



Leading cities series

RSM

BUSINESS
SYDNEY

Sydney 2030: *Australia's global metropolis*

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Global vision backed
by knowledge

Foreword

Paul Nicolaou, Executive Director, Business Sydney



Business Sydney congratulates RSM on this definitive study of our wonderful city. It goes deep below the surface to demonstrate why Sydney is such a great place to do business and to build businesses that reflect its growing stature as a global city.

Importantly, the study taps into the sentiments of people who are representative of the business community, highlighting the energy they bring to making their businesses key elements of the engine room of Sydney's economy.

At the same time as being a celebration of Sydney and all that it represents, the study is influential in defining issues that need to be addressed, not least of them the current entrenched housing crisis, the accompanying shortage of affordable accommodation for essential workers and the need to build a 24-hour economy and the night time economy in particular.

Business Sydney takes a similarly pragmatic approach to the city's strengths and how to build on them and on identifying the challenges that must be addressed. We have our own ten-point plan to achieve this outcome.

In helping to launch this Sydney study, we are at one with RSM when it recommends the appointment of a Minister for Sydney within the NSW Government. This sensible suggestion is also part of our 10-point plan. The case for a Minister for Sydney is compelling. We have Ministers for regional centres and regional districts. It is an anomaly, to say the least, that we don't have a Minister for our biggest city.

There is so much for a Minister for Sydney to do. The Minister could guide the strategic direction for the city and act as a high powered coordinator general to ensure major infrastructure projects are devised and delivered. We have enjoyed a taste of what could be achieved with the opening of the extension to the Sydney Metro that is bringing thousands more people to the heart of our city.

The Metro was always going to be a game changer for our city. It is a massive project that also reflects the big picture thinking that a Minister for Sydney could encourage and implement. A Minister for Sydney would be a champion for our city to make sure it has everything it needs to reach its full potential.

Business Sydney commends RSM's specially commissioned study. It goes a long way to confirming why Sydney is the premier global city in the Asia Pacific region.

Please take this opportunity to read and absorb what this study brings to the table.

Empowering you to face
the future with confidence



Introduction

Sydney has big plans to cement its position as the leading economic powerhouse in the Asia-Pacific region. These include reimagining its city centre and substantial development in Western Sydney.

Refreshing the CBD also includes building a major tech hub near Central Station. This will connect to the city's existing higher education precinct.

It is an ambitious vision to strengthen Sydney's status as a global city.

Completing this vision requires careful planning and commitment to overcome obstacles. Sydney must contend with limited government funding, a still recovering commercial property sector and a 24-hour economy struggling to reach its potential.

Moving to a circular economy and the transition to renewable energy are also essential elements of Sydney's future success.

Sydney's strategic development plan has the Greater Sydney Region embracing technological innovation and sustainable practices to reinforce our position on the global stage.

This report explores the path ahead for Greater Sydney, addressing crucial themes such as emerging economic trends, essential infrastructure development and proactive strategies to overcome potential challenges.

Find out what's in store for Australia's pre-eminent capital city as we move towards 2030.





Welcome to RSM Australia's Leading Cities – Sydney 2030 report

Sydney has long been a vibrant and dynamic place to do business. Its economy thrives on innovation, diversity and resilience, with sectors such as technology, finance and education driving growth.

However, the city's future is not guaranteed. The decisions Sydney's business leaders and policymakers make today will shape the Sydney of tomorrow. To chart a course for Sydney's continued prosperity, we must explore the challenges and opportunities ahead.

In this report, we analyse Sydney's current position and explore its future trajectory. The report offers a strategic perspective on the economic, social and environmental factors that will shape the city's development.

By examining trends, challenges and opportunities, we seek to inform decision-making and inspire action among businesses, policymakers and community leaders. Our goal is to contribute to the ongoing dialogue about Sydney's prospects and support the city's continued success on the world stage.



Anthony Smith

Managing Partner, Sydney
RSM Australia

rsm.com.au/sydney



Combining world-class technology
and real world experience

Recommendations to secure Sydney's future

Maintaining Sydney's status as a global business destination requires a detailed strategy and risk mitigation plan. This includes diversifying its economic base, investing in affordable housing (particularly for essential workers), social infrastructure and inclusive policies to foster social cohesion, and robust environmental management practices.

Here are some practical steps that RSM Australia and Business Sydney believe would help Sydney-based businesses to thrive.



1. **Appoint a dedicated Minister for Sydney in the NSW Government** who would work with the Sydney business community and other state and federal parliamentarians. A Minister for Sydney holding a senior position in the NSW Cabinet could lead and coordinate the efforts of government agencies to build much needed infrastructure and work closely with the business community to deliver a forward-looking strategy for Sydney.



2. **Address the high cost of living pressures** by increasing the housing supply, improving public transport and controlling utility costs.



3. **Consider tax relief for lower income earners** to help them navigate cost-of-living pressures. Other considerations include rental assistance to make housing more affordable. We recognise that maintaining rent subsidies is subject to the availability of taxpayer funding.



4. **Train people to work in advanced manufacturing.** A large cohort of skilled workers are needed to build the nation's resilience in this area.



5. **Explore the potential for fast trains between Sydney and regional cities** to improve productivity and connectivity.



6. **Support international students in making Australia their home** by reinstating reasonable enrolment numbers and relaxing the limitations on hours they can work to ease ongoing staff shortages.



7. **Encourage businesses to work with international students** to enhance their Australian working experience so that they will choose to take part in the labour market.

A dynamic economic landscape

Sydney's economy is on the mend, with modest growth driven by a rise in household spending and government investments.

“Overall, the Sydney economy is experiencing a balanced, but fairly cautious expansion, driven by public and private sector investments and higher household spending on essential services including electricity, gas and housing. We are also seeing rising business and government investment in machinery equipment.”

Devika Shivadekar, Economist
RSM Australia

Population growth is helping to support Sydney's economic performance, thanks to a higher net overseas migration rate compared to the overall state of New South Wales and other cities and states. Even so, the city is facing significant economic challenges.

