



Leading cities series



RSM

**BUSINESS
SYDNEY**

Time to thrive

Sydney 2026 and beyond





Acknowledgement of Country

RSM would like to acknowledge the Traditional Custodians of Country on which Sydney stands – the Gadigal people of the Eora Nation – whose enduring spiritual connection to the land, waters and skies remains unbroken. We pay our respects to Elders past and present, and extend that respect to all Aboriginal and Torres Strait Islander peoples who live and work across beautiful Sydney and its surrounds. They are the First Peoples of Australia and continue to be the custodians of this ancient and vibrant place.

Artwork entitled "Koorā-Benang-Bidi," by Michelle Kickett depicts Perth's waterways symbolising RSM's establishment on Whadjuk Country over 100 years ago and captures the firm's growth across six states and territories of Australia.



Expert advice.
Local insight.
Global reach.

For over 100 years, RSM has delivered assurance, tax and consulting services to help Australian businesses and organisations thrive. Our Sydney office, located in the heart of the CBD at No.1 Martin Place, is one of 32 RSM offices in cities and regional towns across Australia.

The *Leading Cities series*: Connecting the dots

RSM's *Leading Cities series* puts the spotlight on Australia's capital cities, exploring their evolution, challenges and potential through the lens of those who know them best.

Drawing on research and interviews with business leaders, government departments, academics and industry specialists, the series provides a comprehensive snapshot of each city's journey to-date and the road ahead.

At its core, *Leading Cities* is about connecting the dots between data and lived experience. Each edition unpacks how the city is evolving, highlighting the policies, investments and social shifts that are driving change. Our goal with this series is to deliver contextual insights that foster vibrant, sustainable and competitive Australian capital cities.

The *Leading Cities series* contains reports for Brisbane, Melbourne, Perth, Canberra, and of course Sydney. This is the second Sydney edition in the *Leading Cities series*, released in 2026.



Executive Summary: Shaping Sydney's future

Sydney is a city in motion, and it is moving at high speed. Sydney is changing, expanding and striving to remain competitive on the global stage.

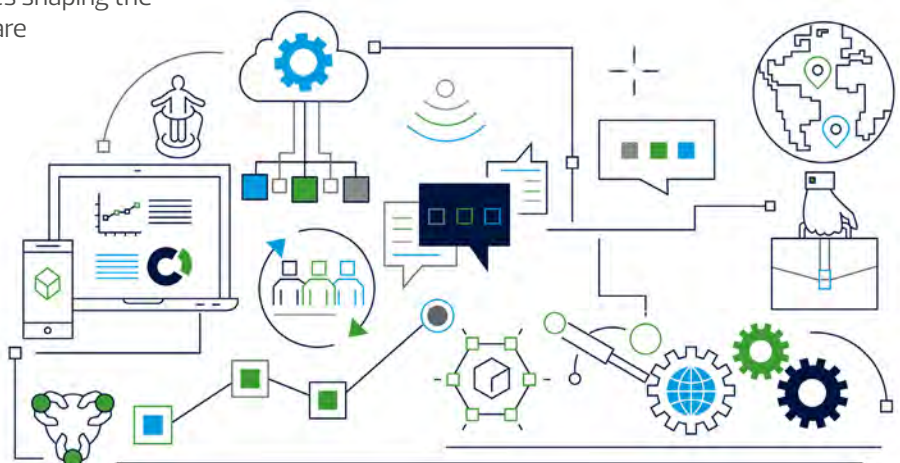
We are balancing the need to get the basics right, from essential housing and transport infrastructure, while forging ahead and flourishing with game-changing innovations backed by research and development.

This report explores:

- Sydney's broad economic landscape
- Infrastructure and transport investments
- Housing supply and affordability urgency
- Cost of living and social inclusion considerations
- The great wealth transfer occurring amidst growing inequality
- Sector spotlights on health, professional services, hospitality, manufacturing and more.
- The rise of AI, digital innovation and Sydney's growing tech ecosystem
- Sustainable Sydney and a green economy
- Arts, culture and tourism diversity

The themes reflected in this report aren't exhaustive or necessarily all unique to Sydney, but they do provide insights into some of the powerful forces shaping the city's future and some of the ways we are collectively responding.

Sydney stakeholders are passionate and have vision, and a sense of urgency too. Collaboration and courage will be critical to ensure Sydney's economic, environmental and social future remains bright, and is a future that brings all Sydneysiders on the journey.





Welcome

Danette Cheung, Managing Partner – Sydney, RSM



Success begins with clarity, curiosity and the confidence to grow. I believe this philosophy applies in life, in business and to Sydney's future, too.

Sydney is a dynamic, diverse and captivating global city, that is only getting bigger and better. But as we collectively shape the future of our city, there is no room for complacency.

Opportunities and challenges abound as we strive to assert our place as a leader in the Asia-Pacific region and retain our global economic presence in a changing (and currently highly challenging) trading environment.

This report coincides with an exciting, new chapter of growth for the RSM team in Sydney. In July 2025, I was honoured to be appointed Managing Partner of our Sydney office. More recently, our team moved into a new, state-of-the-art office in iconic Martin Place, in the heart of the CBD. This move came after a period of exceptional growth; our Sydney employee headcount has doubled to 400 in the past seven years.

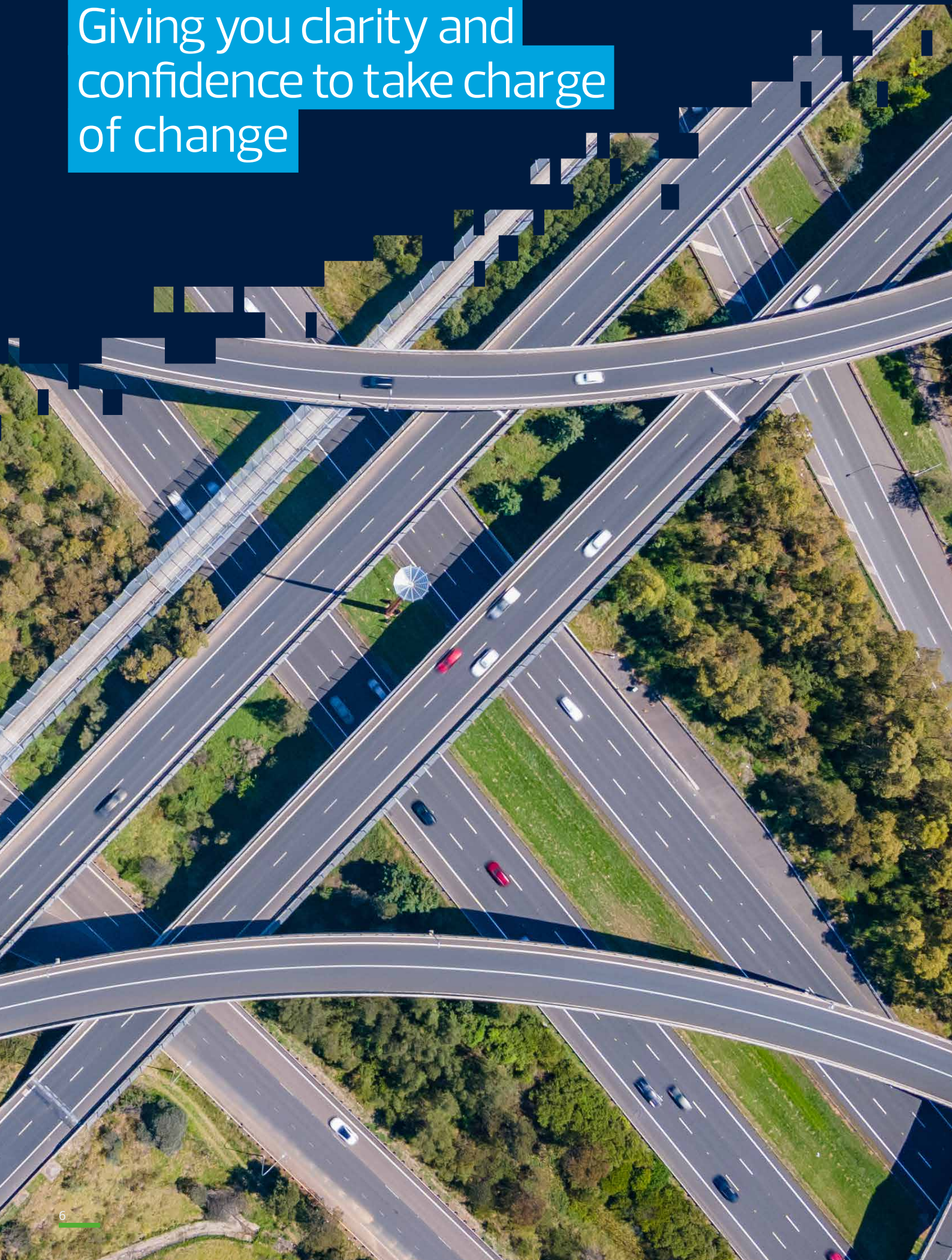
This is also a time of rapid expansion and evolution for the city and its growing population. As the world and this great city continue to evolve, knowledge-backed advice matters more than ever. Our purpose is to empower our clients to make timely, informed decisions.

In this report we focus on the topics shaping Sydney's future; from productivity to housing supply, AI, and social inclusion. Most importantly, we do so through the real, human perspectives of Sydneysiders.

Digital innovation and AI can be marvelous tools that we should take full advantage of. However, it cannot replace the need for human connection and creative, ethical and personal advice. Our people bring experience, knowledge, confidence and credibility to every conversation with our clients and partners.

In a time marked by global uncertainty, from economic volatility to shifting geopolitical dynamics, cities like Sydney are being called upon to demonstrate resilience and adaptability. While this report looks forward to the opportunities that lie ahead, it is also important to acknowledge moments that have deeply affected our community. The tragic events at Bondi Beach in 2025 serve as a sobering reminder of the importance of compassion and collective strength. Our thoughts remain with all those impacted, and we recognise the enduring resilience shown across Sydney in the face of adversity. I hope you enjoy reading this Leading Cities report for Sydney and that it helps you clarify priorities and inspires action. I am sincerely grateful to the many and varied individuals and organisations who contributed their insights. The knowledge and understanding we collectively bring together in this report can promote awareness and action to support a prosperous and thriving Sydney in 2026 and beyond.

