are becoming less about green space and the benefits of low density, and more about effective policies, working incentives, governance and co-ordination, measured behaviour change, land use efficiency, and supply chain management.

How cities manage their assets, what is the long-term multi-cycle governance, and whether there is broad commitment to address weaknesses, are all priority questions among the more insightful benchmark studies. These insights give observers a new look at the future prospects of cities beyond the current cycle.

This will help Sydney continue to assess its cycle of change and reform in light of what others are doing. It may also reinforce the imperative to continue to invest, innovate, plan, and cordinate. Sydney still has the attributes to attract growth and perform well, but is now being assessed more on ability to manage growth and transition.

SYDNEY'S PERFORMANCE IN 2018

Figure 1: Sydney's relative performance in each area compared to its peers



Source: The Business of Cities.

Image Destination NSW

For each of the 14 indicators, Sydney has been evaluated in relevant multiple comparative benchmarks. In each category, Sydney's performance is graded on a 10-point scale, based on its performance against all comparator cities from within the peer group of 33 selected. This is the same peer group as used in 2016 and 2017, for consistency and comparability. Decile position is based on position among the 33 city group, with figures rounded. e.g. 3rd/33 = 1st Decile. 7th = 2nd Decile. 17th = 6th Decile.

The cities compared (33 in all) are:

- Amsterdam
- Barcelona
- Berlin
- Boston
- Brisbane
- Brussels
- Buenos Aires
- Chicago
- Frankfurt
- Hamburg
- Hong Kong
- London
- Madrid
- Melbourne
- Miami
- Milan
- Montreal
- Munich
- Osaka
- Paris
- San Francisco
- Seattle
- Seoul
- Singapore
- Stockholm
- Sydney
- Tel Aviv
- Toronto
- Vancouver
- Vienna
- Washington D.C.
- Warsaw
- Zurich

INTRODUCTION: SYDNEY'S GROWTH CYCLE IN PERSPECTIVE

Image Destination NSW

SYDNEY THE CONTENDER

The universe of city benchmarks has become a very useful tool for those interested in the future of cities. There are now more than 400 benchmarks of cities globally, spanning nearly every dimension of urban performance, and surveying multiple types of 'customers' and 'audiences' for hundreds of cities. These benchmark results altogether comprise well over 100,000 data points of city scores and relative positions, which are themselves informed by over a million indicators and sub-indicators.

Benchmarks have many uses and purposes. One way to apply the growing body of city benchmarks produced around the world is to assess cities' capability and readiness to compete successfully in a variety of globally traded markets, and to manage their growth as they compete globally and attract new kinds of activity. Benchmarks can help to spot patterns of cities sharing similar profiles and strategic perspectives over more than one cycle.

In the last five years, the data and benchmarks of cities demonstrate that Sydney has established itself in a high-performing 'second division' of 'Contenders'. This group of 10 cities have separated themselves from the rest and possess the assets and aspirations to join the long established global centres – London, New York, Hong Kong, Singapore, Seoul, Paris and Tokyo.

Source: JLL/The Business of Cities[1]

Sydney has become a core member of this group of 'contenders' as it has developed its metropolitan scale, become a popular choice for global investment capital, and become a gateway to international students, all while continually expanding its visitor and corporate economies. In this sense it shares many characteristics with Toronto, San Francisco, Amsterdam and others. As a result, it is a city that retains huge global appeal and attraction, while also experiencing very distinct and novel challenges about how to manage and optimise the demand.

SYDNEY'S GLOBAL POSITION

As a metropolitan region, Greater Sydney is growing faster than most. As an urban region it is now among the 75 largest in the world by population, and its total economic output places it among the 50 largest urban economies. Overall, Sydney's combined scale puts the city on a par with Greater Miami, Greater Toronto and Metropolitan Barcelona, three cities with which it shares many inherited features and assets (see Table 1).

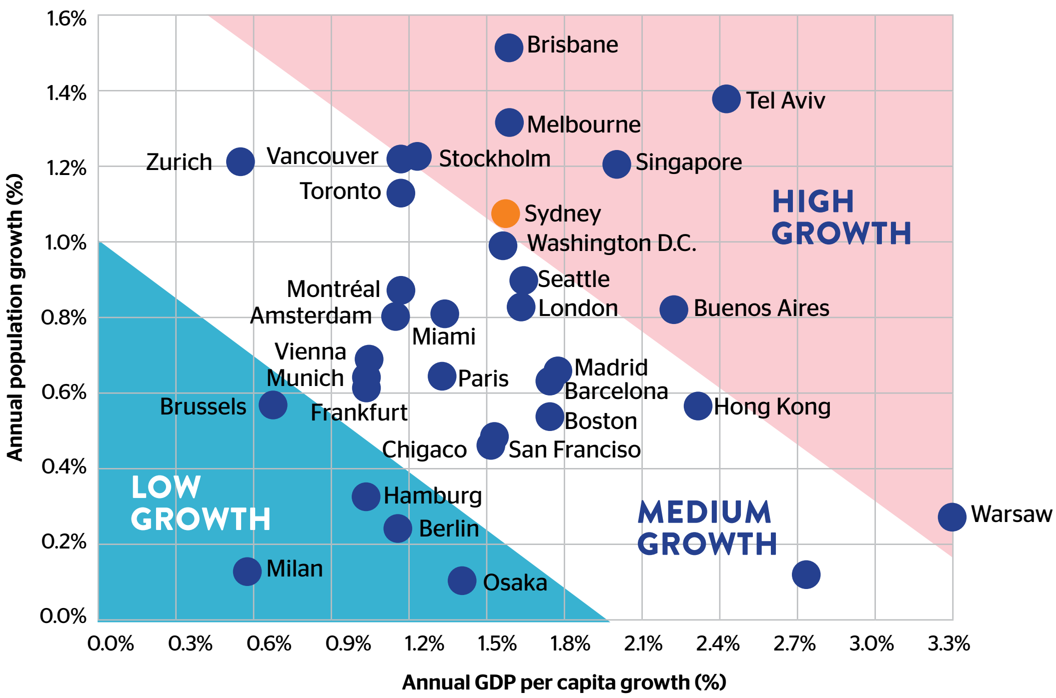
Table 1: Sydney's key metropolitan level statistics, 2017

		Global position
Population	5.1 million	74th
GDP	$254 billion	50th

Source: JLL.

Sydney's recent rate of growth continues to exceed that of most other similar cities. From 2000 to 2016, among its 33 core peers identified in this report, all successful growing cities, Sydney is among the 10 fastest growing in terms of jobs and population. It is growing faster than other contenders such as Toronto, Madrid, Amsterdam and Washington D.C. Looking ahead it stands out for being among a group of advanced cities that are growing well above average in terms of both economy and population (see Figure 2). This growth is set to continue over the next period, with total population growth surpassing 100,000 annually.[2] Up to 2025, Sydney's growth pattern more closely resembles other success stories such as Stockholm and Vancouver.

Figure 2: GDP per capita and population growth by city, 2015-2025



Sources: McKinsey Urban World, UN

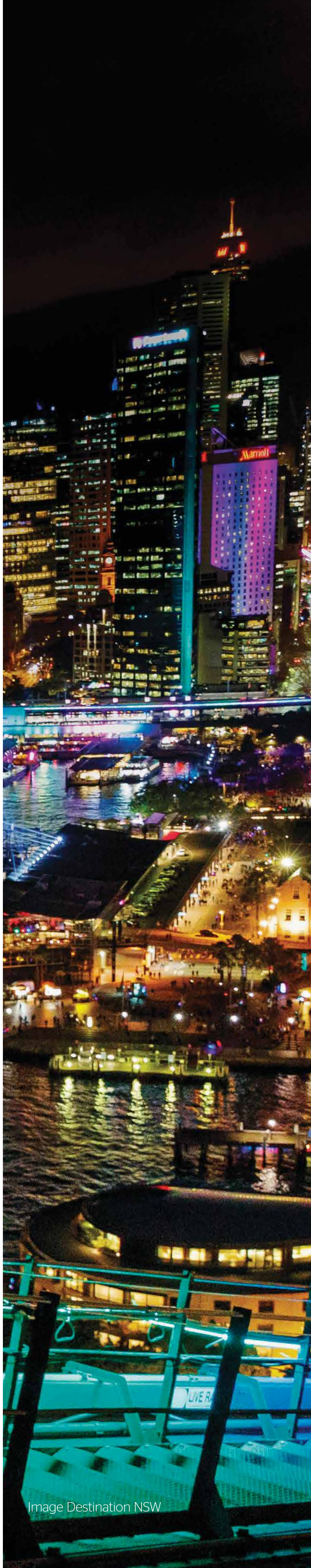
The distinctive character of Sydney's growth presents many opportunities, but also risks. Rapid growth requires sharper growth management. More will depend on Sydney developing the toolkit and growing its metropolitan institutions to manage growth in a way that sustains the city's lifestyle, appeal and reputation. The launch of the Greater Sydney Commission's new *A Metropolis of 3 Cities* plan, in tandem with the *State Infrastructure Strategy*, is one important step forward in this regard. Benchmarks will become an important tool for assessing this progress.

In terms of economic size, Sydney's neighbouring peers include Toronto and Barcelona. However, despite growth Sydney still ranks just 131st globally for GDP per capita, putting it on a par with larger European cities such as Madrid and Milan (see Table 2).