“Inflation in Sydney is higher than the national average, driven by rising rents, as well as education and insurance expenses. The persistent inflation problem, combined with higher interest rates, is escalating living and business costs,” says Shivadekar.

One way to manage costs is to be strategic in choosing a location from which to operate. Promotional merchandise business Emotif is based in the city's north at St Leonards. Sales manager David Cochrane says this location provides easy access to clients and suppliers across Greater Sydney. “We're on the road and moving boxes of merchandise in and out of our warehouse on a daily basis. Our personal approach to business means we also need to be close to our customers. Being based in St Leonards, near arterial roads allows us to get to our clients quickly,” he says.

At the same time, living standards are a major challenge for many people due to a lack of affordable housing and expensive transport. This has a significant impact on essential workers who must travel long distances because they are unable to live close to where they work. The domino effect from this hampers Sydney's economic growth, particularly its nighttime economy.

The city's chronic housing undersupply is a corresponding issue.

“There is an urgent need for more high-density residential developments. This is being addressed in part through the structural shift of Sydney's centre towards the western suburbs, supported by new transport options such as the light rail and Sydney Metro, which has recently been extended from Chatswood to Sydenham, bringing Metro services through the heart of the CBD plus the western Metro which will ultimately better connect western Sydney to central Sydney,” says Shivadekar.

“The housing supply crisis is essentially due to a significant backlog of construction due to painfully slow planning and building approval processes. Prime Minister Anthony Albanese and NSW Premier Chris Minns are currently addressing these problems, making increased housing supply an urgent priority. Put simply, demand for housing has risen much faster than supply, which means house prices are increasing faster than the rate at which people's wages are growing, making it harder for people to enter the market.”

“Opting into property tax by eligible first homebuyers instead of paying transfer duty on the acquisition of property is also no longer available in New South Wales,” says Mira Brewster, State Tax Specialist, RSM Australia.

The fact that Sydney residents prefer living in detached houses further complicates things. “The challenge will be to convince people that living in high-density residential areas is a good way to solve the housing crisis. This requires a shift of mindset,” says Shivadekar. While Sydney, like many cities, is facing serious challenges, tailwinds are also propelling its future. The tech sector is a cornerstone for Sydney's growth. An advantage for Sydney is in being Australia's largest city and home to some of the country's best universities and research institutions. So, it serves as a tech start-up hub pivotal in driving investment. The tech sector may be more resilient to an economic downturn compared to other sectors, due to high demand for its services and Australia's emphasis on building a robust digital backbone. Advancements in data centres and the integration of new technologies into sectors such as health and manufacturing should help Sydney's economic landscape.

Rupal Ismin, the inaugural director of the Sydney Knowledge Hub, says the Sydney start-up ecosystem is values-driven and collaborative.

“Australia produces world-renowned research, but our commercialisation rates are low. We need steady government policy and resources, more targeted incentives to invest in R&D, and an educated and trained workforce to take our innovations to market,” says Ismin.

"Within higher education, there's an opportunity to reward and incentivise heads of schools and deans to support commercialisation of research. We also need to encourage better collaboration between universities and small businesses," she adds. One limitation is industry spending less each year on research, which means research is less focused on areas of market need.

"This also means researchers are not exposed to industry; their research is developed on campus and stays on campus. As an international city, we also need to form better partnerships with global industry leaders such as pharmaceutical firms to provide both funding and expertise. We are certainly focusing more in this area," Ismin says.

Sydney is the main financial hub for the region, bolstered by its robust regulatory environment, sophisticated infrastructure and a highly-skilled workforce that specialises in areas such

as banking, asset management and financial innovation. The city's commitment to fostering a competitive and innovative financial sector contributes to Australia's reputation as a stable and attractive destination for global investment.



Sydney is the gateway for local banking and financial services businesses to the rest of the world.

Grace Bacon, Partner, Financial Services
RSM Australia



"The city's financial services sector will continue to expand, drawing on the language skills and multicultural workforce global financial firms and businesses require to operate in Australia and connect to the world."

An attractive market for foreign investment

While no specific figures for foreign investment in Sydney are readily available, it is clear the city attracts significant and growing foreign investment funds.

Based on 2021/2022 figures, the US is Australia's largest source country for approved foreign investment by value, followed by Canada, Singapore, China and Japan.

In 2021/22 (the most recent period for which the federal government has published these figures) the value of US investment was \$118.9 bn, a \$57.0 bn rise versus 2020/21. Finance and insurance and services were the highest value sectors.



Post COVID, more foreign capital has found a home in Australia. For Sydney businesses wanting to secure overseas investment, the message is to maintain and build relationships with partners across these nations.

Danielle Sherwin, Partner,
International Tax and Transfer Pricing
RSM Australia



In terms of opportunities to attract foreign investment by industry, the Foreign Investment Review Board has said [it will prioritise projects that:](#)

- Help to deliver the net zero transformation.
- Increase Australia's housing supply.
- Grow the critical minerals sector.
- Harness and help commercialise innovations and frontier technologies.

Sydney businesses that operate in these areas could consider putting in place plans to attract foreign investment to help them achieve their growth agenda.

Turning to tax, there have been [changes](#) related to [surcharge purchaser duty changes](#) for foreign persons on or after 8 April 2024 with the *Federal Treasury Laws Amendment (Foreign Investment) Bill 2024* receiving assent.

"It was previously identified that citizens of New Zealand, Finland, Germany, India, Japan, Norway, South Africa and Switzerland were not subject to surcharge purchaser duty due to international tax treaties," says Brewster.

Changes to federal legislation means that these citizens may now be liable for surcharge purchaser duty if they enter into an agreement to purchase residential property in NSW on or after 8 April 2024.

Trade Advertising managing director Deane Waldron says it makes sense to locate his business in Sydney to be close to national and international businesses based there.

"I work with marketing departments, which tend to be at head office. Being in Sydney also means we are part of Sydney's progressive, fast-moving business community. It is where Australia's power base resides. It is also the city with the biggest population and it is the biggest market for many categories," says Waldron.