Giving you clarity and
confidence to take charge
of change



Key Sydney statistics

\$550bn¹

Greater Sydney
economic output (2025)

NSW Gross State Product in 2024–25,
Australia's largest state economy is **\$855bn²**

Median Sydney house price
in late 2025, among the
most expensive housing
markets globally⁴



\$1.75–1.8m

5.6–5.7M

Greater Sydney population in 2025,
up from 4.7 million in 2016³



377,000 new homes

NSW's target under the National Housing
Accord by mid-2029, with delivery
currently off-track⁵

\$20bn

International education export earnings
in NSW, the state's second-largest export and
largest service export⁶

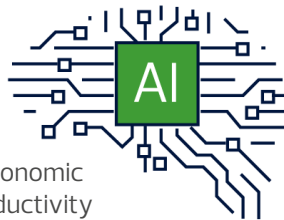
97%

NSW businesses report productivity
as a key challenge, citing **skills
shortages, costs and regulation⁶**

**Australians aged 65+ will more than double
over the next 40 years, reshaping labour
markets, housing and care demand⁴**

\$110–120bn

Estimated contribution of AI to Australian economic
activity over the next decade, driven by productivity
uplift and labour substitution⁸



\$118–119bn

NSW Government **Essential Infrastructure Plan**
over four years (transport, housing-enabling
infrastructure, health and education)⁷

\$5.4tn

Australia's looming intergenerational wealth
transfer over the next 20 years, concentrated
in housing and superannuation transfer⁹



22% of employed women in Greater
Sydney work in care roles. 77%
of the care workforce is female, and ~48% are
overseas-born, underscoring the sector's
reliance on migration¹⁰

^{1,3,4} economy.id.com.au/rda-sydney?com

² www.nsw.gov.au/business-and-economy/nsw-economy/about-our-economy?com

⁵ www.planning.nsw.gov.au/policy-and-legislation/housing/housing-targets

⁶ www.education.gov.au/international-education-data-and-research/education-export-income-financial-year

⁷ www.infrastructure.nsw.gov.au/industry/construction-industry/pipeline-of-projects/

⁸ techcouncil.com.au/newsroom/generative-ai-could-contribute-115-billion-annually-to-australias-economy-by-2030/

⁹ www.pc.gov.au/research/completed/wealth-transfers

¹⁰ www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release



Key recommendations to help Sydney thrive

- 1 Reduce unnecessary red tape** to support Sydney's momentum and keep productivity reform action high on the agenda.
- 2 Support SME business growth** by pursuing reforms in areas where increasing costs are a serious burden, particularly rising energy, fuel, finance and workers compensation insurance costs.
- 3 Deliver more, well-located, homes** across Sydney to address the serious supply versus demand imbalance. Keep the dream of homeownership alive for more people and reduce the number of 'working poor' in Sydney, through increased affordable housing options.
- 4 Continue to better connect** Greater Sydney with transport infrastructure to foster a more cohesive and accessible city, particularly between the CBD and areas of rapid population growth, including Western Sydney.
- 5 Celebrate culture, diversity and creativity** by growing the 24-hour economy in a balanced and sustainable way; it's good for locals and visitors alike.
- 6 Invest in the right (and varied) skill sets** for the future, including essential health care and social assistance sectors, along with transformative innovation sector opportunities, particularly advanced manufacturing and clean energy technologies.
- 7 Recognise the international education sector** as a powerful driver of economic and social value for Sydney rather than conflating it with immigration policy.
- 8 Get on the front foot with environmental, sustainable and governance initiatives (ESG).** Regardless of where your organisation or business sits in the supply chain, ESG matters. Look to leaders like the Sydney Opera House to bring your strategy to life.
- 9 Prioritise cyber security** and regularly review safeguards. As you build your ideal technology stack and become more digitised, a cyber security strategy is essential.
- 10 Protect the wealth** you have now, and for the future. Be prepared for the coming wealth transfer and have a robust succession plan in place for personal and business-related wealth. Have important conversations early to understand your options.

Sydney's economic significance to the nation

Sydney is central to our nation's economic performance and prosperity.

With the largest sub-national economy in Australia, Sydney serves as a central hub for finance, professional services, technology and innovation. Its economic scale is driven by a diverse mix of industries, a highly-skilled workforce, and strong global connectivity.

NSW has the largest state economy in Australia, worth nearly [\\$855bn](#). It makes up about a third of the country's economy and is also home to about a third of Australians. Business services are a major strength in NSW, contributing about [30% of GSP](#). Over the last 20 years, services have grown to make up [75% of the NSW economy and over 90% of jobs](#). This includes areas like finance, professional and technical service, real estate, media, telecommunications and support services. Construction and health care are also key pillars of the economy.

The [biggest employers in NSW](#) are health, social care, professional and technical services, retail, construction and education.

As the capital city of NSW, and an economic powerhouse, Sydney must remain competitive on the global stage for the benefit of Sydneysiders, NSW, and indeed the whole nation.

A diversified economy helps manage risk

Devika Shivadekar, Economist, RSM Australia says that Sydney's economy is growing, but more slowly than previously assumed. In 2024-25, economic growth was modest – closer to around 1-1.5% in real terms – reflecting cost-of-living pressures, weaker construction activity and subdued productivity, despite ongoing population growth and strength in health, education and services.

A cautious approach to business investment

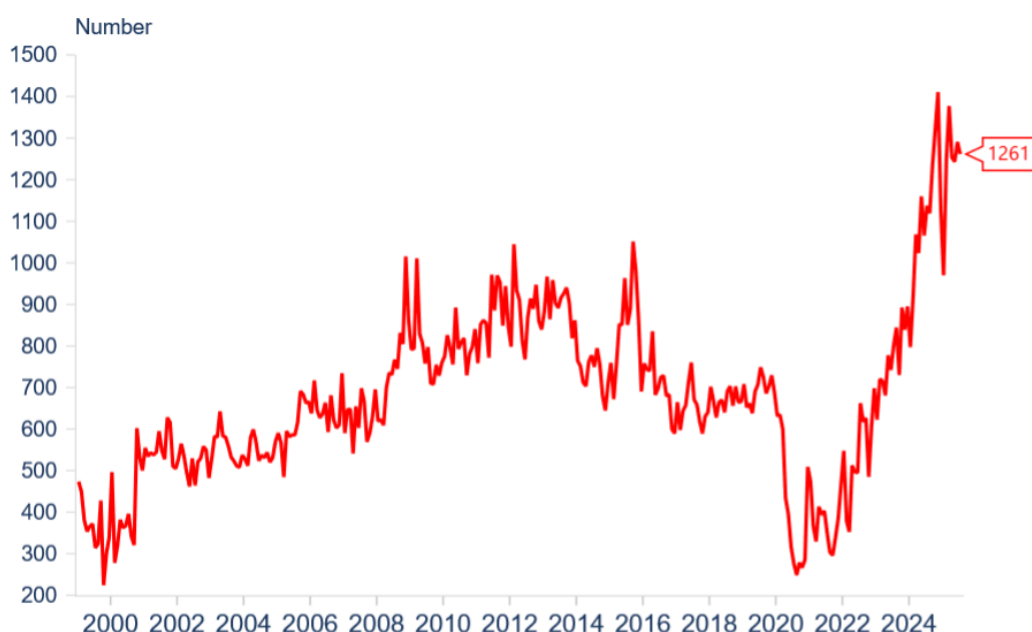
In the 2024-25 financial year, business investment, particularly in the SME sector, remained relatively muted, and understandably so.

"There has been one economic shock after another over the past five years. We had the pandemic, and just as the economy was emerging from its fallout, inflation accelerated and interest rates began to rise sharply. Consequently, borrowing costs have remained elevated and financial conditions tight. More recently, heightened geopolitical tensions – including conflict in the Middle East, fuel supply disruptions, price volatility, and renewed global trade uncertainty – have added further complexity to the operating environment."

"Against this backdrop, it is understandable that business investment, particularly among SMEs, has been cautious and relatively muted. However, despite these pressures, the Sydney economy continues to show resilience," explains Shivadekar.

Insolvency warning signs, despite some stabilisation: Western Sydney a 'hotspot'

Insolvencies remain elevated but broadly stable in Australia, according to [CreditorWatch](#). However, the July 2025 spike in business-to-business (B2B) trade payment defaults signals fresh pressure on businesses. Construction, hospitality and retail continue to carry the highest insolvency burden. "Western Sydney has emerged as an insolvency hotspot, with [six out of Australia's 10 worst-performing regions](#) being in Western Sydney, driven by lower household incomes, high concentrations of small construction businesses and elevated personal insolvency rates."



Source: [CreditorWatch](#), ASIC, Macrobond

Infrastructure boom: Building and connecting Sydney's future

Sydney continues to undergo a transformative infrastructure boom, with major investments reshaping the city's transport, housing and public services.

Getting the basics right

For Sydney to thrive as a high-performing, inclusive, and globally competitive city, there is wide-spread recognition for the need to get the basics right and maintain the positive momentum.

At the [Committee for Sydney Summit](#) held in 2025, it was agreed that there is no time to waste when it comes to "delivering housing, building energy infrastructure to meet net zero goals, ensuring our city can care for carers amidst an aging population, and safeguarding the future of younger generations."

The NSW Government certainly has a role to play in getting the basics right. The five-year [State Infrastructure Plan](#) is in roll-out phase, aiming to rebuild essential services, drive new housing supply and support the growth of existing communities through the [Essential Infrastructure Plan](#).

Paul Nicolaou, Executive Director, [Business Sydney](#), believes people living and working in Sydney have "won the golden ticket," with significant positive policy progress that spans federal, state and local government responsibilities being delivered across the city.

"Sydney is facing up to challenges, particularly when it comes to affordable housing supply, driving the infrastructure agenda forward and continuing to revive the night-time economy commensurate with our city's status as a thriving, global city," Nicolaou says.

The NSW Government 2025–26 Budget includes a [\\$118.3bn investment](#) over four years to 2028–29 for essential infrastructure, with investment prioritised in schools, hospitals, housing and critical services like water and energy. Investment in infrastructure is expected to exceed \$30bn in 2025–26 – that's [\\$84.4m per day](#).



Western Sydney now homes one-third of the NSW population

The Hon Daniel Mookhey MLC, NSW Treasurer, [describes](#) Western Sydney as "the future of New South Wales." With Western Sydney now home to around [one third of NSW's population](#), there is a pressing need for services, housing and transport infrastructure to catch up with demand.

Continued investment in a transport network that creates opportunities and connections for people, regardless of where they live, is essential for a thriving city.