Table 2: Sydney's economy in relation to its neighbours and global peers, 2017

	GDP ($US bn)	GDP rank	GDP per capita ($US)	GDP per capita rank
Chicago	602	14	63,500	44
Singapore	501	20	83,900	12
Washington D.C.	478	24	76,500	18
San Francisco	439	27	90,000	11
Hong Kong	431	28	56,100	81
Boston	408	30	81,900	13
Madrid	338	35	48,600	126
Seattle	316	37	81,200	14
Miami	314	39	50,600	111
Toronto	299	42	45,900	149
Sydney	254	50	47,900	131
Barcelona	214	60	41,800	191
Melbourne	199	65	41,100	199
Berlin	197	67	43,200	176
Milan	190	69	45,200	153
Stockholm	160	88	69,000	28
Frankfurt	158	90	59,500	59
Munich	144	100	65,600	41
Vienna	121	121	54,700	88
Amsterdam	105	138	62,900	46

Source: JLL Global 300.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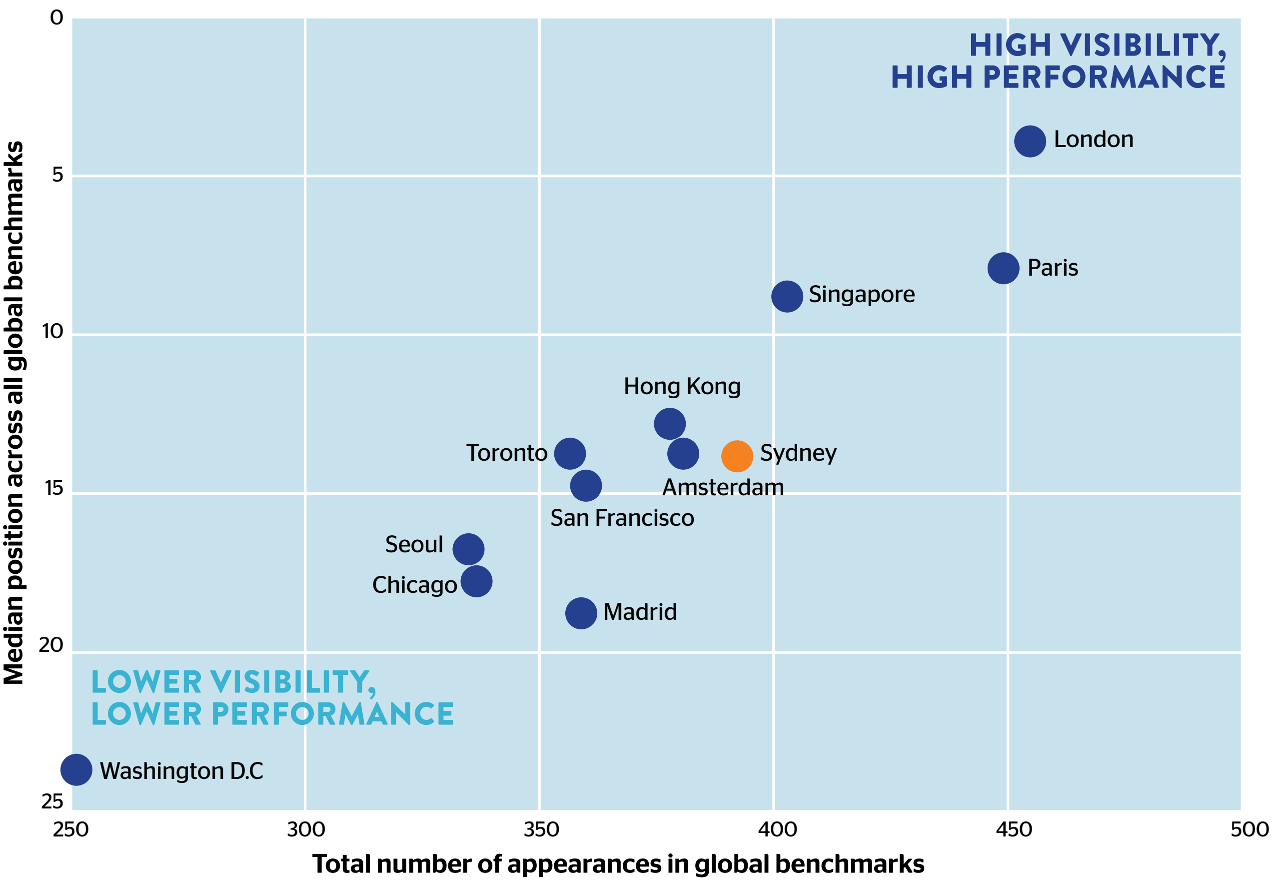
SYDNEY'S OVERALL PERFORMANCE AND VISIBILITY IN BENCHMARKS

Sydney remains a highly visible city in global benchmarks in 2017/18. Across more than 400 global indices, rankings and benchmarks, Sydney is currently the world's 6th most frequently featured city, up two places since 12 months ago, and still by far the highest profile city in the Southern Hemisphere.

In comparison to all cities that are frequently ranked, Sydney is also 8th highest in terms of its median position. Across all measures, Sydney's visibility and performance puts it ahead of other global contender cities such as Amsterdam, Toronto, Madrid and Chicago (see Figure 3).

Figure 3: Visibility and performance of Sydney in global benchmarks, compared to selected peers



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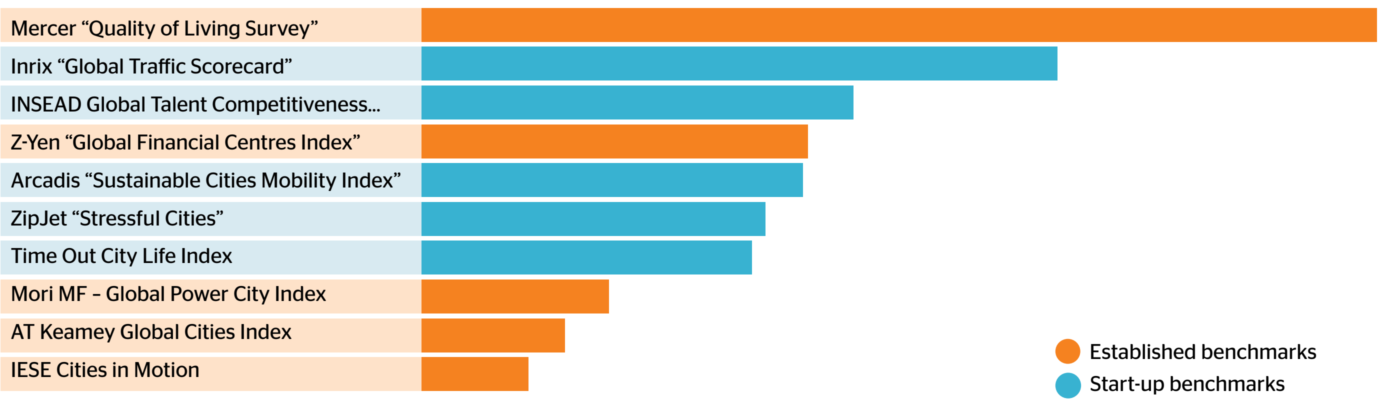
HOW CITY BENCHMARKS ARE CHANGING

This has been a year of change in the universe of city benchmarks.

Firstly, **a new generation of start-ups have launched their own benchmarks of city performance**, leveraging new data mining and aggregation techniques. They reveal cities' performance across a wider range of indicators than before, and include insights into global audience perceptions as well as local performance. These new benchmarks usefully complement the established benchmarks created by leading global consultancies, real estate companies and media companies (see Figure 4).[3]

Secondly, **there has been a shift to focus on a wider set of themes to define city success**. Whereas established city benchmarks focus on fundamentals of competitiveness, investment attraction, infrastructure platform and economic specialisation, a new wave of benchmarks are responding to urban growth and urban management agendas. They reveal not just whether cities have the ingredients to attract growth, but also how well they are managing such growth. The outcome is a much broader set of measures on quality of life, career opportunities, sustainability, destination brand, governance, investment, affordability, and natural environment (see Table 3).

Figure 4: Relative media influence of a sample of 10 global benchmarks, 2017-2018



Source: Google News, month after benchmark release.

WHAT CITY BENCHMARKS MEASURED 5 YEARS AGO	WHAT CITY BENCHMARKS MEASURED TODAY
ECONOMIC PERFORMANCE	COMPETITIVENESS
	RESIDENT AND LONG TERM LIVEABILITY
QUALITY OF LIFE FOR EXPATS	BRAND, IDENTITY AND PERCEPTION
	SMARTNESS
COST OF LIVING	CULTURE AND NEIGHBOURHOOD VIBRANCY
	RESILIENCE
	BUSINESS AND INSTITUTIONAL INVESTMENT
TOURIST NUMBERS AND EXPERIENCE	AFFORDABILITY
	SOCIAL COHESION AND INTEGRATION
REAL ESTATE INVESTMENT	LEADERSHIP AND INSTITUTIONS
	INNOVATION ECO-SYSTEMS

Table 3: Number of new global benchmarks launched in past year, by theme

	No. of new benchmarks
Destination Appeal & Brand Identity	11
Quality of Life	9
Natural Environment, Sustainability & Resilience	5
Research, Technology, Innovation and Talent	5
Smartness & Governance	3

Source: The Business of Cities. *"New benchmarks" refers to new benchmarks that do not have previous editions, not including sub-indexes, added between May 2017 and May 2018.

In many of the areas now being measured using more nuanced approaches, Sydney has traditionally performed very well. As we highlight in the sections below, Sydney is slipping in some of its key areas of comparative advantage, as new benchmarks reveal patterns of performance and perception across the whole of Greater Sydney.

Table 4: Ranking Sydney against other 'contender' world cities

Areas where Sydney ranks among top two of the contender world cities
Higher education appeal
Air pollution
Visitor brand and identity
Real estate investment transparency
Global reputation for scenic assets and safety

Areas where Sydney ranks among bottom two of the contender world cities
Public transport coverage and efficiency
Cost of living for expats and students
Variety of cultural attractions and anchor infrastructure
Technology and digital readiness for the future
External perception of nightlife offer

In the following sections we examine Sydney's performance in 14 different areas that underpin its growth and competitiveness, and review its year-on-year progress in each.

BUSINESS AND FINANCE

GLOBAL FIRMS

Sydney is continually growing its status as a preferred location for firms in globally traded sectors. AT Kearney's *Global Cities Index* sees Sydney continue to rank in the top 20 of 125 cities for business activity globally, holding a steady position at 17th since 2017.[4] In the 2017 *Global City Power Index*, Sydney has improved 5 places year on year for global headquarter presence.[5] However, Sydney surprisingly lags other cities in terms of the presence of global retail firms, remaining steady at 76th globally, and 24th among its 32 peers for this measure.[6]

FINANCIAL SERVICES

Sydney is maintaining its position as the leading global financial centre in the Southern Hemisphere. In 2018, it is the 9th most highly rated financial centre in the world, down slightly from a previous high of 8th last year. Within the Asia Pacific, Sydney sits just behind Singapore, Hong Kong and Tokyo, but has also been overtaken by Shanghai in measures of both perception and activity since the last report.