A place for overseas students to call home

With numerous world-class universities, Sydney will continue to attract a large number of international students, even after recently announced enrolment limits. While many returned home during COVID, the city's higher education sector has resumed welcoming international students back. This is reflected in Australia's services export numbers.

On 2023 figures:

- China was Australia's largest services export partner, **accounting for 12.9% of total services exports.**

- Total services exports to China rose by \$5.1 bn, a **53.4% increase on 2022 figures**, driven by education-related travel with the return of students from China to Australia.

Sydney must work to ensure the higher education system continues to be attractive to international students. The establishment of a dedicated unit such as Study NSW to increase the competitiveness of the state's international education sector is an important one. More work should be done to promote the experience of international students in Sydney and promote the city's strengths as a study destination.

Infrastructure boom supports Sydney's future

Sydney is undergoing an infrastructure boom with a pipeline of projects initiated by the previous NSW Government. It involves a slew of projects focused on meeting the growing population's needs. The existing infrastructure, which includes an extensive network of roads, bridges, public transport systems and utilities, is the backbone of the city's daily operations. With an eye to the future, Sydney is delivering ambitious infrastructure projects that enhance connectivity, efficiency and sustainability.

Projects range from the expansion of public transportation networks, such as the [Sydney Metro](#) and [light rail](#) extensions, to the development of [smart city initiatives](#) that employ technology to improve urban living. [Sydney Metro is Australia's largest public transport project](#), aiming to build, operate and maintain a network of four metro lines, 46 stations and 113 kilometres of new metro rail, revolutionising travel in Sydney by providing fast, reliable metro services with fully-accessible stations.

The Chatswood to Sydenham section [involved constructing a 15.5-kilometre underground rail line with seven new stations](#). The [Sydenham to Bankstown upgrade will see the T3 Bankstown Line converted to metro standards](#), with trains arriving every four minutes in peak times. The Sydney Metro West extension will double the rail capacity between the Sydney CBD and Parramatta, allowing the two CBDs to connect to each other and support their economic integration.

[The Sydney Metro – Western Sydney Airport metro railway will serve as the main transport link for Greater Western Sydney](#), connecting residents and travellers to the new Western Sydney International (Nancy-Bird Walton) Airport and Western Sydney's employment hubs. The project, which includes a 23-kilometre rail line from St Marys to the airport and Bradfield City Centre, is expected to stimulate Western

Sydney's economy by creating more than 14,000 jobs during construction.

Integrating and enhancing the city's public transport systems is a core priority. Sydney aims to create a seamless and user-friendly network that encourages public transport use over private vehicles. Achieving this would alleviate traffic congestion, reduce pollution and promote a healthier urban environment.

To this end, the 2024/2025 NSW state government budget [set aside](#) \$2.1bn to begin building the second stage of the Parramatta Light Rail, provisioned \$24.7m for bus transport in North-West Sydney and allocated \$447m to update and extend the life of the Tangara train fleet. It also included \$1.1bn to build the roads needed for the new Western Sydney airport.

[Additionally, the 2024/2025 NSW state budget included](#) \$555.5m to improve the planning system to increase construction of housing and infrastructure to support these developments. The Budget also devoted \$35m for the NSW Building Commission's building and construction industry reforms. A complicating factor, however, is competition between the infrastructure and construction sectors for labour and materials set against the existing housing supply crisis.

“ Big infrastructure projects are great for economic growth, but they also put a strain on labour and resources in home construction. A lack of targeted migration adds to a lack of skilled labour to get homes built and address housing affordability. There needs to be a balanced approach to ensure the infrastructure and housing sectors have access to skills and materials.

Adam Crowley, Partner and National Leader for Property and Construction
RSM Australia

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The lack of affordable housing has significant flow-on effects. Aside from keeping house prices elevated, it is changing Sydney's demographic profile with evidence suggesting many young families are moving out of Sydney.

“AI (Artificial Intelligence) and predictive analytics must be applied to demographic and urban planning,” says Matthew Cunneen, Partner, Data Analytics, RSM Australia.

Business Sydney Executive Director Paul Nicolaou says the new Sydney Metro bringing high-speed trains through the heart of the CBD is a game-changer for Sydney and he maintains the Metro could be expanded to help address the housing crisis.

“We need to see further expansion over the next five to ten years. We are calling on the NSW Government to establish a special authority to lead and coordinate redevelopment and rejuvenation of Parramatta Road with higher density to deliver 35,000 homes with community growth supported by light rail from Central Station along the length of Parramatta Road,” says Nicolaou.

“To transform the urban blight that currently affects Parramatta Road, the authority would negotiate with landowners and councils to facilitate the development of six- to seven-storey buildings. Business Sydney's 'Three Roads' strategy envisaged similar redevelopment for Victoria Road and the Great Western Highway to deliver up to 75,000 new home units.

Nicolaou says the Three Roads Strategy, which was developed by Business Sydney and Business Western Sydney, aligns with the NSW Government's Transport Orientated Development Program to build more housing around railway and metro stations.

“I've had engagement with the Federal Government, the NSW Government, the City of Sydney and the Inner West Council. Each is incredibly supportive of our Three Road Strategy,” he says.

According to Nicolaou, this could be funded through public-private partnerships and by working collaboratively with landowners and property developers, who would be asked to contribute to the cost of extending Sydney's existing light rail network along Parramatta Road.