Jeremy Gill, Head of Policy, Committee for Sydney, says that there is an increasing dislocation between where people live and where people work. "Sydney is an expensive city. We have people who provide essential services including aged care, disability care and childcare, who tend to live in more affordable parts of the city – disproportionately in the west and south west of Sydney – where public transport access is currently not as strong. The significant and continued infrastructure spending is vital to better connect our city for the future," Gill adds.

'Two sides to every coin': Infrastructure spending

Adam Crowley, Partner and National Leader for Real Estate and Construction Leader, RSM Australia, believes there are 'two sides to every coin' when it comes to infrastructure spending.

"Where we are seeing a lot of activity from an infrastructure perspective that's needed to accommodate the growth and expansion of Sydney, there's also a byproduct of that, being that available resources tend to get sucked into those projects, and so you have this situation where access to labour and materials can be challenging, particularly when it comes to smaller, residential housing projects," says Crowley.

A new era of aviation in Sydney takes flight

Major construction works across Western Sydney International (Nancy-Bird Walton) Airport (WSI) are now complete. The 24/7 operations are on-track to commence in the [second half of 2026](#). The world-class airport is designed for international, domestic, and cargo operations. Leading carriers Qantas, Jetstar, Singapore Airlines and Air New Zealand are signed-on to fly from WSI.

[WSI CEO, Simon Hickey](#), says, "The 24-hour international gateway terminal would create significant economic opportunities for all of Greater Sydney."

Sydney Airport has also become more connected, celebrating one year in September 2025 since the completion of the [Sydney Gateway](#). In the 12 months since completion, an estimated 50,000 vehicles per day have used the Sydney Gateway, and 19 bridge structures and three kilometers of pedestrian and cycle paths have been added.

By rail, road or cycleways: Sydney is becoming more connected

[Sydney Metro](#), Australia's biggest public transport project, hit some major milestones in 2025, especially with the Metro West line, which is being touted as one of the most transformative transport projects in the city's history. Major tunnelling for the Sydney Metro project is [complete, as of 2 March](#). The [Parramatta Light Rail Stage 2](#) is also under construction, and will connect local communities in the Greater Parramatta and Olympic Peninsula, and bring the vision of a '[30-minute city](#)' closer to reality.

Paul Nicolaou, Executive Director, Business Sydney says that the Sydney Metro represents a huge public transport leap into the 21st century. "We have the prospect of more Metro lines opening up, and that can only be good news for the future development of our city."

Road infrastructure, particularly the [WestConnex](#) project is redefining how Sydney moves too, with the [Future Western Harbour Tunnel](#) due to open in 2028. WestConnex continues to [spark debate](#) about sustainability, health, and urban planning, with [air pollution reports](#) raising some community concerns.

Active transport is attracting investment, with Greater Sydney undergoing a major cycling transformation led by the Transport for NSW, [Strategic Cycleway Corridors Program](#). The City of Sydney also supports active transport options. [Lord Mayor of Sydney, Clover Moore AO says](#), "By building connected bike links, we're offering people a viable transport option that is safe, cheap and encourages active lifestyles."

New developments for thriving precincts

Precincts in Sydney continue to evolve or emerge, including the iconic Sydney Fish Market. The redeveloped site [opened in early 2026](#). Local and tourist visitation numbers are expected to double to [over six million people annually](#) at this much-loved Sydney destination.

[Bradfield City Centre](#) precinct in Western Sydney, touted as an emerging global city that will drive industry innovation and serve as a central hub for arts, culture, and entertainment, is also currently under construction. 10,000 new homes and 20,000 jobs are to be delivered within the precinct; one of Australia's largest urban development projects in over a century.

There is plenty of action in the Moore Park precinct too, with [a tender process opened by the NSW Government in late 2025](#) for the Entertainment Quarter redevelopment. Part of the vision for this site is to create spaces that can host substantial audiences for live performances, with potential for an indoor arena of 15,000 – 20,000 seats.



Housing supply and affordability: A demand vs supply-fuelled crisis

Sydney housing is a topic that's impossible to avoid if you are a Sydneysider. It comes up at work, at the local BBQ with friends, or on the sidelines of a sporting field – and for good reason. The 2025 [Demographia International Housing Affordability](#) report revealed Sydney is the second most expensive city in the world to buy a home, beaten only by Hong Kong.

"Housing settings have been demand-heavy and supply-constrained in Sydney. The housing market has also been used as an investment tool, contributing to rising house prices that have priced a lot of people out of the market, particularly first-home buyers," explains Devika Shivadekar, Economist, RSM Australia. At The University of Sydney's [Festival of Regenerative Urbanism 2025](#), housing was high on the agenda. "Housing is one of the most contested issues in Sydney and across Australia," says Professor Nicole Gurran, Director Henry Halloran Research Trust and Professor of Urbanism, Sydney School of Architecture, Design and Planning.

Cut the construction red tape

Red tape and planning approval delays are on-going challenges for the property development sector and can have a significant impact on a project's Internal Rate of Return.

Adam Crowley, Partner and National Leader for Real Estate and Construction Leader, RSM Australia says, "Development companies aim to control most cost elements of projects, but if there are delays with building approvals, for example, time is money, and delays can eat up profit margins quickly. The good news is access to capital in the sector has improved, and there are significant planning reforms underway that should help reduce the red tape burden."

Housing reforms aim to increase housing supply

To help boost housing supply, in November 2025 the NSW Government passed landmark planning legislation to deliver more homes through a modern, faster, and fairer state planning system. "The Bill introduces a suite of changes to streamline planning approvals, provide greater certainty for industry and communities, and cut unnecessary red tape, and has received widespread support through the NSW Parliament," says Premier, Chris Minns.

[David Borger](#), Executive Director, Business Western Sydney and Chair, Housing Now! Alliance welcomes the *NSW Planning System Reforms Bill 2025*. "It's a planning system reset – and not a moment too soon. It's a landmark moment for housing in our state," he says.

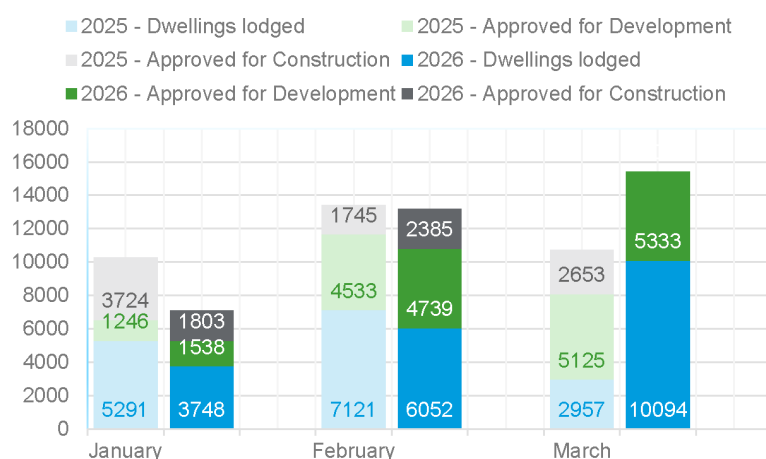
The Bill introduces:

- A new Development Coordination Authority to streamline assessments across agencies.
- A legislated Housing Delivery Authority to fast-track major housing projects.
- Faster approvals through Complying Development and a new Targeted Assessment Pathway.

"These are real reforms that will help councils, communities and the private sector work together to deliver the homes NSW desperately needs. Planning reform isn't political. It's practical," Borger says.

However, it remains to be seen if these changes will materially increase approval times. NSW Planning's housing supply dashboard tracks the number of dwellings lodged, approved for development and approved for construction since 1 July 2024. A side-by-side comparison between Jan-March 2025 and Jan-March 2026 does not show a significant year-on-year increase in the number of dwellings passing through the approval process.

NSW housing supply 2025–26



Data sourced from www.planning.nsw.gov.au/data-and-insights/housing-supply/housing-supply-dashboard

Note: The number of dwellings approved for construction in March 2026 was not available at the time this report was produced

Housing targets established: But are we on-track?

Targets to significantly boost housing supply have been set. The [National Housing Accord](#), targets 1.2m new well-located homes by mid-2029, and in NSW there is [a target of 377,000 new homes, or 75,400 a year](#). In its first [progress report](#), the National Housing Supply and Affordability Council indicates NSW is slightly behind schedule, with an expected completion date of around June 2031 based on the current pipeline.



The number of dwelling units approved vs completed. Chart developed by Devika Shivadekar, Economist, RSM Australia. Sources of the data are ABS, Macrobond and RSM Australia.

“Time to stop talking and start building.”

The favoured Rosehill Racecourse site with potential to accommodate 25,000 new-build homes in Sydney didn't proceed when members of the [Australian Turf Club rejected a plan](#) in May 2025 to sell the site to the NSW Government for \$5bn. The NSW Government now plans to deliver up to 8,000 new homes close to Sydney's CBD by rezoning land around Parramatta Rd under the agreement between the Minns' Labor government and Inner West councillors. [Premier Minns](#) said the Parramatta Rd project had been talked about for decades and that it was “time to stop talking and start building.”

Paul Nicolaou, Executive Director, Business Sydney, welcomes the Parramatta Rd plans: “After decades of neglect, Parramatta Road is finally on the road to renewal.”

The [NSW Government has also announced plans](#) to recommence work on the abandoned Woollahra train station in the city's east and rezone adjacent land for up to 10,000 new homes. Some [local community opposition](#), raising density concerns, has been rebuffed by the NSW Premier; according to the [AFR](#), he calls it an “example of NIMBYism [his] government needs to kill.”

Keeping pace with changes in the construction sector

The team at family-owned and operated, Trinity Fitout and Construction, deliver a range of projects across education, social infrastructure, commercial workplace and government sectors.

The large pipeline of new housing projects is promising, but many factors can cause delays, creating a gap between delivery rates and the pace required to meet housing targets. As Devika Shivadekar points out, the impacts of COVID-19 are still being felt in the housing market. “Housing approval and completion rates have not recovered post-pandemic,” says Shivadekar.

Ben Lloyd, Managing Director, [Trinity Fitout & Construction](#), says that despite some positive changes being introduced, particularly from the [Building Commissioner's Office](#), “I think the industry as a whole is still taking a while to catch up with the requirements and what's expected of us across the board. That goes not only for builders, but for architects, planners and developers too.”

When speaking about the general trends across the sector, Lloyd says the cost structure of the industry has stabilised a lot since the escalation coming out of COVID, but finding skilled labour remains an ongoing issue.