Sydney is among a small group of medium-sized global 'contenders' (e.g. San Francisco, Chicago) whose financial services offer is increasingly competitive with that of the most established world cities. The city is highly regarded for banking (11th), professional services (12th) and government/regulation (12th), although not yet among the top 15 for insurance services. Among financial professionals, Sydney stands out for financial sector infrastructure (7th) and reputation (14th). Where it is slightly behind is its talent base and financial sector maturity (both outside the top 15).[7]

Benchmarks also testify to Sydney's ongoing fintech sector growth. By the end of 2017, the number of fintech start-ups in Australia had increased more than six-fold since 2014, with over 60% of these firms located in Sydney.[8] The largest ever global survey of start-up ecosystems recently identified Sydney's fintech sector as "one to watch", while other studies observe an opportunity for Sydney to overtake Hong Kong and Singapore and become Asia-Pacific's leading fintech hub, building off the back of the large finance and insurance sector presence in the CBD.[9]

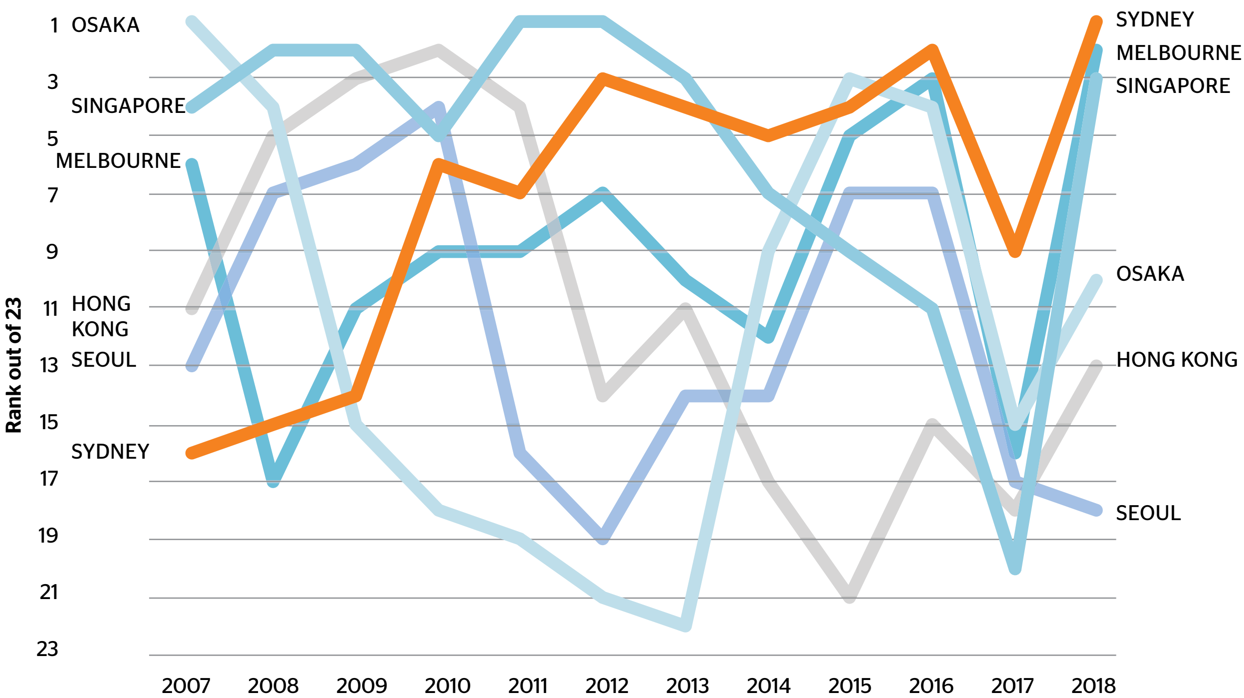
INVESTMENT ATTRACTION

Sydney has consolidated its position as a top destination for global corporates and capital. The city ranks 1st for both investment and development prospects in ULI and PwC's *Emerging Trends in Asia Pacific Real Estate*, a big jump from 9th in 2017. This result reflects Sydney's combination of a deep and liquid market of core assets and better-than-average yield.

Relative to other cities, a major draw for investors over the past year has been Sydney's strong forecast office rental growth.[10] Figure 5 highlights the long upward trend for Sydney since the peak of the global financial crisis.

Sydney's office market has performed particularly impressively. In the latest *JLL Global Office Index*, Sydney ranks 1st out of 125 cities worldwide for prime office rental growth. Its annual rental growth of 17.4% puts it well ahead of other contender cities.[11]

Figure 5: Change in rank in 'city investment prospects' over time



Source: PwC/ULI Emerging Trends in Real Estate Asia Pacific (publication series).

Sydney's recent exceptional record of investment has been partly driven by its highly transparent real estate sector. In the latest *JLL Real Estate Transparency Index*, which measures overall stability and trustworthiness for investors, Sydney ranks 3rd overall, just behind London and New York. The excellent access to high-quality and trusted information sources about how well investments are performing (5th) is a major advantage over other contenders such as Amsterdam (35th), Toronto (37th) and Madrid (58th).

Sydney's popularity with international business investors reflects confidence in the city's prospects boosted by the recent infrastructure investment surge. In 2017, international investors represented around a third of total transactions in the city, and overall FDI flows increased, in contrast to the slowdown observed in flows to established cities around the world.[12] Sydney also continues to excel for the numbers of corporate expansion and co-location projects. In the most recent edition of fDi's Re-investment Ranking, the city ranks 10th worldwide for this measure, and is the only medium-sized global contender city to feature in the top 10.[13]

For cross-border real estate investment Sydney has fallen from 13th to 17th globally, although this is still some way ahead of Toronto and San Francisco.[14] Strikingly, however, new transport infrastructure is making several secondary satellite markets more appealing, which is in turn encouraging foreign funds to pursue more investment outside of the CBD, which is an important ingredient in the development of the Metropolitan Plan.[15]

At the global level, the amount of capital allocated to real estate and other fixed assets is still growing. But the number of cities considered highly investable is not currently growing as fast. This is leading to competition, and also means investors are becoming more interested in different attributes – the potential of secondary centres, wholly new greenfield developments, and other projects. What is apparent is that Sydney's metropolitan strategy offers a very attractive investment prospect because it will unlock multiple new centres of different sizes, scales and character.

BUSINESS FRIENDLINESS

Sydney's business friendliness has remained steady but still has room for improvement. On the one hand, the latest Global Power City Index shows that Sydney performs fairly well for levels of political, economic and business risk (13th). On the other hand, Sydney retains a high corporate tax rate (27th), which continues to represent a disincentive for potential investors. Sydney also does not make it into the latest top 10 Asia Pacific cities for business friendliness in the latest version of fDi's Asian Pacific Cities of the Future, whereas peer cities such as Singapore and Hong Kong do.

National barriers remain a key part of the equation for Sydney's relative business friendliness. Australia is very competitive in terms of the time and number of procedures to start a business (4th and 7th out of 137 countries),[16] and improvements in tax payment systems (37th to 23rd) are welcome.[17] However cluster development (51st), restrictive labour regulations, and inefficient government bureaucracy remain important disincentives for doing business in the country.[18,19]

In the latest *JLL Real Estate Transparency Index*, which measures overall stability and trustworthiness for investors, Sydney ranks 3rd overall, just behind London and New York.