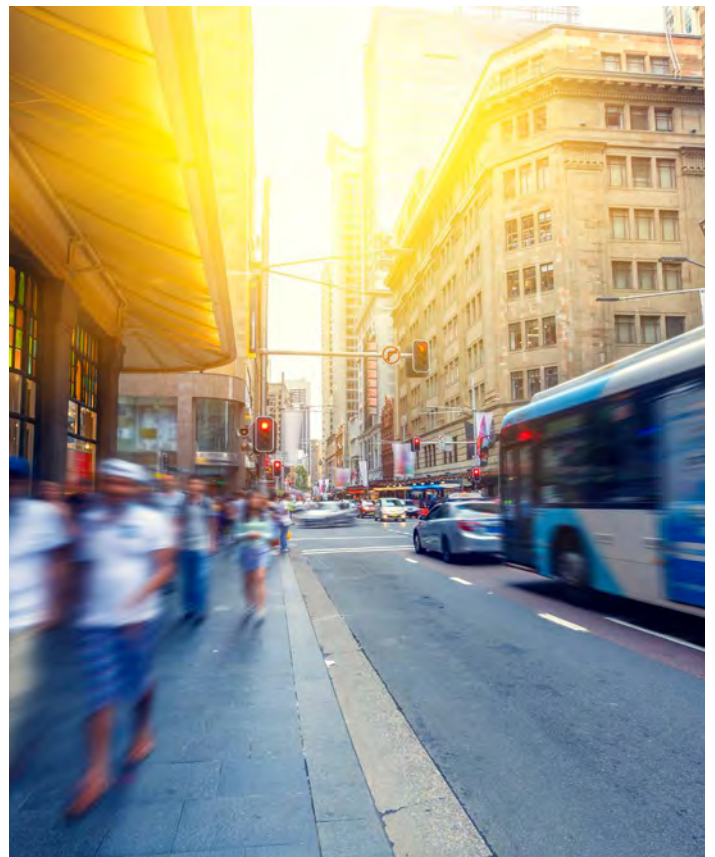
Nicolaou also wants to encourage more housing in Sydney's CBD. “Comparatively few people live in the CBD while many other major cities have millions of residents at their centre. There is no reason why Sydney City can't increase its CBD population to 600,000. The way to do that is to redevelop old buildings that are no longer fit-for-purpose as urban villages, which would be a mixture of commercial, residential and retail. Federal, state or local governments could incentivise building owners to repurpose their properties.”

The NSW Productivity Commission [has indicated](#) building new homes closer to the city is the best way to improve affordability and manage the costs associated with providing supportive infrastructure. [As the commission notes](#), “Building more homes in Sydney's inner areas offers economic, social and environmental gains for everyone.”

NSW Productivity Commissioner Peter Achterstraat [has said](#) he wants to move the Sydney mindset from a NIMBY – Not in My Backyard – mentality to a new perspective, ADIMBY, which stands for Appropriate Density in My Back Yard. This indicates a policy setting preference for urban density, rather than urban sprawl.

Nevertheless, it's vital for the NSW Government to also prioritise transport corridors and infrastructure to connect Sydney with satellite cities including Newcastle and Wollongong.

“People need better ways to commute to work because they are going to continue to live further and further away. Approaching urban planning with this in mind would set up Sydney for success,” says Crowley.



New airport connecting Sydney to the world

Western Sydney International (Nancy–Bird Walton) Airport (WSI) is part of the future of aviation in Sydney. It will provide unrestricted domestic, international and air cargo flights from late 2026.

On opening there will be almost three million people living close to WSI, representing communities that are globally connected and rich in cultural diversity. Sydney's second airport will provide more choice and convenience, eventually becoming Sydney's largest international gateway, capable of handling more than 80 million passengers each year.

WSI CEO, Simon Hickey, said construction is powering ahead on what he regards as the most transformative piece of infrastructure since the Sydney Harbour Bridge.

"We are a modern, digitally enabled airport, designed around the needs of airlines and passengers for a seamless journey through the airport to the aircraft," says Hickey. "Our state-of-the-art terminal will feature a world-leading advanced baggage handling system, and our efficient airfield design and rapid-exit taxiways will see average taxi times of around five minutes, getting passengers in the air or to their gate faster while reducing carbon emissions."

WSI's air cargo precinct is set to become the centre of airfreight for Sydney and will provide a 33% increase in cargo processing capability within the Sydney Basin from day one. The precinct will eventually grow to process 1.8 million tonnes per year.

For the first time, Sydney will join other major cities around the world in benefitting from the economic boost that 24-hour air connectivity brings and will be a catalyst for investment in the region and the attraction of emerging industries.

"Airports have proven to be city shapers and despite the fact we're still more than two years away from opening, we're already seeing the transformational impact WSI is having on the region in terms of greater transport connectivity, and economic and social opportunity for the people of Western Sydney," says Hickey.

To date, more than half of the project's workforce have been residents of Western Sydney and more than \$500m has been spent with hundreds of local businesses. "The airport and surrounding aerotropolis will underpin the ongoing availability of high-quality, local jobs and will connect the world to Sydney via its cultural heartland in Western Sydney."

Western Sydney airport will complement, and take the pressure off, Kingsford Smith airport. This is the busiest airport in Australia, with 45% of all freight imports and exports going through the airport. Demand for aviation services in Sydney is set to double in the next 20 years and Western Sydney Airport will help to support this growth.

Sydney is fortunate to have two world-class airports on its doorstep.

Businesses want fast trains to support regional connectivity

While Sydney is Australia's global gateway, it would benefit from better links to regional areas to support the growing businesses within the nation's largest city.

"Sydney is a beautiful, international, harbour city and the headquarters to many large corporations and major banks, which provides opportunity and global connectivity," says Strata Sense director Marc Gibson. "The city is fortunate to have a skilled, highly educated workforce, as well as world-class universities and educational institutions."

For businesses such as Strata Sense, the war on talent many firms face is compounded by the fact strata businesses compete for staff with a range of professional services businesses working across industries such as accounting and law.

"We are also dealing with high wages. Trying to find ways to grow and deal with cost pressures is on many business leaders' agendas," says Marc Gibson.

With an office in Newcastle, Marc Gibson says a fast train between this city and Sydney would also deliver productivity gains. This would better enable Strata Sense to navigate its challenges, while maintaining a commitment to excellence and innovation.



Case study

Dickson Rothschild – Sydney poised for cultural revival



Nigel Dickson,
Managing Director, Dickson Rothschild

Having been part of New York's waterfront re-vamp in the 1990s, managing director of architects and urban designers, Dickson Rothschild, Nigel Dickson, believes Sydney is experiencing a similar renaissance.

"Sydney is evolving in the same way New York went through that really exciting jazz era. We're going to see culture, music and arts lead the charge," he says.