The Trinity Fitout and Construction team recently delivered [two purpose-built group homes](#) in Blakehurst, Southern Sydney, for not-for-profit organisation Estia Foundation of Australia. Designed specifically to provide Specialist Disability Accommodation (SDA) for individuals requiring tailored care and support, the homes provide a safe, comfortable and supportive environment where residents can enjoy greater independence.



Ben Lloyd
Managing Director, Trinity Fitout & Construction

We're proud to have played a part in creating these essential facilities which will have a lasting impact on the lives of people in our community.



We've run the numbers

A 5% deposit on a \$1.295m Sydney home = \$64,750

Approximate repayments, assuming:

- Loan amount: \$1,230,250 (i.e., \$1.295m minus \$64,750 deposit)
- Interest rate: 6.2% p.a. (typical variable rate in 2026)
- Loan term: 30 years

Using standard principal & interest repayment calculations:

- Monthly repayment = \$7,535
- Weekly repayment = \$1,739

Note: These figures are estimates only and do not constitute financial advice. Figures and estimates can vary based on lender, interest rate type (fixed vs variable) and fees.

Housing supply set to increase, but will the great Australian homeownership dream still be out of reach for many Sydneysiders?

You can buy a [French Palace for \\$1.2m](#) (in need of a little TLC) but according to [NAB](#), Sydney median dwelling prices are equivalent, sitting just shy of \$1.3m in the March 2026 quarter.

Considering [ABS estimates](#) for average weekly ordinary time earnings for full time adults were [\\$2,051.10 in November 2025 \(seasonally adjusted\)](#), it's understandable why so many Sydneysiders are struggling to get a foothold on the property ownership ladder. [Cotality Economist, Kaytlin Ezzly, says](#) the new Federal Government's Home Guarantee Scheme settings "will empower first home buyers with greater choice, while helping to level the playing fields for those without access to the bank of mum and dad." But will it be enough? The reality of property prices in Sydney may make owning your own home an unobtainable dream for many – despite years of hard work.

A broken social contract?

Jeremy Gill, Head of Policy, Committee for Sydney, says that there is a notion of a social contract that's been broken when it comes to housing in Sydney. "There used to be a long-held belief that if you work hard enough, eventually you'll get your break. But with the way property prices continue to rise in Sydney, affording a place where you want to live or work is becoming out of reach for a lot of people."

Getting a foot on the property ladder: Carolyn's story

Carolyn Deornelas, Marketing Manager, RSM Australia, shares her personal story about what it took to get a foot on the property ladder in Sydney.

It turns out that saving, thinking outside of the box, being open to looking outside the CBD, plus a little help from the 'bank of mum' was the winning formula for Carolyn Deornelas and her family.

"I always wanted to buy a home in Sydney but felt that it was so far out of reach. Both my partner and I had some savings, but certainly not enough for a house deposit. We continued to save and then an opportunity came up to purchase a block of land for subdivision with my partner's cousins in [Engadine](#), in Southern Sydney. We could build a duplex on the site."

"I reached out to my mum as I knew she had some funds set aside to gift to me as part of my inheritance. My mum was an immigrant, moving to Australia from Chile in 1987. She worked really hard as a single mum to not only raise my sister and I, but to send us both to university. I am very cognisant of her sacrifices and open with the fact that without her help we wouldn't have been able to get on the property ladder right now."

"We have just finished building our home and moved in with our daughter in late September 2025," Deornelas says.



Cost of living and social inclusion: The growing social divide

Cost of living, rising property prices, financial abuse and uneven distribution of wealth are just some of the factors raising widespread concern about a growing social divide in Sydney, and it could be holding us all back, economically and socially.

As *The Sydney Morning Herald's* Economics Writer, Millie Muroi observes, "It's our distribution of wealth that's the biggest driver of inequality between the 'haves' and the 'have-nots.'"

A report by the [Australian Council of Social Services \(ACOSS\)](#) and the [University of NSW in 2024](#) found that in Australia, the top one-fifth of households hold nearly two-thirds of the country's wealth. Muroi points out that "allowing, and encouraging wealthy people to lock away their wealth, especially in things such as existing housing, worsens inequality."

"The working poor"

Reverend Stu Cameron, CEO and Superintendent, [Wesley Mission](#), has seen an increase in the number of people seeking assistance in Sydney, including families on two incomes.

"A whole new cohort has emerged, particularly over the last year. There is a stereotype that the people we help are all unemployed or have addictions, and of course that's still the case for some people we support. But we are seeing a growing number of cases of 'working poor' and 'housing poor' people in need of help. We don't have adequate social housing stock in Sydney; we definitely need a better social safety net when it comes to housing," he says.

Domestic and family violence: Every demographic, every postcode

Rev. Cameron is also seeing an increase in women and children fleeing domestic and family violence. "Everyone has been stunned and alarmed at the level of demand. The government is right to be investing in specialised infrastructure and support through core and cluster programs because there is no question: domestic and family violence touches every demographic and every postcode."

According to ABS Crime Victimisation and Personal Safety Survey data, in NSW, approximately 40% of domestic violence incidents are not reported to the police.

[Homes NSW](#) statistics show women over 55 are one of the fastest growing groups of people experiencing homelessness in Australia.



Women's financial independence: Still work to be done

Grace Bacon, Partner, Financial Services, RSM Australia, is passionate about helping women navigate and understand their financial affairs. In a recent [Sydney Morning Herald](#) opinion piece Bacon says, "Women go through more life changes than men and can face more complexity in their working and ageing lives, and this requires solid planning to stay on-track financially. The greatest gift you can give yourself (as a woman) is financial independence."

We all have a role to play to reduce the social divide

In Rev. Cameron's words, "We need to come together as a community in Sydney to help address the growing social and wealth divide. All levels of government, of course, have a really significant role to play too. Some big and courageous calls need to be made; I think we need to have a serious conversation about wealth tax and inheritance tax."

Could a wealth tax help reduce inequality?

[Emeritus Professor Chris Evans, School of Accounting, Auditing & Taxation at UNSW Business School](#), believes that "there will always be differences in wealth, and wealth inequality, up until a point, isn't inherently problematic. It's when there is gross inequality in wealth that it is a disaster for social cohesion because it unfairly limits opportunities for those less well-off to fulfil their potential."

According to [a UNSW news article](#), supporters of net wealth taxes argue it's fair because the wealthiest have the means and should contribute more, but critics say it unfairly punishes success, and could lead the rich to move their investments to countries with more favourable tax laws.

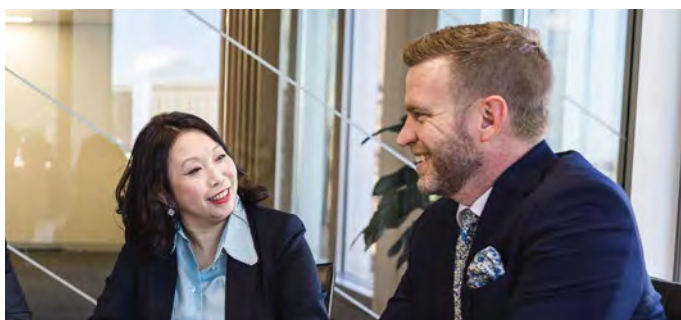
The great wealth transfer: Not just a consideration for the Packer and Murdoch families

There is a financial and cultural shift happening in Australia today, with over **\$5.4tn expected to change hands by 2050**. Many baby boomers and older Australians are asking themselves what legacy they want to leave, and some people from younger generations will need to consider (and fast) how to manage the wealth they may inherit.

Grace Bacon, Partner, Financial Services, RSM Australia, says that this historical transfer of wealth brings complexities and opportunities for individuals and business owners when it comes to succession planning.

"The baby boomer generation need specific advice around how much money they need to live on and wealth transfer options, and then the next generation need advice, too, for how they can take this wealth and manage it going forward. It's really important that clients take the advice they receive to ensure that they can preserve and protect that family wealth or business bottom-line."

"And it's not just about the Packers' or Murdochs' of the world anymore; some ordinary Sydneysiders are inheriting quite a lot of money now, or will receive a large inheritance in the near future – largely thanks to property values and retirement assets," Bacon explains.



Sydney's growing social divide: The 'haves and have nots'

Sydney placed in the top 10 in 2025 in the [World's Wealthiest Cities Report](#), which ranks the top 50 wealthiest cities based on the number of millionaires and billionaires who live there.

Grace Bacon, Partner, Financial Services, RSM Australia, is witnessing a growing economic divide in Sydney. "Some 30 year olds may never have to work again, while other Sydneysiders may inherit little or no wealth. There is a genuine question around the reality of a future where there are a growing number of 'haves and have nots' when it comes to wealth. I anticipate the wealth gap will also continue to widen based on geographic locations, such as east versus west, which may further the economic and social imbalance in Sydney," Bacon says.

A recent [UNSW and ACOSS Poverty and Inequality Partnership](#) report, *Inequality in Australia 2024: Who is affected and how?* shows the average household wealth of Australia's highest 10% growing much faster than the lowest 60%, from \$2.8m to \$5.2m (an 84% increase) over the past 20 years. Meanwhile, the average wealth of the lowest 60% has risen from \$222,000 to \$343,000 (a 55% increase).

Research reported in The [Australian Financial Review](#) from Melbourne Institute's latest [Household, Income and Labour Dynamics in Australia \(HILDA\)](#) shows the average home-owning retiree is now worth almost \$1.7m – six times more than a retired renter. The report warns that "superannuation alone will not be enough to spare more Australians from a financially precarious retirement."

It's personal: A wealth transfer story

A long-term client of RSM in Sydney generously agreed to share his personal views on intergenerational wealth transfer. The father of three, grandfather, great-grandfather, academic, grew up always having food on the table – "but we were certainly not wealthy."

He is now in a position of having an estate worth well above \$10m, accumulated over many decades thanks to sound property decisions and significant property value increases, working continuously, superannuation, investment advice from RSM advisers, and "living a fairly modest lifestyle."

Open to helping his children financially during his lifetime, he gifted some smaller amounts along the way, but says, "We wanted our children to feel they achieved things by themselves, with a little bit of help from us. We didn't want to take away their pride in their own achievements." He is also an active giver to charities that align with his interests and values, from health-related causes such as prostate cancer, to the arts and the [State Library of NSW](#). He is not planning on leaving any bequests. "I've discussed with my children that I'll be leaving them the money, but I am encouraging them to also be generous," he says.