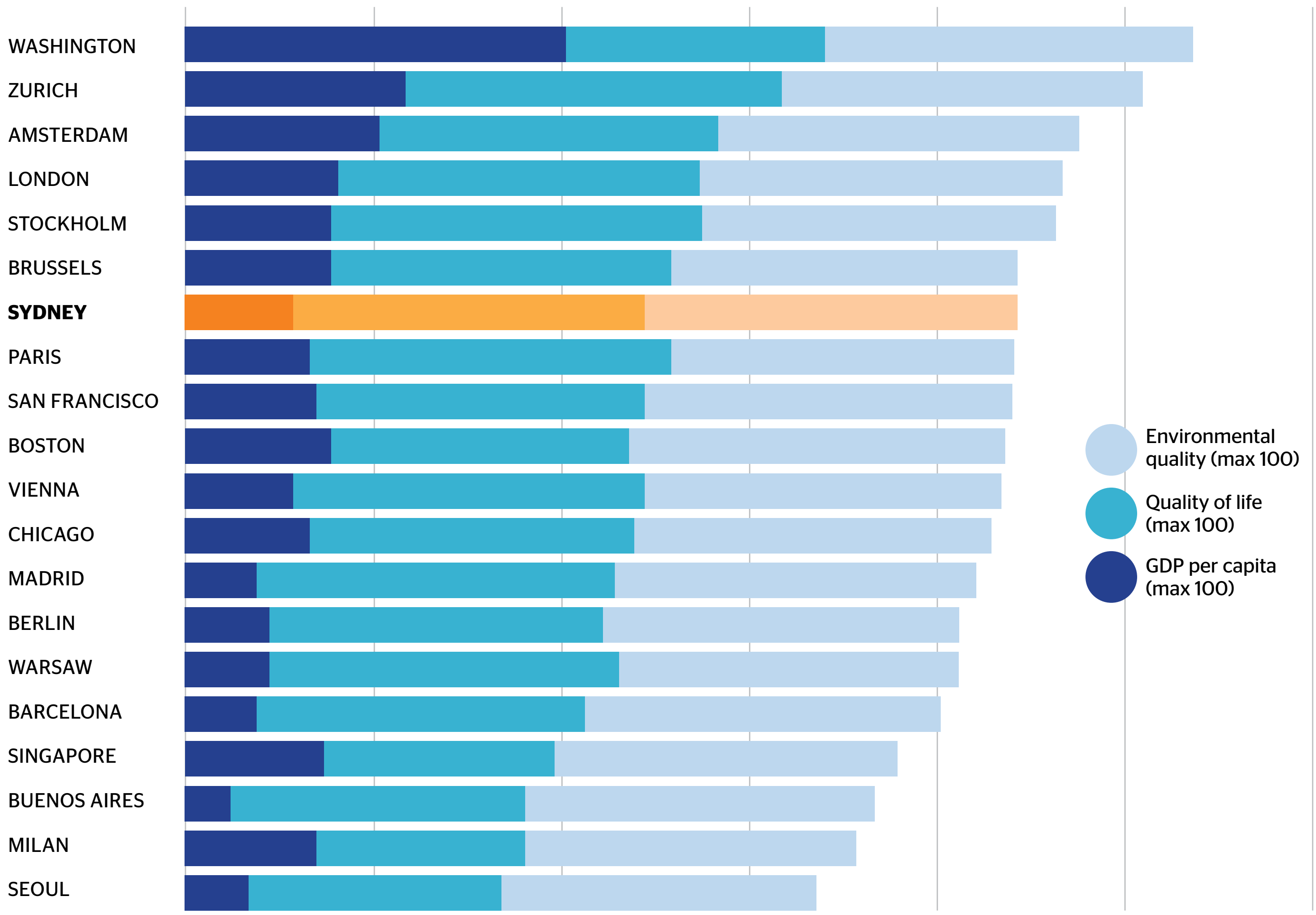
KNOWLEDGE AND ECONOMY

TALENT AND LABOUR MARKET

Relative to other top cities, it has become clear that Sydney is becoming increasingly less welcoming to global talent. In INSEAD's major study of talent competitiveness, Sydney now ranks 20th out of 90 cities, or 12th among 20 peers – well behind Amsterdam (11th) Washington D.C. (6th) and San Francisco (8th).[20]

INSEAD analysis indicates that while the city's ability to attract talent remains strong, although quality of life as the driver of this appeal is not as strong relative to some cities as it has been (see Figure 6), Sydney increasingly falls down on talent retention. Sydney ranks favourably for its safety, and high-performing and well-regarded university system, but is held back by unaffordable rent, challenges to support key workers, and low spending on the kind of R&D to build the talent base.[21] These factors also hold Sydney back in the Global Power City Index main measure of securing talent (14th out of 44 cities).

Figure 6: Factors attracting talent to Sydney in comparison to peers



Source: INSEAD Global Talent Competitiveness Index 2018.

Threats to Sydney's ability to attract and retain talent are also increasingly registering in large-scale perception benchmarks. Sydney's reputation as as a popular city in which to work among highly educated career-age talent has slipped in recent years. Results from the latest edition of Boston Consulting Group's *Decoding Global Talent Report* show that the gap in attractiveness between leading cities and the rest has shrunk over time and more career-age workers are willing to move to the top 30-40 global cities to find employment (see Figure 7). However, in relative terms others are moving ahead of Sydney. Today, Sydney is perceived as being only the 9th most popular city in which to work globally, and has been overtaken by Los Angeles, Dubai and Amsterdam since its previous ranking of 4th in 2014.

Figure 7: Change in attractiveness to workers, 2014-2018, based on percentage of global citizens willing to move to cities for work

2014		2018	
1	London	1	London
2	New York	2	New York
3	Paris	3	Berlin
4	Sydney	4	Barcelona
5	Madrid	5	Amsterdam
6	Berlin	6	Dubai
7	Barcelona	7	Los Angeles
8	Toronto	8	Paris
9	Singapore	9	Sydney
10	Rome	10	Tokyo

Source: Boston Consulting Group.

But despite obvious challenges in attracting and retaining career-age workers, measures of talent that focus on international students and university quality continue to see Sydney rank highly. Sydney is up to 15th of 165 cities in the *Cities in Motion Index* for human capital because of these factors, as well as the high spend on leisure and recreation.[22] The human capital dimension of the Global Cities Index, which also has a strong focus on education, also sees Sydney climb 2 places to 13th.[23]

In general, these results reflect the national situation. Latest national-level data show that Australia as a whole has a higher capacity for attracting talent (17th) than for retaining it (23rd), ranking 17th and 23rd respectively out of 137 economies worldwide.[24]

Sydney continues to boast a strong labour market that puts the city firmly on a par with other global 'contender' cities worldwide. In Nestpick's Millennial Cities Ranking, Sydney has climbed 4 places since 2017 and now ranks 29th of 100 cities for low unemployment.[25] In other measures of unemployment, Sydney ranks at least 15 places ahead of peers such as Toronto, Amsterdam, and Madrid. This is reflective of the city's ability in the current cycle to generate jobs across the income and skills spectrum.[26]

HIGHER EDUCATION

Sydney's momentum remains strong in benchmarks measuring higher education performance. In the most recent version of QS' *Best Student Cities*, Sydney ranks 9th, up 4 places from 2017.[27] The city's attractiveness to students has overtaken that of Vancouver, Toronto and Hong Kong and has been bolstered by a diverse student mix (2nd), high desirability (4th), and a large jump in student recommendations (up 14 places from 38th to 24th.[28] This demonstrates that students are increasingly beginning to play an ambassadorial role for Sydney.

Although the city has fewer higher education institutions than some of its peers, they are nevertheless consistently rated highly for research impact. Sydney ranks 10th for education in the EasyPark *Smart Cities Index*, or 6th out of 30 peers, because of these factors.[29,30] The global appeal of the university system in Sydney continues to underpin the city's high scores in this area, even though attainment of the domestic population is lower than in other contender cities.

Image Destination NSW

RESEARCH AND INNOVATION

Sydney continues to benefit from investment and support in its innovation ecosystem but benchmarks show that it is still behind the global top 20 in this field. In 2018, Sydney misses out on being included in the UN Habitat *Technology Innovation Index*, which ranks the top 20 cities for innovation globally.[31] Meanwhile Sydney is also outside the top 20 in the innovation dimension of the latest AT Kearney *Global Cities Outlook* and Startup *Blink's Global Ranking of Start-up Ecosystems*,[32] which rate cities on patents per capita, the volume of private venture capital investments and the number and strength of university-sponsored incubators. The former index puts Sydney's innovation potential on a par with Washington DC and Zurich and well behind other contenders such as Toronto, Amsterdam and Stockholm.[33]

However, there are areas of promise. Sydney ranks 14th out of 100 in a new index, which accords more weight to start-ups that have raised over €100,000 in funding since 2016.[34] In Startup Genome's annual study, Sydney emerges as the 4th best city worldwide for local relationships between founders, aided by networks such as the Sydney Startup Hub, which helps to connect Sydney with other start-up communities throughout the state.[35,36] Sydney also possesses recognised strengths in fintech, digital media and adtech.[37]

But commercialisation of Sydney's existing R&D remains a key deficit. Sydney has dropped 2 places since 2016 here, and now ranks 12th out of 24 peers, behind Osaka, Washington D.C. and Berlin. This decline is primarily due to a fall in the city's readiness for accepting researchers (from 10th to 13th out of 44) and opportunities for interaction between researchers (from 6th to 12th).[38] Additional national data also verifies that university-industry collaboration (from 20th to 32nd), the volume of venture capital deals (from 16th to 22nd), and knowledge impact (from 47th to 62nd) are all on the slide relative to the gains experienced elsewhere around the world.[39,40] This underscores the fact that although efforts to accelerate the innovation economy are underway, there is a risk that Sydney might miss out on the many rewards of the innovation economy.

LIFESTYLE AND ENVIRONMENT

Image Lendlease

LIVEABILITY

Sydney is still a leader in terms of quality of life, but the benchmarks signal that its liveability edge may be diminishing. The global benchmarks increasingly measure a liveable city in terms of resident experience, with less focus on access to natural attractions such as waterways and beaches. Sydney's advantage is being eroded as more attention is trained on the full spectrum of metropolitan residents, access to amenities, and affordability for young professionals.[41]

In the established liveability benchmarks that emphasise safety and longevity, Sydney continues to perform very well. In the latest Mercer *Quality of Living Survey*, the city ranks 10th out of 231, or 6th out of its 33 top peers. The Economist's Safe Cities Index sees Sydney place 7th, well ahead of London (20th) and Paris (24th) while in its new Liveability ranking Sydney jumps up to 5th on account on improved security performance.[42] And in the Global Power Cities Index, Sydney's liveability ranking has climbed 14 places, from 30th to 16th globally, primarily due to an increase in safety (12th to 2nd for number of murders per million residents), life expectancy, and lower relative risks of natural disaster (28th to 8th).[43] Among the world's top 25 cities, Sydney has also climbed 2 places from 7th to 5th for personal-well-being in AT Kearney's Global Cities Outlook.[44] Access to green spaces continues to be a key advantage for the city across a range of measures.