Aside from his seminal work in New York, Dickson has a unique perspective on Sydney's development arc. "I started our business in 1993, and our first job was the Sydney Olympics' master plan. We were involved in the operational plan, and we designed the broadcast facilities for the games," he says.

Dickson Rothschild then grew internationally, working on projects in Asia such as the design of a 270-square-kilometre city, before taking on work in the United Arab Emirates and Saudi Arabia. Now, Sydney is the firm's focus.

"Sydney has world-class transport infrastructure, which is greatly expanding. It links to six major cities, including Canberra, Newcastle and Wollongong. The new Metro line, connected to the light rail and heavy rail system, is a game changer," says Dickson. "We have built a great foundation over the past 15 years. Yes, the city has its flaws, such as housing. A positive is the opportunity to congregate housing density around our transport system's new interchanges."

"It is a pleasure to walk through the city," Dickson says.

Revitalising Sydney's manufacturing sector

The NSW government has unveiled a comprehensive [20-Year R&D Roadmap](#) aimed at propelling the state's and Sydney's manufacturing sector.

Central to the roadmap is the [Advanced Manufacturing Research Facility](#) (AMRF), a pioneering initiative designed to foster collaboration between the industry and leading manufacturers. The AMRF is equipped with cutting-edge facilities and staffed by top experts to create an advanced manufacturing ecosystem. Its focus areas include enhancing precision in manufacturing processes and boosting productivity to create better job opportunities.

[The Viral Vector Manufacturing Facility](#), located at the Westmead health precinct, represents a groundbreaking project for Sydney. This facility is poised to transform treatment options for patients with genetic diseases, cancers and viral infections by expediting the development and delivery of gene therapies. It positions Sydney at the forefront of health research and innovation, fostering partnerships with industry players to accelerate therapeutic advancements.

There is substantial work taking place at a federal level to support the reinvigoration of the local manufacturing sector, which will support Sydney's existing and emerging manufacturers.

"The federal government's Future Made in Australia policy is encouraging manufacturing to remain onshore, but also emphasising the importance of net zero. This will shape the Sydney manufacturing sector," says Jessica Olivier, Partner, R&D Tax and Government Incentives, RSM Australia.

There is an opportunity for the NSW Government to build on Federal Government manufacturing initiatives to stimulate the NSW manufacturing sector through further research and development, targeted grants and regulatory support. Nevertheless, the manufacturing sector is still recovering after COVID supply chain challenges and there is more work to be done developing skills across the traditional and green manufacturing sectors.

"Migration could help address these shortfalls. But more emphasis is needed to train up people locally through TAFE courses and apprenticeships," says Olivier.

Case study

Land of Plenty Food Group – Access to capital and labour in Sydney comes at a high price

Sydney is an attractive place to run a business because it offers easy access to investors, customers, and suppliers. However, the city's prohibitive costs are a competitive disadvantage for the businesses that run within it.

Australian-owned and operated food manufacturer and redistributor, Land of Plenty Food Group is a thriving enterprise that made sound strategic decisions during COVID and is now on an accelerated growth path. The business operates across Australasia, with offices in Queensland, Victoria and New South Wales and New Zealand and manufacturing in New South Wales and Queensland. It is based in Sydney and the company employs around 30 staff. Its customers include food service and retail customers across Australia, New Zealand, the US and Asia and it contract manufactures for other businesses including QSR and Food Service

"We supply supermarkets and independent retail and other food retailers, as well as airlines, stadiums, events, smaller caterers and volume home delivery companies," says group CEO and acting CFO, Craig Rochat.

Land of Plenty Food Group was founded by Rochat's wife, Karen Lavecky in 2001. She opened the business after returning to Australia from a holiday in New York following the 9/11 terrorist attack in 2001. "She decided life was too short, quit her hospitality job and started the business with her last pay cheque, and which was initially based around dumplings. I joined the company in 2012. By then, we were married, so we made the decision to trial working together and 12 years later, here we are," says Rochat.

COVID was a tough time, given customers such as airlines and stadiums were unable to trade. Despite challenges, Rochat was able to capitalise on this period.

"We appointed an advisory board just prior to the pandemic and the first board meeting was April 2020. One of our Advisory board members, an M&A expert, encouraged us to think ahead because the pandemic was always going to end," says Rochat. Land of Plenty Food Co maintains a large manufacturing facility on Sydney's outskirts. Rochat says it makes sense to operate much of the business from Sydney because NSW is Australia's largest market

The insight was at that point, there would be two types of businesses, those that survive and those that don't. The grey area was the businesses that survived COVID but who after the pandemic decided to exit after the stress of it. This grey area was going to be an opportunity to make acquisitions of good businesses at a sensible price and rapidly grow the company. "That has been our strategy for two years plus," he adds.

Land of Plenty Food Co maintains a large manufacturing facility on Sydney's outskirts. Rochat says it makes sense to run much of the business from Sydney because New South Wales is Australia's largest market. There are other benefits to being headquartered in Sydney. For instance, New South Wales's infrastructure construction pipeline is helping fuel growth across Australia's strongest economy, which supports Land of Plenty's growth.

"Many of our customers are also located in Sydney. It is also a good place to network and, with Canberra only a few hours away, we are also close to the seat of power," says Rochat. "Also, there's no doubt the money is in Sydney. We have recently completed an investment transaction and now have a new shareholder and partner whose support has further enhanced our growth plans. Future meetings with potential investors have been far easier in Sydney and the city has presented us with more options in this space. There is also a strong labour market, and the lifestyle is fantastic." There are also drawbacks, such as the higher costs of operating in Sydney versus other Australian markets.

"The cost of energy, property and rent is significantly higher than in other states. It is a problem for manufacturers like us. It is important to keep manufacturing in Australia but these significant costs risks making us uncompetitive outside and almost within Australia."

As for the future, Land of Plenty is about to complete several other transactions that will give it exposure to growth markets in premium retail and food service including plant-based. Land of Plenty's sound strategic decisions have positioned it for continued growth as it makes the most of Sydney's advantages while navigating its challenges.