"For those who don't have the advantages like my family, it does concern me. There are people living in caravans, sleeping rough on the streets, or just getting by. Not having money, being at the lowest economic level of society, can certainly make you very unhappy. But once you reach a point where you can maintain a decent sort of living, then money doesn't make you happy," he adds. ***"What makes you happy is having a purpose in life. And the thing that makes you happiest, it turns out, is doing things for other people."***

Insights from Kelly Power, CEO Superannuation and Investments, Colonial First State

Sydney's superannuation and investment landscape is evolving

Sydney is feeling what much of Australia is feeling: cost of living pressure is making people more engaged with their finances. Our latest [Rethinking Retirement](#) research shows cost of living is the top concern, and more people reviewed their super or reached out for guidance than a year ago.

Another shift is 'bigger world, steadier income.' After a period of market volatility and higher interest rates, many investors are asking about diversification and steady income sources as they move from accumulation to spending in retirement.

Finally, with scams and cyber-risk front of mind, trust and security matter more than ever.

Key considerations for a comfortable retirement and wealth transfer

For most of our members it comes down to three practical balances:

1. **Today's essentials vs. tomorrow's security.** People want to fund the life they value now without losing sight of the future. Our research shows some retirees are still using pension payments to service debt, which makes forward planning and buffers even more important in the current cost of living environment.
2. **Clarity and control.** Confidence rises when people can see what they have and whether they're on track. Our [Empowered Australian](#) report on financial advice trends shows that those who've had financial guidance report feeling better prepared, and report less negative impact on wellbeing from financial stress. That tells us clarity isn't a 'nice to have,' it's a wellbeing issue.
3. **The importance of family conversations and intergenerational wealth transfer.** Families are thinking earlier about how to pass on wealth fairly and simply."

Trends in relation to superannuation asset allocation strategies in Sydney

Keep it simple, stay the course. Many people prefer straightforward, diversified options they can understand and stick with – especially when markets are noisy. Engagement studies show the appetite for clear, client-friendly reporting and fewer 'moving parts.'

There's growing curiosity about spreading risk across more than just local shares and property, and broader industry flow data also shows interest in defensive income credit alongside equities, reflecting a desire for steadier income to support retirement spending.

A skills (and potential trust) shortage in the Financial Services sector

As the historic wealth transfer unfolds, the financial services sector is also facing a talent shortage partly due to updated qualification requirements following [The Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry](#). The Australian Financial Review reported back in 2023 that more than 12,000 financial advisers had retired or handed back their registration since the royal commission in 2018. The exits represented a 43% decline in the size of the workforce in just five years.

"With such a significant transfer of wealth underway, the importance of knowledge, trust and credibility in the sector is paramount. The findings of the royal commission have created a level of lingering distrust of our sector as a whole, and it's our job as professionals and qualified advisers, to help change the narrative by empowering our clients with knowledge and trusted advice so they can make informed decisions for their future," Grace Bacon, Partner, Financial Services, RSM Australia says.

Improving our productivity

The national Economic Reform Roundtable in August 2025 put the spotlight on improving productivity as a foundation for economic resilience and budget sustainability. In a period marked by geopolitical uncertainty, higher interest rates and volatile energy prices, productivity gains are increasingly essential to sustaining living standards and economic competitiveness.

[According to Danielle Wood](#), Chair of the Productivity Commission (PC), "Productivity is the secret sauce for improving our living standards. Put simply, productivity is about getting more out of our working hours. As the value of our work increases, our incomes and living standards grow."

One reform [Wood](#) has put on the table is "changing our [corporate tax system](#) to create sharper incentives for businesses to invest and expand."

Liam Telford, Partner, Corporate Tax and William Laird, Partner, Business Advisory at RSM Australia, believe the PC's recommendations are strong but the turnover cap needs to be higher to reflect the realities faced by Australian businesses.

"We welcome the PC's draft recommendations, which have been described as 'a first step' towards the goal of reorienting the system to better support a dynamic and resilient economy. However, we respectfully request that the PC consider whether the \$1bn turnover cap for the reduced company income tax rate should be higher from the outset, noting, *inter alia*, the potential impact on high-volume, low-margin businesses, and the PC's own admission that increasing the cap to \$3bn or \$5bn would cause a productivity gain."

Productivity remains a key challenge for NSW businesses

The focus on productivity is clearly needed. The [Business NSW, Business Conditions Report](#), released in March 2026, revealed that productivity is falling across many industries.

Rising costs, labour shortages and complex regulations are said to be driving the productivity challenge.

But there are positive signs too, according to [Business NSW](#): "Business confidence has hit its highest level in over three years. More businesses are planning to hire, fewer are cutting staff, and access to short-term finance is improving. Insurance costs, however, remain the biggest concern."

Population growth and immigration a net positive

Household spending broadly makes up about [60%](#) of Sydney's Gross Domestic Product (GDP). Devika Shivadekar, Economist, RSM Australia, says the city's economy is heavily driven by the spending of individuals and households, on everything from food and housing to transportation and entertainment.

"An increasing population helps stimulate the economy, particularly when it comes to consumer spending. Consumers are powering much of Australia's and Sydney's economic growth," Shivadekar says.

In mid-2024, Greater Sydney's population was approximately [5.5 million people](#), up from 4.7 million in 2016, reflecting population growth of roughly 15% in eight years. [In 2023-24 the Sydney population grew by 107,500](#), largely driven by net overseas migration.

The Australian Government's [2023 Intergenerational Report](#) predicts migration will continue to contribute to population growth, but is projected [to fall as a share of the population](#). Coupled with this projection, Australia's population will continue to age over the [next 40 years](#). The number of Australians aged 65 and over will more than double and those aged 85 and over will more than triple. Nevertheless, Australia's population is expected to remain younger than most advanced economies, according to the [report](#).

"After a slump and a surge, net migration is falling."

Despite some [mass migration fears](#) being fuelled in Australia, overseas migration is in fact falling. [Official figures](#) show migration numbers are now falling at a rate of 100,000 per year since peaking at 536,000 in 2022-23. That rate is enough for a swift return to pre-pandemic levels.



[ABS Overseas Migration 2023–24](#) statistics reveal the first annual decrease in net overseas migration since the COVID pandemic border restrictions were lifted. This lower level was led by a decrease in migrant arrivals, largely temporary visa holders, while departures increased during the same period.

In September 2025, the Australian Government announced the 2025–26 permanent Migration Program will be set at 185,000 places, maintaining 2024–25 program settings.

Devika Shivadekar, Economist, RSM Australia, says that a skills-focused permanent Migration Program “helps supplement Australia’s working-age population by boosting participation rates and the size of the labour force.”

The economic and social importance of migrant workers

[ABS figures show](#) in 2023–24, those on temporary visas (465,000) recorded lower volumes than the previous year (557,000). While international students were the largest temporary visa group with 207,000 arrivals, this was a decrease from 278,000 in 2022–23. Other temporary visa holders included visitors (90,000 migrant arrivals), working holiday makers (80,000), and temporary skilled migrants (49,000).

According to the [Grattan Institute](#), the COVID pandemic highlighted how essential migrant workers are to Australia’s economy, but their impact on the jobs market is still not well understood. “Temporary migrants, many of whom reside in Sydney due to its economic opportunities, fill critical gaps in hospitality, retail, construction, and health care, especially in roles that locals may be less inclined to take. International students often work part-time in Sydney’s service industries, helping sustain the city’s vibrant food, tourism, and retail sectors.”

International education: Separate the sector from the immigration debate

Paul Nicolaou, Executive Director, Business Sydney, thinks it’s vital we separate the international education sector from the immigration debate. “International students are part of the lifeblood of our economy and communities,” he says.

Business NSW’s [Economic and Social Contributions of International Students Report](#) revealed that international education accounted for nearly 120,000 full-time equivalent jobs in NSW in 2024. As NSW’s second biggest export earner in 2024, it created and sustained nearly \$13bn in employment activity and directly generated \$8.8bn in spending on goods and services in the economy that year.

[A fall in international student numbers](#) is occurring at the same time that Australia’s university sector is undergoing one of its most challenging periods in decades, with many institutions being forced to make difficult decisions about their future. In August 2025, The University of Technology Sydney (UTS) announced the need to [cut 400 jobs, roughly 10% of its workforce](#), as part of a cost-cutting initiative to save \$100m.

Visa caps and policy shifts, the collapse in English Language Intensive Courses for Overseas Students (ELICOS), fee hikes at some universities for international students, global competition, Sydney’s high cost of living and housing supply issues are some of the factors attributed to the number of commencements by students who were new to Australia in [2025 declining by 15–16%, with the ELICOS sector falling at 35–44% in year-to-date June 2025](#).

Untapped professional talent

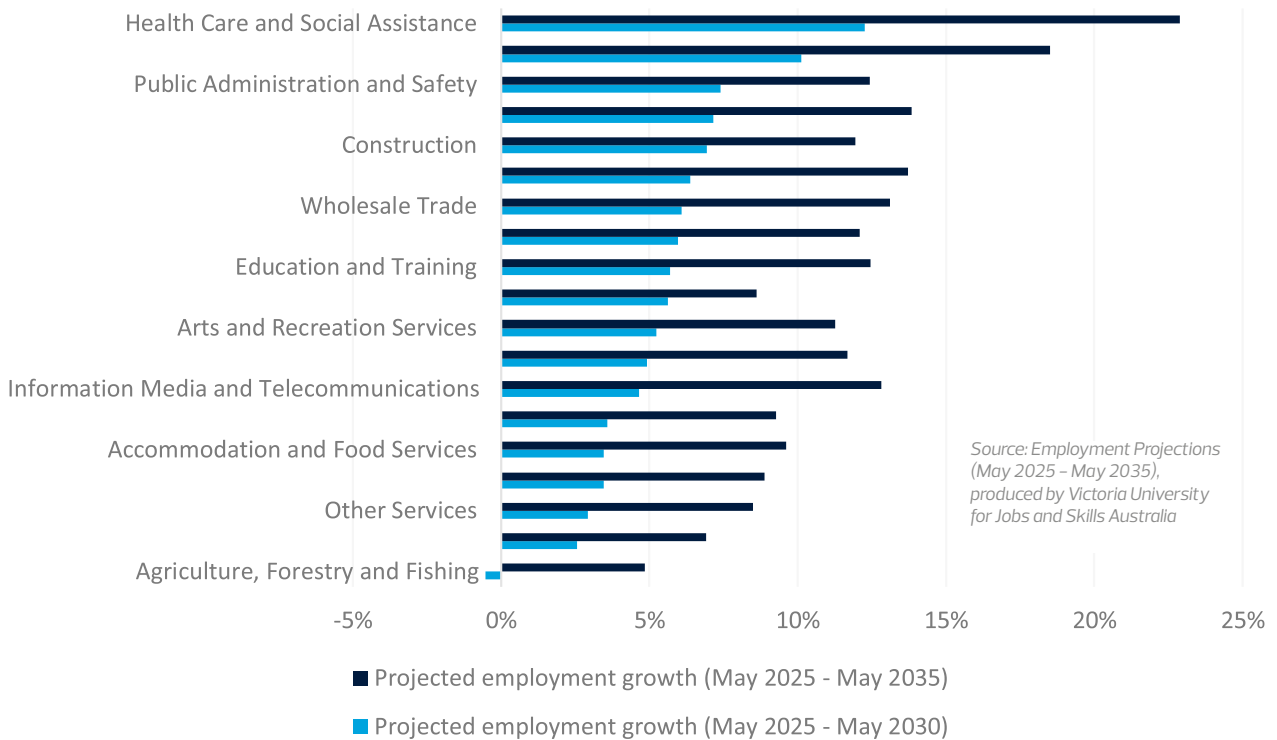
Grace Bacon, Partner, Financial Services, RSM Australia, believes international students aren’t just good for the economy while they study, they are largely an untapped opportunity for Australian employers too.