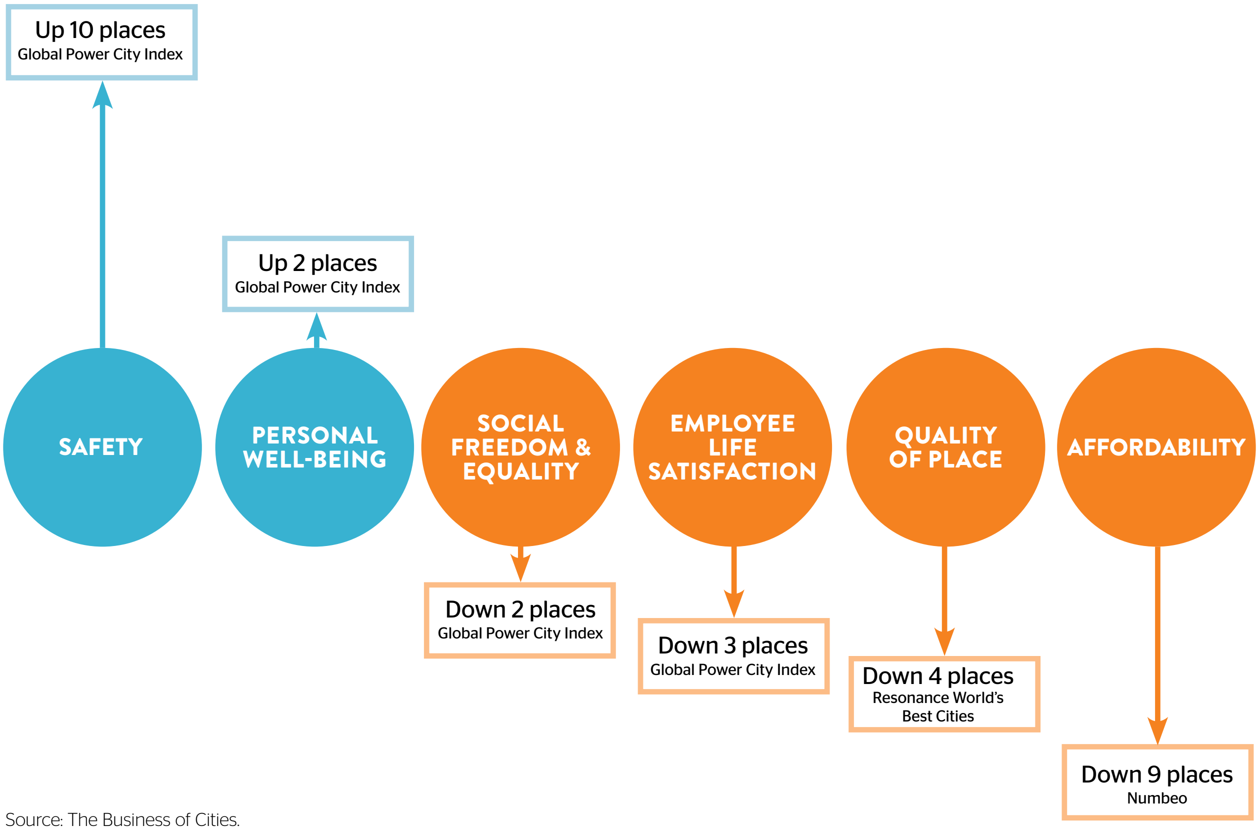
Sydney also continues to be very highly regarded as a place to live. In IPSOS' new study of the best cities in which to live, based on the responses of over 18,500 adults across 26 countries, Sydney emerged 2nd only to Zurich.[45] This is an important brand advantage and driver of interest in the city for workers, students, investors and families.

However, a number of studies that examine a wider set of factors show Sydney slipping slightly (see Figure 8):

- The Lee Kuan Yew School of Public Policy Global Liveability Cities Index sees the city rank only 12th.
- In new indices that measure **family-friendliness and stress** in the world's cities, Sydney's employee life satisfaction has slipped from 7th to 10th, while social freedom, fairness and equity has also declined, from 10th to 12th. The city's physical health is only 36th out of 150 cities, and happiness is 17th out of 100.[46]
- Sydney's overall **quality of place** has also seen a relative decline since 2017. In the *Resonance World's Best Brands Index*, Sydney has slipped 4 places for this measure, and now ranks 7th, down from 3rd in 2017.[47]
- Quality of place is further compromised by **low walkability**. Online data provider *WalkScore* ranks Sydney 10th out of 12 peers, ahead of only other Australian cities.[48] Sydney's score is held back by lower than average pedestrian friendliness, high average block length and low density of intersections compared to other cities. This is an example of how Sydney's sprawl pattern is not conducive to high scores in this new generation of studies of amenities and lifestyle in the world's cities.
- **Access to lifestyle amenities** is low – in terms of access to a variety of restaurants and retail shops, Sydney continues to rank relatively poorly, at 34th and 38th out of 44 leading cities respectively.[49]
- **Affordability is declining**. *The Global Power City Index* shows that average housing rent and overall price levels have remained as high as ever by global standards.[50] Together with high relocation costs, these affordability pressures partly explain why Sydney is still not perceived as a top location for the widest range of global expats, ranking just 44th out of 51 cities – or 17th among 18 peers – in ExpatInsider's index on talent appeal.[51]

Image Destination NSW

Figure 8: Areas of liveability where Sydney has improved and declined since 2017



Source: The Business of Cities.

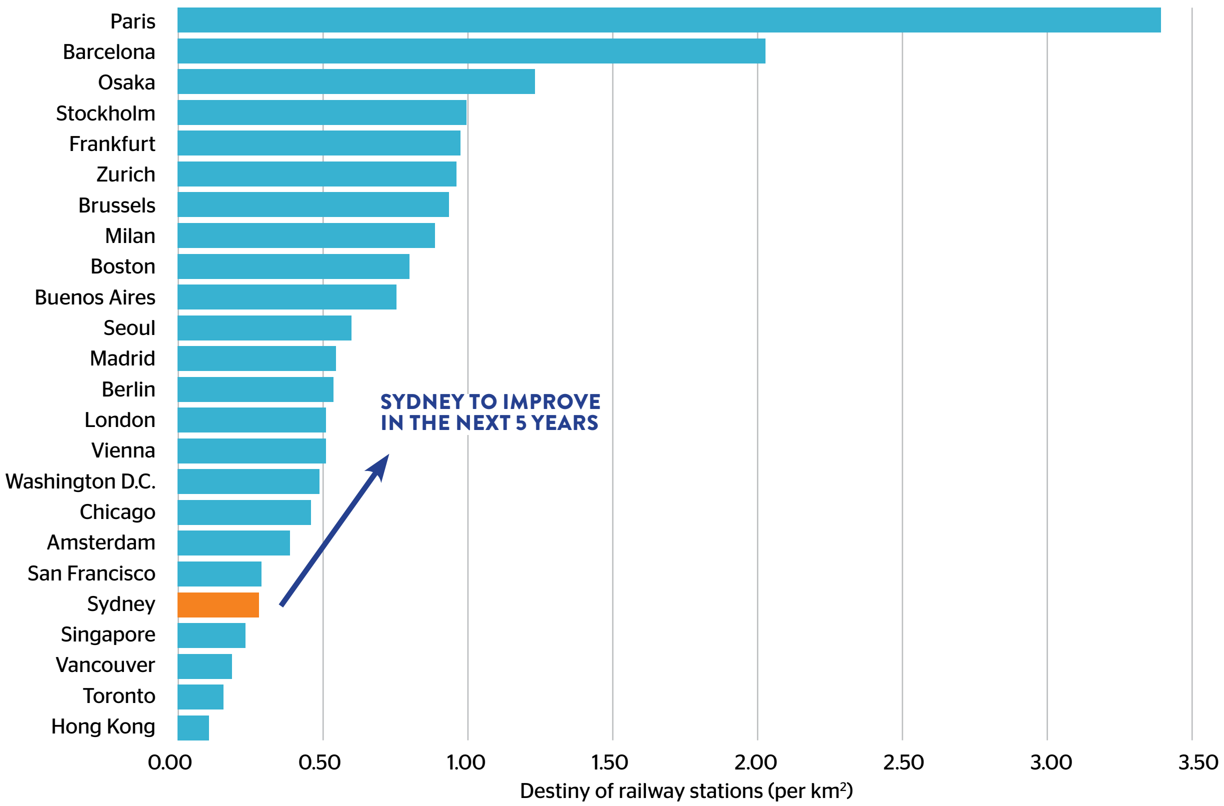
Taken together, the above results effectively add up to a fraying liveability equation for Sydney – particularly for young professionals seeking a high amenity high affordability lifestyle. As talent and the firms they comprise becomes increasingly mobile and more inclined to vote with their feet, this could represent a key competitive concern for the city moving forwards.

TRANSPORT AND INFRASTRUCTURE

As investment in system upgrades continues, the rating of current public transport continues to be an area of comparative disadvantage for Sydney. Access to the CBD and the main airport is a relative advantage, but until the current cycle of new infrastructure comes online, Sydney remains behind in terms of density and coverage of stations, cost and reliability, slipping to 27th of 44 cities (see Figure 9).[52] In the IESE *Cities in Motion Index*, Sydney's transportation ranking has slipped 5 places since 2017, and the city now ranks 76th for this measure – more than 50 places behind Melbourne.[53] And in the Arcadis *Sustainable Cities Mobility Index*, the city now ranks 51st, down 21 places from its previous high of 30th.[54] Sydney's past of low public transport provision and monocentric development is really registering on the global numbers.

These figures highlight how welcome the current infrastructure 'catch up' investment will be, which should result in steady improvements over the next 2-3 years relative to the world's cities. Over the longer term, the vision of a 30-minute metropolitan city has the potential to catapult Sydney right up the rankings of successful metropolises and, in so doing, to sustain a pillar of the city's position among the world's quality of life leaders.[55] A new Deloitte benchmark of the readiness of cities for future mobility confirms these findings. It shows that while Sydney's transport system falls down on its resilience, quality of service and levels of inclusion, its improving vision and leadership for transport (rated above average among 47 leading cities) now will be an important asset in translating to transport innovation and investment over the coming years.[56]