Karen Lavecky and Craig Rochat
Founders, Land of Plenty



The biggest opportunities are found by
paying attention to the smallest details

Sydney's transformation in its west

Parramatta, approximately 20 kilometres to Sydney's west, [is undergoing a significant transformation](#) reshaping its urban landscape and positioning it as a key economic and cultural hub in Western Sydney. This development boom incorporates residential, commercial and infrastructure projects, reflecting a strategic effort to decentralise Sydney's metropolitan area and accommodate its growing population.

The Parramatta Square project, [a multibillion-dollar urban renewal initiative](#), is emblematic of this transformation, featuring a mix of civic, commercial and retail spaces designed to enhance the area's liveability and connectivity.

Additionally, the [Parramatta Light Rail](#) will significantly improve public transport options, linking key destinations within Parramatta and beyond. These initiatives, alongside cultural programs such as the redevelopment of the [Riverside Theatre](#), underscore Parramatta's evolution into a dynamic, 21st-century metropolis that is increasingly central to Sydney's broader urban fabric.

Tech Central: Sydney's new technology heart

Sydney boasts a robust ecosystem of start-ups, established tech companies and a growing number of innovation hubs and tech clusters.

These clusters, such as the Tech Central precinct in Sydney's inner city, are strategic initiatives designed to concentrate technology talent, resources and businesses in close proximity, fostering collaboration and accelerating growth.

Several universities, including the University of Sydney and the University of Technology, Sydney are within walking distance of Tech Central, to further cement partnerships across the city's new innovation centre.

The potential for these innovation hubs is vast, with the opportunity to create jobs, drive economic value and position Sydney as a global tech leader. These areas are supported by infrastructure and facilities that cater to the needs of entrepreneurs and established firms alike, such as co-working spaces and access to venture capital.

Business Sydney's Paul Nicolaou is calling for a science, technology, engineering and mathematics (STEM) high school to be established at Tech Central. "This would give students an opportunity to meet people within organisations such as Atlassian and Canva providing them with real-life experience in the STEM specialities," says Nicolaou. Canva is set to move to their new office in 2026, the flagship Sydney Campus which is a 12,000m² building in Surry Hills. Construction of Atlassian's new headquarters, which is a benchmark 40 level tower next to Central Place Sydney, is also set to be completed in 2026.

As the city looks to the future, its commitment to embracing modern technologies and fostering an innovative ecosystem will be key drivers of its growth and global competitiveness. More work should be done to better support and attract incubators and accelerators, and the early stage venture capitalists that prop them up.



A limitation is Australia's, and therefore Sydney's, slow internet speeds. A priority for the NBN has to be completing the 'last mile'.



Matthew Cunneen, Partner,
Data Analytics
RSM Australia

The City of Sydney is rolling out an extensive digital strategy to improve connectivity between residents, visitors and businesses. This strategy focuses on six priority areas to realise the vision for a digitally advanced Sydney:

1. Promote digital literacy and lifelong learning, especially for vulnerable populations.
2. Enhance service efficiency and community responsiveness through technology.
3. Transform community engagement in the democratic process with digital tools.
4. Equip businesses with the skills and infrastructure for digital success.
5. Advocate for, and contribute to, urban renewal with essential digital infrastructure.
6. Ethically innovate in information sharing for community benefit.

Fulfilling these goals will require cross-sector partnerships to amplify the benefits of digital advancements.

Case study

John McAslan + Partners: Sydney is open for innovation



Troy Uleman
Director, John McAslan+Partners

Innovative architecture practice [John McAslan + Partners](#)' first Sydney project was Central Station's renewal. The development is key to the area's revitalisation as Sydney's technology and innovation centre.

Having moved to Sydney from the UK, director Troy Uleman says the city has great attributes.

"There is a strong architecture education system, so the talent pool in Sydney is extraordinary, which is true across Australia. Graduates have a good technical and practical understanding of their field," says Uleman. "Sydney is also incredibly well-connected, which allows us to easily work across the Asia Pacific region and within Australia," says Uleman.

Uleman says there are challenges in Sydney's construction industry, but the business's infrastructure practice can take advantage of the sector's current boom cycle.

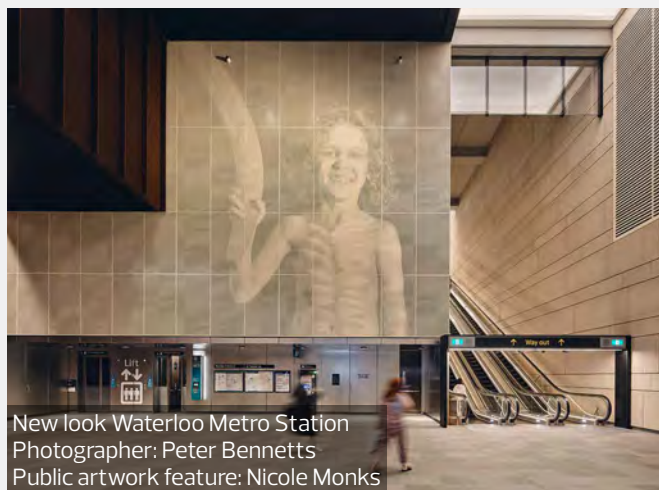
"Our collaborative approach means we can bring innovations from across the globe here. Sydney is open to that because there is good support from the business community for a forward-thinking approach, with governments and investors willing to make the world a better place," he says.

"The roof of Central Station's northern concourse is an example. We worked closely with the project team and the client to make sure all the pieces were in place, so the station remained open throughout construction. Not a single train was delayed (due to the project)."

Like every business, John McAslan + Partners is navigating the rising cost of doing business, which puts pressure on fees and income.

At the same time, the firm is working through how artificial intelligence will change its work.

"AI will impact the more technical aspects of what we do. But it's important to make sure we have the checks and balances so what comes out of the robot is fit-for-purpose. We are busy reviewing our systems and structures to make sure they're ready," says Uleman.