“We have a skills shortage in Australia in some areas, including financial services, but the visa process for international students who have studied and qualified in Australia has become a lot more challenging due to changes to the Temporary Graduate (485) visa. I think a lot of organisations overlook international students as a source of talent because they are not aware of the visa requirements, or they worry they are investing in talent that can’t be retained. These students have studied in Australia, know our business operating environment and bring diversity of thought, experience and global connections,” Bacon explains.

The right skills-fit

As Australia and Sydney continue to evolve, there are industries at risk of facing a serious, on-going skills shortage. Employment growth in the health care and social assistance sector has the highest [projected growth to May 2034](#).

Projected employment growth by industry (5 and 10 years), Persons, Australia



Undersupplied vs oversupplied occupations

Jobs and Skills Australia (JSA) analysis shows that labour-market mismatches remain pronounced despite some easing in overall conditions. In its [Occupation Shortage Report \(March 2025\)](#), JSA found that four of the five most undersupplied occupations in metropolitan areas were health-related: Psychiatrists, Audiologists and Speech Pathologists or Therapists, Occupational Therapists, and Medical Imaging professionals, reflecting very low applicant-to-vacancy ratios.

More recent JSA updates and the [2025 Occupation Shortage List](#) confirm these pressures remain largely unchanged. Health and care roles continue to feature prominently among persistent metropolitan and national shortages, while clerical and entry-level ICT occupations – including keyboard operators, ICT support technicians, and multimedia specialists and web developers – remain oversupplied, attracting far more applicants than available vacancies. This pattern is reinforced through JSA's Labour Supply Index and additional insights reports.

Devika Shivadekar, Economist at RSM Australia, notes these mismatches are emerging alongside falling fertility rates, a rapidly ageing population, and lower levels of net overseas migration. Australia's total fertility rate is projected to fall to

a record low in 2025–26, while net overseas migration has declined from its post-pandemic peak and is expected to moderate further, according to the [Centre for Population's 2025 Population Statement](#).

"If our economy is to function and grow, if people are to receive essential care, we need to welcome people to Australia who have the right skills to meet demand," Shivadekar says.

Regions and the 'sunny state' compete for Sydney talent

Also feeding into skills shortage considerations in Sydney is the significant regional migration trend that's emerged in the last five years since the pandemic. Housing supply and affordability challenges in cities, lifestyle choices and greater remote working opportunities is making regional living an attractive and viable option for more people.

The number of capital city people moving into Australia's regions increased in the quarter to September 2026 by 11.5% according to [The Regional Movers Index \(RMI\)](#). Sydneysiders accounted for 53% of the net outflow from all the country's capitals into regions. Net migration into regions up 11.8% marking one of the highest levels of regional relocations since the COVID-19 pandemic.

Sector spotlight

Health care and social services

The Committee for Sydney released a major report, *Raising Sydney's Care Factor*, in October 2025 which finds that more than 60,000 older people – people currently in their late 50s and 60s – will have to go without the support they need by 2041 if drastic action isn't taken. The report challenges us to prioritise the care sector in Sydney to the same level as essential infrastructure, housing, transport and energy.

Statistics show one in five women (22%) in Greater Sydney are employed in care roles and within the care sector, 77% of the workforce is female. 48% of care workers are born overseas and 46% of female care workers are part-time, limiting job security, benefits, superannuation, and reinforcing lifetime economic inequality. A key recommendation of the Greater Sydney report is to shift the narrative to make care more "visible, valued and shared."

According to Working In's 2025 analysis of Australia's skills shortage landscape, the care sector is straining under the pressure. The demand is significant, with

over 54,000 additional aged care workers needed and more than 50,000 registered nurses required to meet upcoming needs.

Nurse and Midwife Support organisation revealed nurses and midwives are at higher risk of developing symptoms of burnout due to the challenges the workforce is facing. "With over 36% of the nursing workforce over the age of 50, additional pressure is placed on the retirement rate and skill mix, and results in a workforce shortage."

As Sydney's population continues to grow and age, the health care and social assistance sector will become more burdened unless the skills shortage is addressed.

Jeremy Gill, Head of Policy, Committee for Sydney, feels that, "At a foundational level we must ensure the health care and social assistance sector in Greater Sydney is well-supported. We can't be an innovative, prosperous city if we can't care for ourselves, and we can't provide care for those who care for us."

Financial, professional and business services

Sydney is undoubtedly Australia's financial, professional and business services capital; a leader in the Asia Pacific region.

But are we still living off yesterday's luck?

In an exclusive report, *The Sydney Morning Herald's* Technology Editor, David Swan, revealed details of a 2025 private meeting in Sydney where some of Australia's wealthiest families met behind closed doors to ask a confronting question: *Is Australia still the lucky country?*

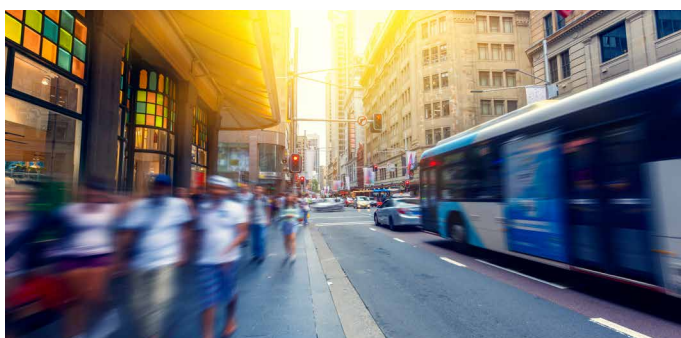
According to Swan, [Startmate](#) Investment Manager Ben Simai, who convened the event, said, "The underlying theme of the discussions was steering Australia's economic future towards innovation amid fears the nation was 'living off yesterday's luck.' Australia is still sitting on golden eggs: political stability, natural resources, English-language advantage and world-class universities. But the goose producing those eggs is starving. And our family offices are saying: the golden goose needs a new diet."

This debate is unfolding against a more challenging macroeconomic backdrop. After easing through 2025, interest rates began rising again in early 2026 as inflation pressures re-emerged, tightening financial conditions and lifting the cost of capital for businesses and investors. At the same time, heightened geopolitical instability has driven volatility in global energy markets, pushing fuel prices higher and increasing cost pressures across transport, logistics and energy-intensive sectors. Together, higher borrowing costs and elevated energy prices are reinforcing a more cautious investment environment, amplifying the need for productivity gains, economic resilience and clearer growth-focused policy settings

What sectors will transform Sydney's future?

According to the [Committee for Sydney](#), innovative sectors that offer significant opportunity to keep Sydney on the global stage include:

- Financial services and fintech
- Bio-medical technologies and life sciences
- Digital technologies
- Advanced manufacturing
- Net zero and clean energy technology



Being intentional about change

Jeremy Gill, Head of Policy, Committee for Sydney, believes NSW needs economic transformation to be a state-wide priority, supported by clear political and bureaucratic leadership and ownership.



Sydney has had a various comprehensive planning strategies in the past, and the NSW Government has released its Draft Sydney Plan in December. These

have always had a focus on the economy but there's an opportunity to also have a broader economic vision and strategy for Sydney, something we identified in our 2024 report 'Transforming Sydney's Economy'. This will allow us to be more intentional with aligning talent and investment attraction with an understanding of the role of different and emerging sectors that offer considerable opportunity within Sydney, and more broadly, Australia. In order to build up Sydney as an innovation city, and to transform our economy for the future, we have to be really intentional about telling that story.

Jeremy Gill

Head of Policy, Committee for Sydney



Business Sydney would like to see the appointment of a Minister for Sydney to coordinate and set the collaborative growth agenda to further enhance Sydney's capacity and reputation as a global city.

"To attract domestic and foreign investment, we need to make it very clear that we are a city which welcomes ambitious plans that grow the economy. We are seeing evidence of the NSW Government doing everything possible to streamline the investment channels to speed planning decisions and to send a message far and wide that our state and our city are very much open for business," says Paul Nicolaou, Executive Director, [Business Sydney](#).

Cut the red tape

[Daniel Hunter](#), CEO Business NSW, is concerned about the impact red tape continues to have on business prosperity.

"Red tape isn't just about annoying paperwork. It's about lost time, wasted money, and missed opportunities. Red tape is bleeding businesses dry, and unless something changes, it's going to keep holding us back," Hunter says.

[According to Business NSW research](#) reported in [The Daily Telegraph](#), since August last year, the number of businesses that say red tape is a serious burden has jumped from 53% to 72%.



Love Tilly Group

A Sydney hospitality love story built on curiosity and adaptability

The [Love Tilly Group](#) team deliver a significant contribution to the Sydney food and wine scene, serving up curious, considered and uncomplicated hospitality in proudly obscure locations across the city since 2010. Think 600+ bottle wine lists championing emerging winemakers, and a fresh, unique menu with an Italian bent showcasing the world's best ingredients.

Love Tilly Group collectively own and operate two wine bars, seven restaurants and two bakeries in Sydney. They are continuing to pivot and remain people-focused, long after the pandemic.

"Sydney is hands-down Australia's most vibrant city, and the CBD is a powerhouse. It's innately a social city and people like to be out and about, whether that be people who work for corporates in the city, or tourists," says Matt Swieboda, Group Director of the Love Tilly Group.