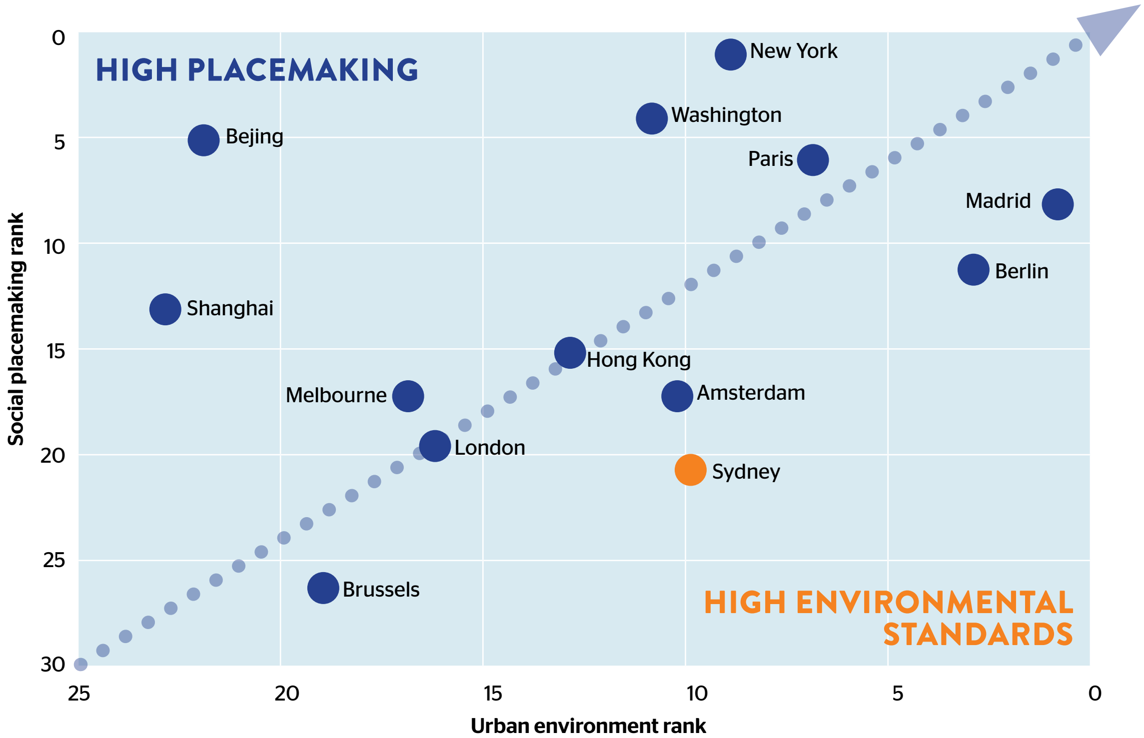
Figure 9: Density of railway stations per square kilometre by city



Source: Global Power City Index Yearbook 2017

New benchmarks of "softer" aspects of transport experience show Sydney is far from outstanding. In the Arcadis *Mobility Oriented Development Benchmarking Index*, which measures the design, environmental quality and connectivity of key transport hubs, Martin Place station – the highest ranked of the city's stations – ranks just 12th out of 25. On average, the city's stations perform better for their environmental sustainability and urban form than they do for their social placemaking credentials, but compared to other peers, stand out in neither category (see Figure 10). Finally, in a new measure of citizen satisfaction with the city's key ports of entry, including airports and major train stations, Sydney ranks 50th out of 100, ahead of Paris and Barcelona, but well behind San Francisco (34th) and Auckland (4th).[57]

Figure 10: Average placemaking and urban quality metrics of Sydney's major train stations in comparison to peers



**Based on average rank of all stations measured within city*

Source: Arcadis Transport Oriented Development Benchmarking Index.

Sydney's brand means it receives the benefit of the doubt from the global public about issues such as congestion. Multiple indexes of congestion and driving experience show that Sydney has become more congested more quickly than most of its peer cities.[58,59] But PwC's *Global Best Cities Report*, which surveyed 5,000+ business decision makers and general population adults from across 16 countries, found Sydney is perceived as having the 3rd lowest levels of congestion, just behind Amsterdam and Stockholm.[60]

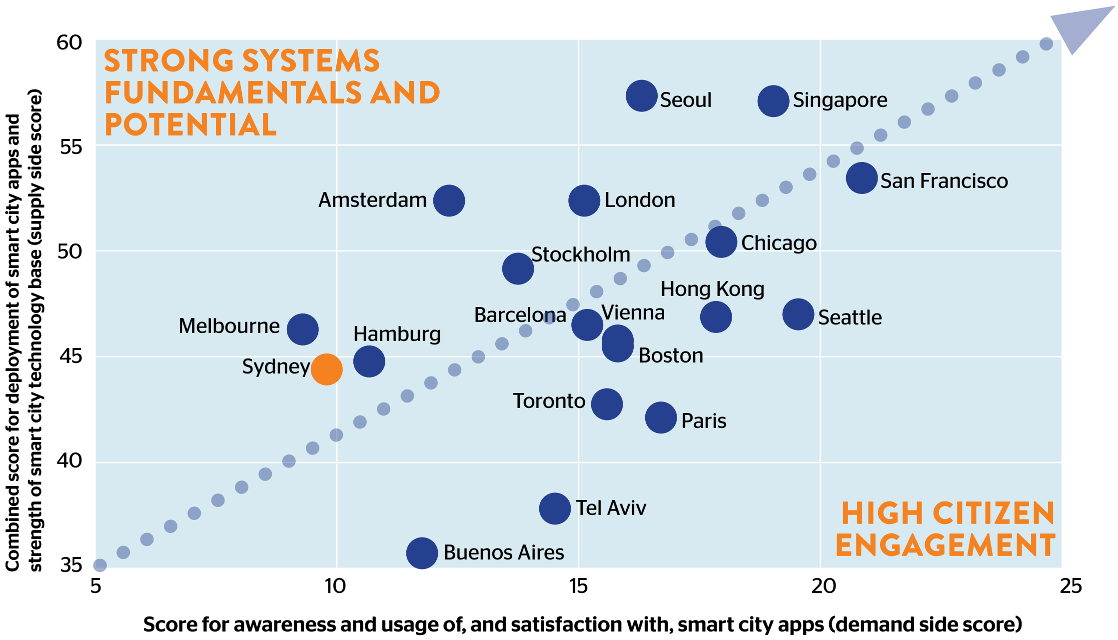
The next big area of infrastructure priority for Sydney is digital and smart connectivity. Over the past year, Sydney's technology ranking has slipped 17 places from 7th to 24th globally, due to other cities having made more substantial progress in implementing Wi-Fi hotspots and strengthening access to high-speed broadband.[61]

Meanwhile, ground-breaking new studies of smartness and readiness for the future highlight that despite potential, Sydney still has a long way to go before it can be considered a global leader in this field.

On the one hand, a number of new technology benchmarks highlight the latent potential provided by Sydney's strong mobile cellular data signal (2nd), the size of the city's car-sharing fleet (13th), and its readiness to roll out smart healthcare (2nd) and virtual service provision (3rd).[62] Sydney has a reasonable technology base enabling the deployment of applications for a range of purposes (see Figure 11).

On the other hand, Sydney does not record outstanding performances across any of the categories included in McKinsey's new benchmark of smart cities, ranking 17th among 19 peers, ahead of only Tel Aviv and Buenos Aires. It is striking that for citizen awareness and uptake in particular, Sydney lags all cities in the Asia-Pacific except for Melbourne and Tokyo, and also falls well behind some Indian cities.[63] PwC's new study of city technological and regulatory readiness also sees Sydney rank weakly for digitisation of culture and tourism (10th) and its open learning environment (8th).[64] These deficits currently constrain the potential to use technology to upgrade everyday experience and enjoyment of the city.

Figure 11: Sydney's smart city performance, supply and demand side, in relation to peers



Source: Adapted from McKinsey Global Institute.

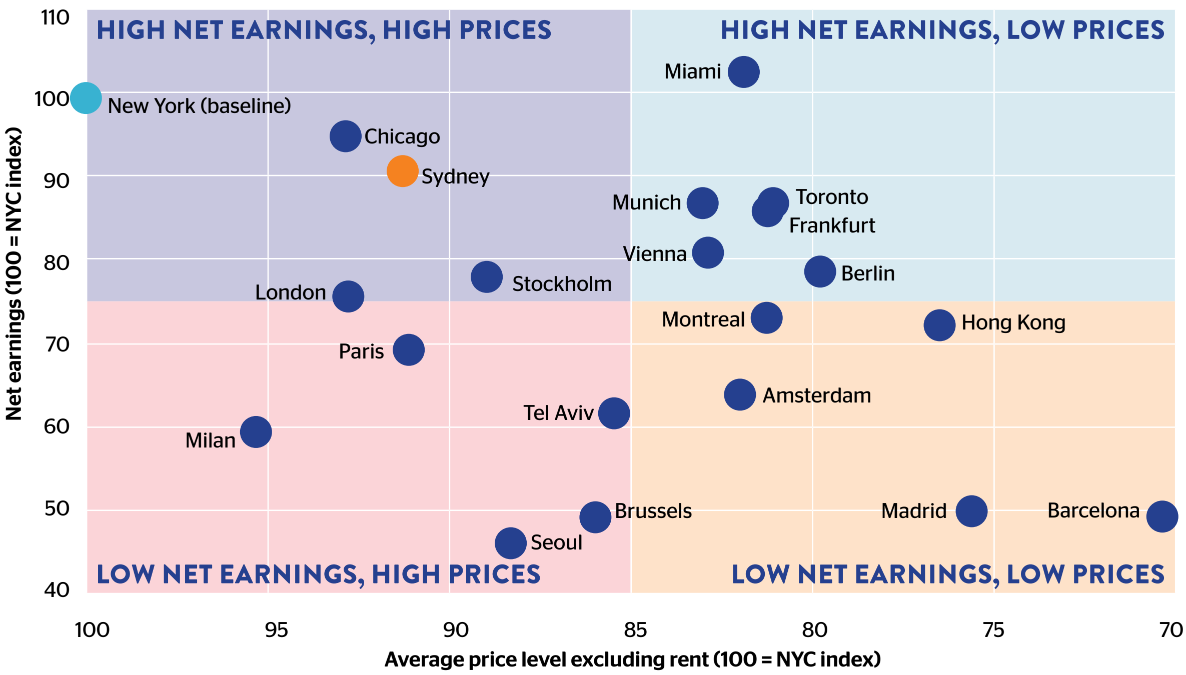
WAGES AND COSTS

Living and working in Sydney remains expensive even relative to other high-performing global contenders. Studies by Mercer (181st out of 209) and Deutsche Bank (40th out of 47) highlight the fact that the region's cost of living is still significantly higher than in many other peer cities such as Madrid, Amsterdam and Chicago, although relative costs have stabilised in some global indexes in 2018.[65] Rent increases have seen Sydney slip down the Numbeo *Cost of Living Index*.[66] And in a new index of financial attractiveness for mobile talent, which measures costs, wages and taxes, Sydney's overall package rates behind other medium-sized global contender cities such as Toronto.[67]

Housing costs outstripping wage growth is a key factor. Deutsche Bank now ranks Sydney 28th out of 47 cities for property prices to income ratios, or 12th out of 19 peers.[68] This puts the city on a par with housing markets such as San Francisco and a long way behind Melbourne. And in two new studies of student accommodation, Sydney ranks as the 4th most expensive location, ahead of all peers except for Boston and San Francisco.[69,70]

New analysis by UBS shows that Sydney has the 5th highest price level (excluding rent) among 23 peers, or the 11th highest worldwide. This is despite the city also having relatively high net earnings – 4th among peers or 10th worldwide (see Figure 12).[71]

Figure 12: Sydney's average price level and net earnings in comparison to peers



Source: UBS.