New look Waterloo Metro Station
Photographer: Peter Bennetts
Public artwork feature: Nicole Monks



Sydney: Australia's sustainable city

Many Sydney businesses, especially large ones, are gearing up for the introduction of mandatory climate reporting and being conscious of protecting the incredible harbour and bushland that surrounds the city.

“ Sydney is embracing global sustainability trends. We are seeing greater transparency and sustainability from companies and government entities thanks to mandatory climate-related disclosures for the private and public sectors ”

Linda Romanovska, Partner
Environmental, Social and Governance (ESG) Services
RSM Australia

[The Australian government has implemented](#) mandatory climate-related disclosure regulations for significant enterprises and financial entities. These regulations ensure large companies report annually on their financial risks, opportunities, plans and strategies associated with climate change. The new reporting obligations are designed specifically for large businesses and financial institutions, with a staggered implementation based on company size. The initial phase targets the largest Australian corporations and financial institutions, many of which are Sydney based. The following phase is expected to include businesses that satisfy at least two out of three criteria: a consolidated revenue of \$50m or more, consolidated gross assets of \$25m or more, and a workforce of 100 employees or more.

“Many Sydney businesses will need to comply with these obligations and have their climate-related data ready to report. The whole market will be caught up in the move towards transparency, especially on climate change,” says Romanovska. “Sydney is a leader in this area and is already one of the world’s greenest cities. The City of Sydney is really advanced in its commitments towards the use of renewable energy and reduction of greenhouse gas emissions,” says Romanovska.

Biodiversity is one of Sydney's most attractive features, with Australia joining 195 nations in December 2022, signing the Global Biodiversity Framework as part of its commitments to the Convention on Biological Diversity. This should support Sydney's natural capital biodiversity.

The City of Sydney's environmental strategy 2021-2025 has set ambitious targets to:

- Achieve net-zero emissions by 2035.
- Reduce greenhouse gas emissions by 70% by 2030 from a 2006 baseline.
- Ensure 50% of electricity demand is met by renewable sources by 2030.

The council already only buys renewable energy and is installing rooftop solar on council buildings. When it comes to public transport, the council is committed to creating a city for walking, cycling and public transport, electrifying high-impact transport fleets and building a network of electric vehicle charging options. In addition, planning controls are being used to make sure new developments are designed to make it easy to charge electric vehicles and retrofit charging options in existing buildings.

“We believe there are opportunities for the City of Sydney to develop a climate risk map and closely engage, and share data, with insurance companies, who routinely assess climate change risk,” says Romanovska. “I would like to see how the private and public sector can collaborate to gain efficiencies in these processes, but also support each other’s efforts in this space.”



Social and cultural development

As a multicultural city, Sydney has an inclusive and vibrant community. The city has [a range of diversity and inclusion initiatives](#) to celebrating the cultures that make up its population, especially Indigenous cultures. Festivals, language programs and policies support equal representation and participation of all community members in public life.

Support for the arts, culture and creative industries is a cornerstone of life in Sydney, with significant investments in infrastructure such as galleries, theatres and public art installations. This enriches the cultural landscape and stimulates economic growth and job creation.

Steps towards reconciliation

Sydney's planning authorities, politicians and regulators closely consider the culture, traditions and requirements of Sydney's Indigenous people. John Ralph, Head of Gawura School for First Nations' children in Sydney's CBD, explains that incorporating Indigenous culture and names in new infrastructure is really important. For instance, Sydney's new Metro's main station is called Gadigal Station, and the new Western Sydney Zoo is located in the new suburb of Bungaribee, which carries a local Indigenous name.

"New stations and developments could go one step further and erect signage that explains in English how Aboriginal people used these sites before European settlement. This means everyone who goes past these places has a chance to learn more about Indigenous culture and history," says Ralph.

"I encourage consultation with Aboriginal elders about raising the awareness of how areas such as Waterloo station, which is part of Sydney's Metro, and Redfern train station, have been used by Aboriginal people through time."

Putting this in place on a practical level would involve co-ordination with the City of Sydney's Aboriginal and Torres Strait Islander Advisory Panel. Like many other Sydneysiders, Indigenous people are suffering from the cost-of-living crisis and there is an urgent need to build more affordable housing for Aboriginal people in Sydney.

"Affordable housing for Indigenous people should be a key priority for the NSW Government's Transport Orientated Development Program to build housing along transport corridors," says Ralph. "This would help ensure Indigenous people had good access to transport options to be able to get to and from education institutions, workplaces, healthcare, friends and families."

Additional initiatives could involve asking Gawura students to create 'artscape' at the new Gadigal Station and using digital technology such as apps to educate Sydneysiders and visitors about sites of significance to Aboriginal people. "This would be a beautiful way to celebrate the world's longest living Indigenous culture," says Ralph.



Sydney's attractions on show

Sydney's tourism and hospitality sector is a thriving component of the city's economy, attracting millions of visitors each year with its iconic landmarks, diverse cultural offerings, and world-class dining experiences.

An evaluation of the tourism landscape in Sydney reveals a dynamic and competitive industry that benefits from the city's natural beauty, cultural diversity and strategic location. The sector is supported by policies aimed at enhancing visitor experiences, promoting Sydney on the global stage, and ensuring sustainable growth. These policies include investment in infrastructure, marketing campaigns and initiatives to develop the skills of the local workforce. The tourism and hospitality sector also faces challenges particularly in staff recruitment. The industry is labour-intensive and relies on a mix of local workers, international students, and working holidaymakers. Fluctuations in these labour sources, due to factors such as changes in immigration policies or global events such as the pandemic, can create significant staffing challenges for businesses.

Additionally, there is an ongoing need to address issues such as workforce training, job quality and the balance between maintaining a competitive business environment and ensuring fair working conditions for employees. Confronting these challenges is crucial for the continued success of Sydney's tourism and hospitality sector, ensuring it stays a vibrant and welcoming destination for visitors from around the world.