However rising costs are a considerable burden to carry, particularly when it comes to insurance.

Swieboda explains, "I think it's very easy to get caught up on the big-ticket items being wages and cost of goods, but when you develop your career in hospitality you learn how to be as efficient as possible on these fronts. We know how to control our kitchen cost, our beverage cost, and our staffing levels. These are ingrained considerations and talents that we work towards every day, but when it comes to all of the other expenses that sit on your profit and loss statement, like insurances, they are becoming more significant. That's everything from your regular

Unemployment rate stabilised, but targeted job cuts happening

In the 2025 September quarter, the unemployment rate in [Greater Sydney was 4.7%](#), after peaking during the pandemic in 2020–2021, reaching over 6%. Recent, targeted job cut announcements include [banking](#), [the NSW Government](#) and [tertiary education institutions](#), with cuts largely aimed at achieving financial sustainability, simplifying processes and reducing the duplication of roles.

[ANZ expects to cut about 3,500 jobs](#) over the next 12 months, and 1,000 contractors will also be impacted. NAB is making cuts too, with [410 jobs](#) announced to go in the technology and enterprise operations division. According to the [Australian Financial Review](#), "Banking may be entering a cycle where chief executives turn to cost-cutting to try to offset a range of pressures."

liability insurance and contents insurance, but more importantly it's workers compensation insurance."

The cost of living in Sydney is also biting, a bit. According to Swieboda, every hospitality operator has had to make decisions that strike a balance between increasing prices to keep in line with how expensive the inputs have become, along with finding ways to become more efficient.

"I think a lot of the dining trends that you see, both in Sydney and globally, are actually driven by resources and the need to try and deliver greater efficiencies. It may be creating flexible menu options such as sharing plates, or selling more wine by the glass," he says.

People crave the social aspect of a dining experience, and while Swieboda is aware there is an 'upper crust' in Sydney who aren't impacted by cost of living increases, some customers are finding ways to reduce the size of their bill. Interestingly at the wine bars, the Love Tilly Group team is seeing a reduction in food spend because the guests are primarily going there for a wine experience, whereas at the restaurants it's the opposite; people are ordering plenty of food, but perhaps having one glass of wine each, rather than sharing a bottle.

"At the end of the day, we're a people-focused business, in a people-focused industry and a big part of that is delivering an experience people enjoy and want more of. We're always open to new ideas and like to reward curiosity from our team members and our customers," Swieboda says.

Innovation in advanced manufacturing: A critical sector for Sydney's future

Dr Rebecca Barnes, National Grants Director at RSM Australia, believes [targeted funding programs](#) designed to build resilience in the manufacturing sector have never been more important.

"We've seen international supply chains become less stable and geopolitical tensions increase, and all of that points to the need for stronger onshore manufacturing," she says.

According to Barnes, the grants targeted at manufacturers have increasingly become focused on specific sub-sectors, especially renewable energy components and inputs, rather than supporting traditional manufacturing more broadly.

This shift aligns with recent national industry policy, including the Australian Government's [Future Made in Australia agenda](#), which prioritises support for advanced manufacturing sub-sectors linked to clean energy, critical minerals, green metals and strategic industrial capability, rather than broad-based manufacturing assistance.

Vital research and development (R&D)

The three industries with greatest contribution to [Business expenditure on R&D \(BERD\) in 2023/24](#) were:

- Professional, scientific and technical services (\$9.17m or 38%)
- Manufacturing (\$5.04m or 21%)
- Financial and insurance services (\$3.47m or 14%)

High quality: A strength to leverage

Louis Quintal, Partner, Assurance and Advisory and National Leader for Manufacturing, RSM Australia, says that Australia's pharmaceutical and food and beverage manufacturing standards are among the most rigorous globally, creating high demand.

"A wide range of Australian products, from vitamins and baby milk formula to seafood and wine, are highly regarded and sought after – particularly in the Asia Pacific region," Quintal says.

According to [IBIS World](#), in 2025–26 the Australian pharmaceutical industry is projected to generate revenue of \$13bn through both domestic and export sales.

President Trump's announcement to impose [100% tariffs](#) on branded, imported pharmaceuticals to the USA from 1 October 2025, unless the company had already broken ground on a manufacturing plant in the United States, is a clear indicator of the need to remain adaptable when it comes to manufacturing export markets.

"Our manufacturing clients across all sub-sectors are seeking out ways to safeguard their business, manage risk and deliver even greater efficiencies in their manufacturing and distribution processes. Tariffs, digitisation, automation, staffing and energy costs, quality standards, transportation, reducing stock holding and storage costs are all constant considerations that can impact profitability," Quintal explains.

New playbook for biotech innovation: Increased specialisation and global collaboration

China is experiencing a biotech boom. Marina Yue Zhang, Associate Professor, Research, Australia-China Relations Institute, UTS, shares her views on [how Australia can make the most of the opportunity](#) that's rapidly evolving on our doorstep.

"First, embrace smart specialisation. Australia cannot outspend or out-scale China. But it can become indispensable in niche domains where it already has an edge: rare disease platforms, early-stage discovery, immunology and precision medicine, to name a few. China brings scale, capital and development speed. It is about comparative advantage: combining Australia's upstream strengths with China's downstream capabilities," Zhang says.

The [Australian Trade and Investment Commission](#) is also supportive of Australian medtech and health care pioneers who are "rewriting the rules of cross-border medical collaboration under China's market access fast-track channels."



In a global world, self-reliance still matters

There is a need to get the balance right between global collaboration and self-reliance when it comes to manufacturing, particularly at a time where international trade tensions are constantly evolving.

"The COVID pandemic was a wake-up call for global manufacturing, and Australia felt it acutely. Unlike most other countries, Australia is not self-reliant, so we have to play to our strengths and recognise that local manufacturing is a strategic asset, maintain global connections and keep focussing on our supply chain resilience," says Devika Shivadekar, Economist, RSM Australia.

The current fuel shock is feeding directly into supply chain costs, with global oil prices rising on the back of geopolitical disruptions and constrained refining capacity. In Australia, where over 90% of refined fuel is imported, this is translating into higher wholesale fuel prices and elevated transport costs, particularly across road freight which carries around 70–75% of domestic goods. As a result, logistics providers are facing margin compression or passing costs through, adding to inflationary pressures especially in food and essential goods. The impact is not just cost-driven; tighter fuel supply and higher prices are also increasing delivery lead times and reducing network reliability, exposing structural vulnerabilities in Australia's import-dependent supply chains.

From restaurants to construction sites: Building the right tech stack for growth is a priority

Kian Ghahramani, Partner and National Leader for Professional and Business Services, RSM Australia, is keenly aware that all businesses, regardless of scale or sector, are looking to optimise their tech stack.

"Business owners don't want to, or necessarily need to, 're-invent the wheel'. They are looking for technology solutions that may be already out there to help them gain efficiencies and capture accurate data that empowers them to make informed decisions in real-time."

Ghahramani explains that it's about working with clients and urging them to have their 'finger on the pulse' as much as possible, so their data is readily available. "We can review it on a quarterly basis and identify opportunities and any issues early. A proactive approach is always better than a reactive one. Depending on the type of business you have, opportunities may exist to ensure you have optimum stock levels on retail shelves, or it could be looking at staffing opportunities that deliver efficiencies – ultimately it's about empowering yourself to make timely, data-driven decisions," he says.



Technology, innovation and AI: Are we keeping pace?

Sydney is in a global innovation race, and it's a marathon, not a sprint. According to the [World Economic Forum](#), we've entered the [Intelligent Age](#), where AI, quantum computing, and blockchain are reshaping industries in real-time.

Robotaxi services are now the norm in cities like San Francisco, with Google's self-driving car service, [Waymo](#), [having overtaken Lyft](#) in terms of market share based on gross bookings.

However, tech stocks have shown global volatility; [Reuters reported](#) Oracle shares jumped 36% on 10 September 2025 on Wall Street, after the company pointed to a demand surge from AI firms for its cloud services, but in early November 2025, there was an [\\$800bn AI sell-off](#) and the Nasdaq fell 3% over a five-day period with investors "[worried about sky-high valuations](#)."

Sydney is on the AI global map

The good news is, Sydney is clearly on the AI global map with positive signs, including OpenAI, the maker of [ChatGPT](#), confirming the opening of its [first local office in Sydney](#). Sydney is also home to a range of global-leading start-ups in the tech and innovation space, including [Canva](#), which received a [\\$42bn valuation](#) in August 2025.

Growth in AI: Australian companies nearly tripling since 2023

[The 2025 AI Ecosystem Report](#), produced by the National Artificial Intelligence Centre (NAIC) and CSIRO reveals Australia's artificial intelligence sector has experienced explosive growth, with the number of AI companies increasing substantially over the past decade including 204 opening in the last 5 years, representing 7.7% year-on-year growth. According to the [report](#), Sydney has multiple AI clusters totalling 184 companies across its CBD.

The Federal Government's [AI Adoption Tracker](#), shows AI adoption by SMEs in NSW continues to increase, from [26% to 28%](#) in quarter four 2024 data, released in June 2025.

Anna Acopian, Founder and CEO of [SafegateAI](#), says AI is already taking over repetitive tasks, freeing people to focus on strategy, creativity, and complex decision making.

"The trends we are seeing in the AI space are predominantly focused on automation. However, as we move forward, our focus should remain on harnessing AI capabilities to build human-centric solutions that enhance – rather than replace – the cognitive creativity and strategic impact that only people can deliver" Acopian explains.

A Productivity Commission report, [Harnessing Data and Digital Technology](#) cited AI will likely add more than \$116bn

to Australian economic activity over the next decade. The report recommends an approach to regulation that limits the risks that AI presents without stifling its growth potential.

Sydney playing catch-up to other global AI hubs

While Sydney is showing strong momentum in AI adoption, especially among SMEs and service sectors, globally, Sydney still lags behind leading AI hubs such as San Francisco, Singapore, and Beijing, particularly in [investment and R&D scale](#).

Acopian explains, "The challenge is no longer awareness; it is the widening skills gap and uneven adoption across sectors. Targeted investment in workforce training, robust governance, and modern digital infrastructure will be critical for Sydney to stay competitive."

"I know I have an AI opportunity, but I don't know what it is."

Ashwin Pal, Partner, Cyber Security and Privacy, RSM Australia, hears this phrase from clients regularly, and while the appetite to adopt AI is strong, safeguards are sometimes overlooked.