New benchmarks also show that Sydney is one of the most unaffordable in the Asia-Pacific for visitors, while the cost of food and restaurants is also 86th of 100 cities, on a par with London, Paris and Tokyo.[72 73] Although demand remains high, this constitutes a significant risk to Sydney's sustained ability to attract and retain international talent.

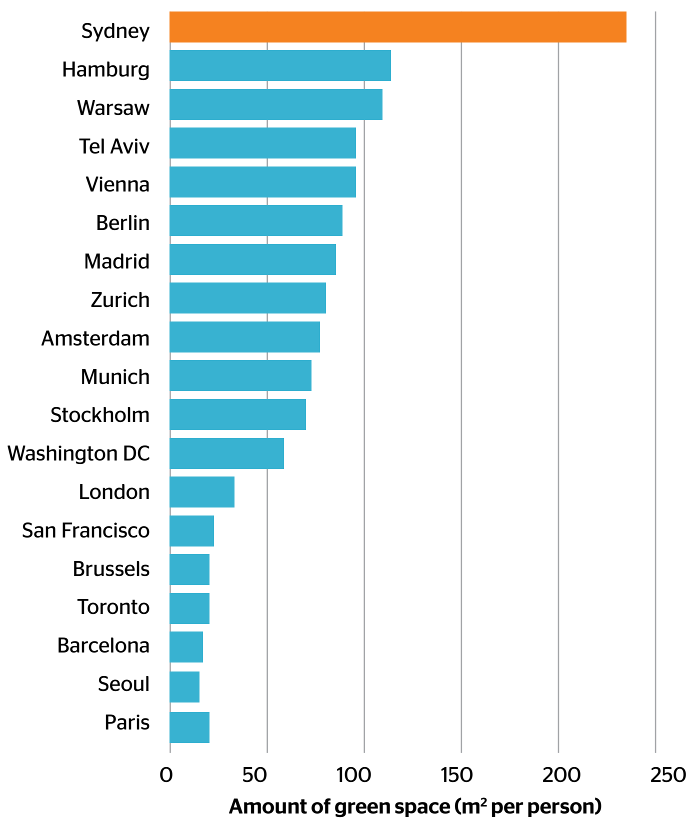
The unaffordability challenge also adds to the imperative to improve productivity. In IESE Cities in Motion's economy measure Sydney has slipped 18 places from 17th to 35th globally because of relatively flat productivity growth and lower motivation for early stage entrepreneurial activity.[74] Meanwhile, the latest Global Metro Monitor sees Sydney rank only 16th among peers for GDP per capita growth over the 2014-2016 period, behind many of the other contender cities, such as San Francisco (2nd), Madrid (4th) and Amsterdam (10th). A transition into the innovation economy will be one important route into a higher wage economy.

SUSTAINABILITY AND RESILIENCE

As sustainability benchmarks evolve and become more complex, Sydney's performance is starting to appear less favourable. The city has traditionally tended to perform well in this field, because the city's low-density development model inadvertently favours metrics assessing green space and low pollution. But as the benchmarks increasingly favour measures of policy, co-ordination and supply chain management, Sydney's performance is slipping.

All-round environmental performance is still strong. Sydney ranks 9th out of 44 cities for environment in the *Global Power City Index*, and 22nd out of 165 cities in the *Cities in Motion* index, up 8 places from 2017.[75] These strong performances are largely due to low air pollution (the lowest among 44 cities globally) and high levels of recycling (only 37% of waste is currently sent to landfill).[76] Benchmarks measuring the city's natural assets also place Sydney among the top cities in the world larger than 4 million people for access to green space, woodland and parks (see Figure 13).[77]

Figure 13: Amount of green space per inhabitant in comparison to peers, 2018



Source: TravelBird Green Cities Index.

Sydney's building and water management is also very competitive. In a new index measuring the percentage of office buildings meeting green standards, Sydney ranks 3rd, just behind Vancouver and Toronto.[78] It also ranks 13th in the most recent version of the Arcadis Sustainable Cities Water Index, or 6th out of 18 peers, reflecting recent commitments to protect the water supply and diversify its water portfolio.[79]

However, Sydney's overall environmental performance continues to be held back by high CO_2 emissions, high reliance on fossil fuels, and energy intensive systems. Only 16% of energy is currently supplied by renewables.[80] In one measure, Sydney ranks 90th out of 100 cities for its high CO_2 and greenhouse gas emissions, and in the *Global Power Cities Index*, Sydney has dropped 25 places for CO_2 emissions to 39th, as it has been slower to implement emission reduction initiatives while other cities are making large gains.[81,82]

Sydney also performs less well in benchmarks measuring sustainability practice, policy and outcomes. The city places 61st for the planetary and environmental impacts of the city's mobility system, due to past coordination failures to lower transport emissions and congestion.[83] In addition, Sydney has slipped 7 places to 17th in the *Global Destination Sustainability Index*, which measures the sustainability practices of the city's hotels and meetings industry.[84]

Once again, the global public still perceives Sydney more strongly than the performance would suggest – business leaders and citizens around the world see Sydney as the 4th best of 30 cities for sustainability and environmental care, just behind Toronto and Amsterdam.[85] The gap between performance and perception will need to close over time.

CULTURE AND DESTINATION APPEAL

Image Destination NSW

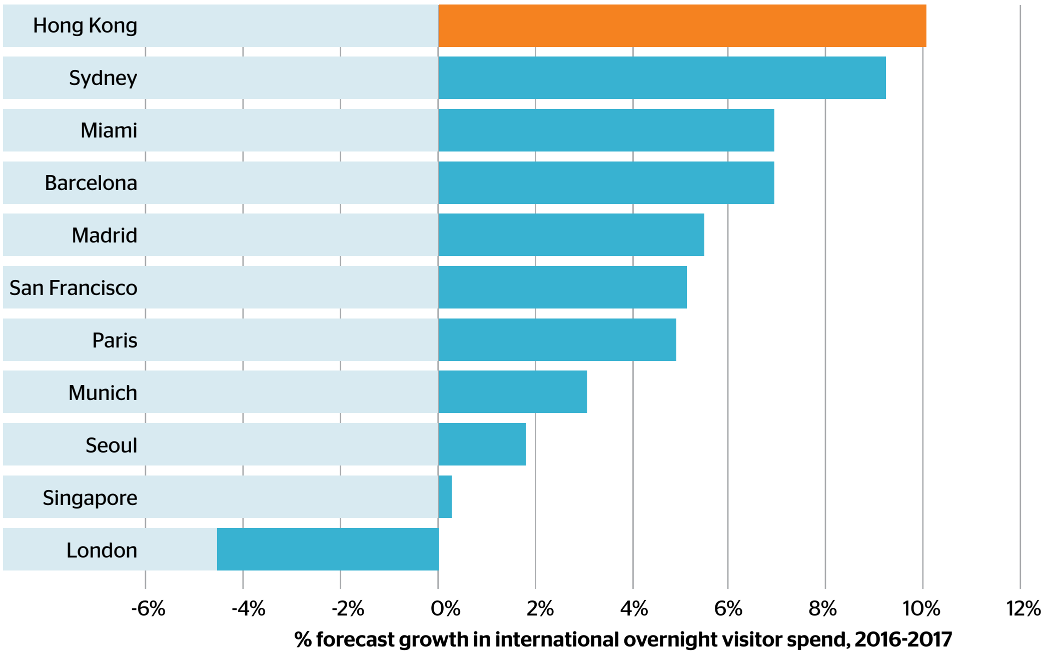
VISITOR AND DESTINATION APPEAL

Sydney continues to record strong performances for its overall visitor appeal. However, a sharp rise in benchmarks measuring the more experiential aspects of the visitor economy – including nightlife and buzz, restaurants and food, and over-tourism and crowding – highlight risks to Sydney's reputation among certain segments and audiences.

In all-round measures of the city's global reach, Sydney's performance has improved since the 2017 report as two way traffic between Asia Pacific markets continues to expand. The *Cities in Motion Index* – which measures the number of international tourists, hotels, airline passengers and conferences – sees Sydney climb 12 places to 21st out of 165 cities, highly impressive given its size and location.[86] This puts the city ahead of North American contenders such as Chicago, San Francisco and Toronto.[87]

Sydney ranks 14th for total forecast overnight international visitor spend (US$7.7 bn), putting it ahead of all other medium-sized global contender cities except Madrid.[88] Sydney's forecast year-on-year growth in international visitor spend is also impressive, at 9.2% (see Figure 14).

Figure 14: Year-on-year percentage growth (forecast) in international overnight visitor spend by city



Source: Mastercard Destination Cities Index

Finer grained benchmarks of visitor appeal paint a mixed story. Sydney excels for people friendliness, green space, and shopping options. But it ranks poorly for walkability (97th in one index) and overcrowding (59th out of 100 for overtourism in the new TravelBird Most Welcoming Cities Index).[89,90,91] Zalando's new benchmark of city elegance ranks Sydney just 44th out of 80 cities, due to weak scores for architecture (51st) and cleanliness (33rd).[92] The quality of its street food/food truck scene (33rd out of 100 cities) is also a challenge compared to the very top performing cities.[93]

Since the 2017 report, a host of new benchmarks have highlighted that a big competitive disadvantage for Sydney's visitor economy is the city's nightlife offer. In terms of number of clubs per capita, Sydney performs on a par with nightlife giants Barcelona and Berlin, ranking 12th.[94] But on other metrics the city does not perform so well. In new benchmarks produced by NestPick and Home-to-Go, Sydney ranks just 49th and 36th for nightlife, due to its short and restrictive opening hours and high costs.[95] And in the *Time Out City Life Index*, which ranks the most exciting cities based on the perceptions of 15,000 citizens in 32 cities worldwide, Sydney ranks just 28th, the lowest among peers except for Boston and Brussels, and well behind Melbourne in 4th.[96] These results are mirrored by Sydney residents' own low satisfaction with the city's night-time cultural offer.[97]

CULTURE AND DIVERSITY

Benchmarks of culture in Sydney reveal the city's success in hosting cultural events and in building specialisation in niches such as fashion and gastronomy, but also point to concerns that cultural depth and access risk falling behind.