Business Sydney's Paul Nicolaou calls for additional port infrastructure to enable more larger cruise ships to berth east of the Sydney Harbour Bridge. Business Sydney continues to call for cruise lines to have access during the peak summer cruise season to the Garden Island Navy base. Nicolaou also wants the Federal Government to increase the hours international students are allowed to work each week. Increasing the limit would help the students afford to live in Sydney while supporting sectors such as hospitality and retail that rely heavily on their availability.

"We need to continue to show our support and respect for international students because they play an important role in helping the Australian economy," says Nicolaou.

Commenting on tourism in Sydney, Nick Abraham, Chief Executive Officer, NSW Taxi Council, says: "We have a great opportunity to welcome more tourists back into our wonderful city, especially considering we are not yet back to pre-pandemic visitor numbers."

Abraham says increasing office occupancy rates by getting more people back to workplaces in the Sydney CBD must also be an urgent priority.

"People choosing to work from home is having a big impact on businesses in the city," says Abraham. "This goes hand-in-hand with building the night-time economy. We need to extend late night transport services to make it easier and safer for people to come in and out of our city. With the advent of the new Sydney Metro extension, I can't see why transport services have to finish at midnight or 1am, particularly during peak periods. Services should run until 3am or 4am."

Local authorities are taking steps to re-invigorate the tourist economy and Sydney's night life. [New regulations in Sydney](#) will protect live music venues from serial noise complainants while providing grants for soundproofing to ensure neighbourhood peace. These reforms, part of the NSW Government's plan to revitalise the city's nightlife, include streamlined complaint processes, extended trading hours for venues with live music, and grants for soundproofing and performance equipment.

Case study

BILLWILL – Sydney is a great place for networking



Colin Jowell
Founder, BillWill

Sydney is a good location to build a business as an expat, thanks to its welcoming business community. But more needs to be done to address the city's housing affordability problem.

Serial entrepreneur, Colin Jowell, is the founder of tech start-up [BillWill](#), which helps people find their bills and subscriptions and leave instructions for their transfer or closure after their death.

Jowell started his first business in 2013. He is also the principal of behavioural science-led communication consultancy, Good Behaviour. He moved to Australia 20 years ago and has built a strong network over that time.

"Starting a creative agency relies on a network. And today, my business relies on relationships with estate lawyers and financial planners. So, the city has been open to me. My advice to other people wanting to build a network is to keep knocking on doors and make it happen," says Jowell.

Jowell has ambitions to take the business global, although BillWill is currently Sydney-based. "You have to be in Sydney if you're basing a business in Australia. Being in a capital city is important when it comes to access to distribution partners and vendors," he says.

"Sydney is a very good city in which to build a start-up, because it gives you access to many different skill sets and intermediaries."

Nevertheless, the city has limitations that need addressing, namely housing affordability, transport and infrastructure. This is affecting the way Jowell runs BillWill.

"Over the last 10 years, Sydney has been playing catch up when it comes to building critical infrastructure. Poor housing affordability means people are living in all four corners of the city, so it can be hard to bring them all together in the office," he says.

He notes the lack of affordable housing in Sydney has social consequences.

"I worry about younger staff having a chance to be homeowners in Sydney, where property prices are so high. There's a much bigger role for the public sector to play in social housing and infrastructure, which require a more coordinated approach between state and local governments," he says.

Proactively addressing challenges and risks

Pursuing Sydney's ambitious vision, a range of potential challenges and risks must be identified and addressed. These stem from economic, social, and environmental factors, each with its own set of implications that could affect the realisation of the city's goals.

- **Economically**, Sydney faces the challenge of managing growth while maintaining affordability and economic diversity. The risk of an overheated property market, skills shortages and the volatility of global financial markets could pose significant economic risks.
- **Socially**, the city must navigate the complexities of demographic changes, including an ageing population, cultural diversity and the need for inclusive policies that address inequality.
- **Environmentally**, Sydney is confronted with the urgent need to adapt to climate change, manage its natural resources sustainably and protect its unique ecosystems. The risks associated with these factors, such as extreme weather events, water scarcity, and biodiversity loss, are critical concerns that require immediate attention.

To mitigate these challenges and risks, comprehensive contingency plans and risk mitigation strategies are essential. This includes diversifying the economic base, investing in affordable housing and social infrastructure, fostering social cohesion through inclusive policies and implementing robust environmental management practices.



Looking ahead

Sydney has a unique position as a powerhouse of opportunity for mid-market businesses. With its robust infrastructure, diverse talent pool and burgeoning innovation ecosystem, Sydney stands ready to propel forward-thinking enterprises to new heights.

Sydney is ideally placed to confirm its place as the leading global city in the Asia-Pacific region. RSM and Business Sydney look forward to working closely with the Sydney business community to support its success, helping to foster a thriving commercial environment that benefits enterprises and contributes to the city's ongoing economic vibrancy and global competitiveness.



ACKNOWLEDGEMENTS

Thank you to the following individuals for their valuable input:

David Cochrane – Director / Sales Manager, Emotif
Rupal Isman – Director, Sydney Knowledge Hub
Deane Waldron – Managing Director, Trade Advertising
Paul Nicolaou – Executive Director, Business Sydney
Simon Hickey – Chief Executive Officer, Western Sydney Airport
Marc Gibson – Director, Strata Sense
Nigel Dickson – Managing Director, Dickson Rothschild
Craig RoCHAT – Group CEO & acting CFO, Land of Plenty
Troy Uleman – Director & Sydney Studio Leader, John McAslan + Partners
John Ralph – Head of Gawura K-12
Nick Abraham – Chief Executive Officer, NSW Taxi Council
Colin Jowell – Founder, BillWill

For further enquiries, please contact our team at RSM:

Anthony Smith – Managing Partner, Sydney
Grace Bacon – Partner, Financial Services
Adam Crowley – Partner and National Leader for Property and Construction
Matthew Cunneen – Partner, Data Analytics
Jessica Olivier – Partner, R&D Tax and Government Incentives
Linda Romanovska – Partner, Environmental, Social and Governance (ESG) Services
Danielle Sherwin – Partner, International Tax and Transfer Pricing
Devika Shivadekar – Economist
Mira Brewster – State Tax Specialist

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