On the one hand, measures of cultural interaction have seen Sydney improve over the past year. In the cultural interaction sub-category of the *Global Power Cities Index*, Sydney has climbed 4 places to enter the top 10, overtaking Brussels, Barcelona and Amsterdam in the process. This is mainly due to an improvement in the city's trendsetting potential – specifically, the number of world-class cultural events held – an indicator for which the city has improved 7 places since 2016.[98]

Sydney also tends to perform relatively well in new measures of diversity, inclusion, and fashion. In a new study of the cities with the most diverse culinary scenes, Sydney ranks 14th out of 50 cities – higher than in Barcelona, Madrid and Amsterdam.[99] New benchmarks see Sydney rank 25th out of 100 cities for LGBT inclusion, and 5th out of 80 cities for fashion schools – just behind San Francisco and Paris.[100,101] Together, these results help to explain why Sydney continues to perform well in overall measures of cultural experience – such as in the AT Kearney *Global Cities Index*.[102]

However there are signs that Sydney's art and culture scene is not being fully optimised. In one influential study measuring city brands, Sydney's has fallen to 67th out of 100 cities for the perceived and evaluated quality of attractions, museums and destinations, down 25 places from 42nd in 2017.[103] More measures penalise Sydney for relatively few cultural institutions by the standards of the very top cities, especially in Europe and North America (e.g. 53rd out of 100 cities for the number of museums and galleries).[104]

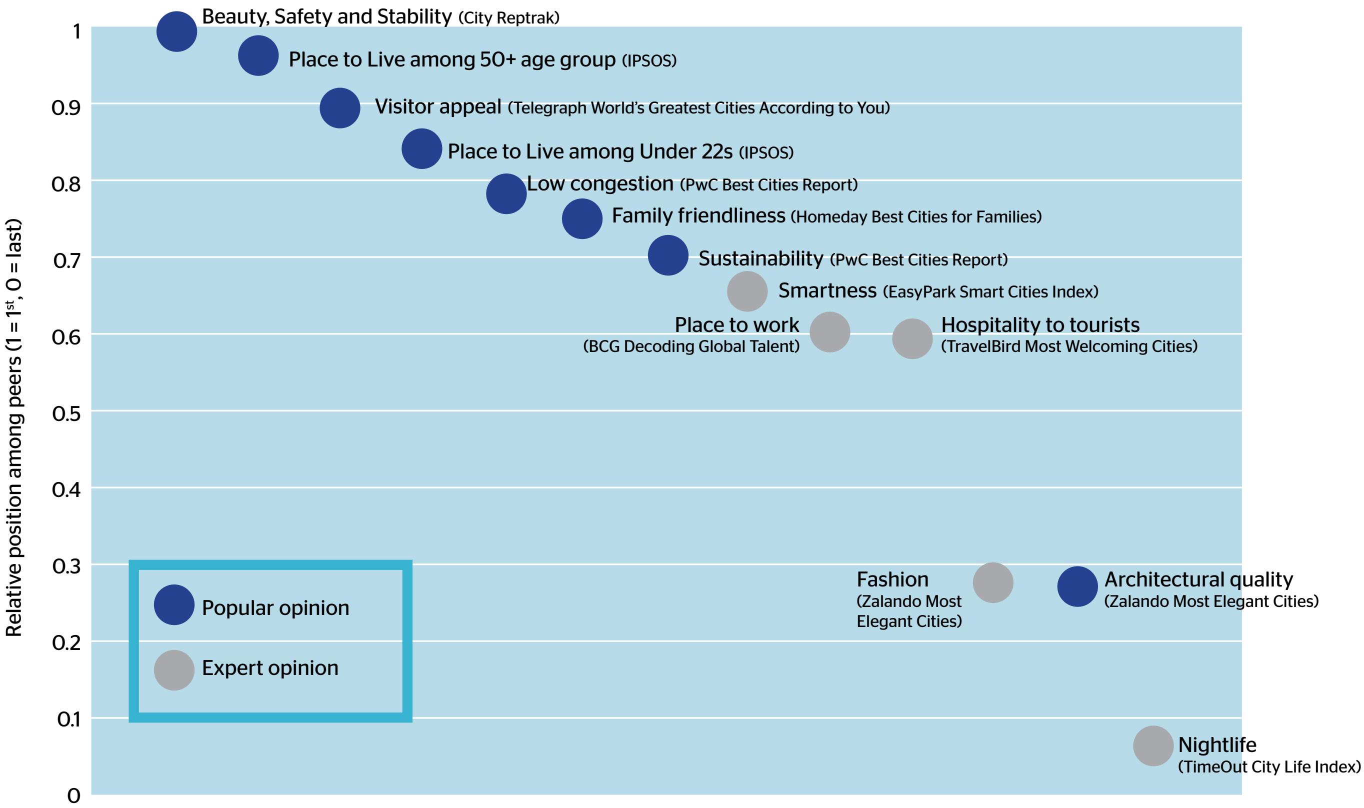
BRAND, IMAGE AND INFLUENCE

Sydney remains one of the most well regarded and admired cities in the public eye. In one influential study of the most reputable cities worldwide, Sydney ranks 1st in 2018 for the third year in a row, and it is the only city except for Copenhagen to boast an "excellent reputation" due to its natural beauty, wide range of experiences offered, and robust overseas appeal to prospective residents. In one prominent survey, Sydney's impressive skyline and much sought-after urban lifestyle see it rank 5th, while in the most recent edition of the GfK & Anholt Brand Index, Sydney has overtaken New York to re-enter the top 3. The world's enthusiasm and affection for Sydney is undimmed even in the current growth management and investment cycle, and the 'delayed gratification' challenges it brings.

Despite this high regard for Sydney's life-style and natural beauty, Sydney has also faltered slightly in some of the more all-round measures of brand, image and influence. Measures of the city's online promotional efforts and visibility, its soft power, political influence, reputational power, and global reach all see Sydney perform in the middle of the pack.

A review of global opinion and perceptions, including popular and expert opinion, reveals just how varied perceptions of Sydney now are. The city is regarded as a global leader for the beauty seeker, the transient visitor, the baby boomer and retiree. But it is not especially well regarded for its smartness and hospitality, while it is perceived to be significantly lagging in terms of nightlife and vernacular (see Figure 15). Its image and identity do not have balanced appeal.

Figure 15: How Sydney is perceived in different areas, in comparison to peers



Source: The Business of Cities.

The concern is that unless Sydney can improve its performance and perception in these areas, it will not be able to attract and retain the best young workers, or be able host the innovation economy and the jobs it provides. Sydney has an under-developed business brand. It does not score highly for innovation, entrepreneurship, or the development and capitalisation of growth companies. It does not yet have a major presence in one of the leading technology sectors. Its digital connectivity is below that of other leading cities. The high level of investment in real estate, while welcome, does not necessarily translate into productivity advantages. Despite the high regard of Sydney's universities as places to study, the performance data suggest a relatively low output in terms of commercialisation of knowledge, research, and science. There is no visible 'discovery dividend' in Sydney.

These mixed findings suggest the need for a more coordinated focus on Sydney's core identity and reputation, in order to sustain its advantage as a 21st century metropolis. It needs to communicate better, and with a deeper and more integrated story.

This experience has played out around the world. Stockholm, London and New York all received a surge of global demand following a process of developing a better story to tell about their city. In Sydney's case, our existing values need to be combined with a more distinctive narrative of specialisation and leadership.

Part of Sydney's emerging challenges around liveability, innovation and appeal observed in the 2018 benchmarks requires the creation of a deeper sense of identity and productive purpose for the whole region. That needs to be more than support for lifestyle, tourism, international students and real estate. It should also embrace Innovation, Trade, Enterprise, Knowledge Creation, Place-Making, Social Cohesion and Civic Participation. Other cities that have initially developed their global appeal through tourism and lifestyle have needed to go broader and deeper in subsequent cycles. San Francisco, Miami, Barcelona, Tel Aviv, Singapore, and Abu Dhabi have each recognised the need to get beyond visitor popularity, and get into being taken seriously as cities of livability, business and innovation.

This kind of orchestrated story-telling, or re-balancing the narrative, is never easy. For one thing it requires a coordinated effort amongst multiple actors, and for another, some path dependencies and vested interests must be tackled.

It is clearly possible to do. San Francisco is still recognised as the bohemian cosmopolitan city that gave it its fame in 70s and 80s, but it has added a business and innovation brand 'Silicon Valley'. Stockholm and Tel Aviv are more known today for their high numbers of unicorn companies, rather than their social democracy or their beaches. Barcelona has shaken off the mantle of the 1992 Olympics as its main claim to fame and has become the Mobile World Capital.

Sydney can do the same. It will require three inter-locking components:

- A wider story about Sydney's advantages in the new global economy.
- Some visible catalysts that will inspire the people of the region and the world to see Sydney differently, a more mature metropolis.
- A pragmatic alliance of the public and private, media and citizens, individuals and institutions, committed to deliver the good news about Sydney and tell a wider story.

The path to a more rounded identity is understood by many cities, but few of them have the advantages that Sydney brings to the challenge.

ENDNOTES

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The Committee for
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This report has been produced with The Business of Cities.

The Business of Cities is an urban intelligence firm working in more than 100 cities worldwide each year. It provides research, benchmarking and advisory services to help public and private leadership teams at city, regional, national and international level to respond purposefully to the changing relationships between businesses and cities.

"I commend the Committee on the role they are playing in intellectual thought leadership for Sydney."

THE HON. GLADYS BEREJIKLIAN MP
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