"To use an analogy when it comes to AI, a lot of businesses know they have an opportunity, so they are creating really fast, shiny cars that may look good on the surface, but they have no brakes, airbags or seatbelts. And if a crash happens, it could be fatal. My role is not so much to build the car; it's to make sure the brakes, airbags and seatbelts are in place and are in good working order," Pal says.



Protecting your customers and your reputation: Cyber security action

As businesses of all sizes and sectors become more digitised and automated, data privacy and cyber security concerns continue to rise. The financial, legal, and reputational implications of cyber security breaches cannot be overstated.

From large corporates to local government authorities, not-for-profits and SMEs; cyber security is a serious governance consideration.

The Optus breach in 2022 that resulted in sensitive data of up to [10 million](#) customers being exposed, promoted increased scrutiny for organisations around third-party risk management, API security and data minimisation and retention practices.

[International airports were in chaos](#) in September 2025 after a [cyber-attack](#) caused major disruptions to check-in and boarding systems.

Cyber-attacks have become inevitable; having a robust cyber security strategy in place is essential.

Privacy concerns: A top priority for Australians

[Australian Community Attitudes to Privacy Survey \(ACAPS\) 2023](#) revealed nine in 10 Australians are concerned about organisations sending customers' information overseas and 96% want conditions in place before AI is used to make decisions that might affect them.

According to [Inside Small Business](#), boutique law firms are some of the most targeted small businesses by cyber criminals in Australia, and [The Law Council of Australia \(LCA\)](#), which represents more than 100,000 Australian legal professionals, is calling for the government to provide financial support to help small businesses improve their cyber security.

"The Law Council believes it is essential the government provide targeted grants, incentives, or subsidies to assist small businesses, including small legal practices, to encourage uptake of better cyber security practice," says LCA President, Juliana Warner.

Innovation clusters: Creating a Greater Sydney innovation ecosystem

Collaboration and a clustered approach will help keep Sydney on the global map as an innovation capital.

"Sydney's key to success is the fact that we have a network of innovation districts and clusters of innovative activity right across the city. Coherent innovation, from hubs like [Tech Central](#), to Macquarie Park, Randwick to Westmead and Liverpool; there's real strength in an innovation ecosystem like that," says Jeremy Gill, Head of Policy, Committee for Sydney, and Chair of the Innovation Districts Alliance.



Digital tech, clean energy and sustainability, health and medtech, advanced manufacturing and robotics, space and satellite technology are just some of the innovative sectors Sydney is making strides in and has an opportunity to continue to grow a global reputation for.

Sydney's Tech Central is home to startups, scaleups, global tech giants and venture capital funds. The six square kilometre precinct bordered by Haymarket, Camperdown, and South Eveleigh in Sydney's CBD has Australia's highest density of venture capital and its strongest concentration of technology businesses including Atlassian, Block (Afterpay), Canva, Safety Culture and Rokt. Businesses also have access to research facilities and talent, with over 160,000 students and more than 150 research institutes and centres of excellence on the doorstep.

Sydney's innovation engine got a recent injection with the NSW Government delivering an [\\$80m](#) innovation package to support the [NSW Innovation Blueprint](#).

Business Sydney's vision is for Sydney to remain and grow as a prosperous global city with a message to domestic and international investors that our city is open for business and welcomes their involvement.

"Our city has many strengths on which it can continue to grow at pace, building an economy that supports an ever-increasing number of jobs as well as encouraging existing businesses and importantly, startup businesses, that represent the future of our wonderful city," says Paul Nicolaou, Executive Director, [Business Sydney](#).

Conferences including [SXSW Sydney](#) held in October 2025 also help create conversations and foster collaboration in the innovation space. SMEs, startups, tech innovators, thought leaders, industry decision makers, academia and government agencies converged to discuss accelerating AI adoption and capability among SMEs, growing Australia's AI industry and promoting safe and responsible AI practice.



Fostering a thriving
future

Green economy and sustainable Sydney

Environmental, social and economic considerations are interwoven into Sydney's sustainability fabric; it's about how we live, what we consume, and how we can foster a thriving future.

Deadlines and targets are now established and becoming greener and more sustainable is non-negotiable. Broad policy shifts, including the [Net Zero Plan](#), and [Australia's 2035 climate targets](#) are stimulating action around business processes, data collection, reporting, and fueling creative and innovative ideas that deliver more sustainable and socially-inclusive solutions. There is also growing social awareness and expectation around sustainability practices and governance [from consumers](#).

In response the Federal Government's September 2025 announcement of [2035 emissions targets of 62 to 70% below 2005 levels](#), [Australian Industry Group](#) Chief Executive, Innes Willox, told [ABC News](#): "While it is not straightforward to achieve, it is also in the realm of the feasible – with hard work and a tight focus on making Australia a place where it is easy to invest and to build."

According to the [Australian Institute of Company Directors'](#) we aren't alone in prioritising sustainability. "Executives worldwide continue to see sustainability as a driver of business growth, with more companies tracking performance and ROI than ever before."

Getting on the Environmental, Social and Governance (ESG) front foot

Australia [officially mandated](#) climate-related financial disclosures for large businesses and financial institutions ([Group 1 as defined by ASIC](#)) starting 1 January 2025. Other reporting entities that fall into [Group 2 or Group 3](#) have their first annual reporting periods fast-approaching, from 1 July 2026 or 1 July 2027 respectively.

As Tim Pittaway, Partner, ESG and Climate Services, RSM Australia, points out, even SMEs that don't fall under Group 1, 2 or 3 should still closely consider their environmental and sustainability credentials.

"If an SME is in a supply chain, some of their partners higher up the chain may insist on minimum standards being met. We're seeing activity across the board from our RSM clients around sustainability, from government clients, manufacturers to SMEs. As part of good risk management and governance, businesses should be preparing for ESG reporting now. At a basic level, they need to understand what their reporting requirements are, where the data needs to come from, and identify any data gaps that need to be filled ahead of time," Pittaway says.

Sustainable Sydney

Sydney is making strides to become a more sustainable city, but continued momentum is needed.

The city ranked in the top 25 [Global Destination Sustainability Index in 2024](#), and initiatives, such as [The City of Sydney Environmental Strategy 2025–30](#) continue to build on many existing programs and activities, setting a pathway to 2030 to tackle climate change.

"Businesses and residents have worked hard to improve their environmental impact through energy reduction projects, switching to renewable electricity sources, and cultivating community and balcony gardens," [Clover Moore AO, Lord Mayor of Sydney](#), says.

A profound energy transformation: Community, business and government collaboration needed

Sydneysiders are doing their bit to transform energy generation, with growing numbers adopting rooftop solar across Greater Sydney.

[According to a NSW Government Ministerial Release](#), in the final quarter of last year (2025), solar farms and rooftop solar provided 32% of our state's electricity.

According to the [Sydney as a renewable energy zone: A metropolis of energy equity, affordability and abundance](#) report, Sydney could meet 75% of its own energy needs with abundant rooftop solar and batteries. Solar panels on roofs, batteries in homes and neighbourhoods, electric cars, and smart appliances are changing the energy landscape from big power stations towards local and community-based solutions.

Business Sydney says, "The Sydney business community has proven over a long period that it is committed to not only safeguarding the environment, but also embracing technological solutions that enhance sustainability."

The NSW Government's [Net Zero Plan Stage 1: 2020–2030](#) is the foundation for the state's action on climate change and the goal to reach net zero emissions by 2050. [The Hon. Matt Kean, MP Minister for Energy and Environment](#) says, "This Plan recognises that, in parts of our economy, low emissions technologies are becoming a commercially viable alternative to the traditional ways of doing things. Scaling up those technologies will play a critical role in getting to net zero."

Change is underway on plenty of fronts, including the transition to battery electric public transport buses over the next two decades. [Macquarie Park](#) is the location for Sydney's first purpose-built electric bus depot. Contracts have been awarded to build the facility and new concept designs were [released in October 2025](#).

Local government energy innovation examples continue to emerge too; the City of Sydney took out the gold medal nationally for the [Swimming Pool & Spa Association \(SPASA\)](#) Best Sustainable Project for the electrification approach taken at the outdoor [Victoria Park Pool](#) in Camperdown. The new electric heat pumps are up to four times more efficient and reduce greenhouse emissions too.

Digital infrastructure opportunities heating up

Sydney is emerging as a key recipient of Australia's energy transformation, not just through renewable energy solutions, but also as a major digital infrastructure player with a strong reputation across the Asia Pacific region.

Danielle Sherwin, Partner, International Tax & Transfer Pricing, RSM Australia, explains this momentum is driven by the convergence of AI, cloud computing, and sustainability imperatives.

Sydney leads the country in committed and operational data centre capacity, with demand [expected to continue to grow](#). These facilities are highly energy-intensive, which aligns closely with the state's investment in renewable energy and grid innovation.

"This presents a dual opportunity: First, to attract investment into grid-scale renewables, storage, and transmission upgrades to support this digital load, and second, to position Sydney as a hub for clean energy and data infrastructure," Sherwin says.

Sydney icon leading the way in environmental and social responsibility

The [Sydney Opera House](#) (SOH) is a shining example of sustainability and social responsibility done right. Their approach goes well beyond the [6-star Green Star performance](#) rating awarded by the [Green Building Council of Australia](#) (GBCA); the SOH is the first arts and cultural organisation to be members of the [United Nations Global Compact](#) and the team at SOH are successfully embedding sustainability into their day-to-day operations.

Everyone's House: The power of collaboration to lead and inspire positive change

Lauren Haas Jones, Head of Social and Environmental Impact, Sydney Opera House says that the Sydney Opera House is Australia's greatest megaphone and amplifier. "What we do in this space matters – environmentally and socially. It's not only our opportunity, but our obligation, to lead and inspire."

The SOH [Everyone's House Strategy](#), is a consolidated, organisation-wide strategy that helps ensure environmental and social goals are treated with the same level of importance as all other organisational priorities.

"The exciting thing is that when you do integrate environmental and social responsibility into your overarching strategy, and it's not just this 'extra thing you do', you're able to adapt more, collaborate better and deliver co-benefits."

"I call them acupuncture points. If you can hit those points that unlock impact across multiple opportunities that are most significant for your organisation, whether that be finance, infrastructure, social inclusion or more, I think that's when you enjoy the benefit of taking an integrated approach. The whole SOH team cross-collaborate to deliver the best outcomes possible. It's about bringing the right voices in; subject matter experts and people with lived experience need to be at the table," Haas Jones explains.

As a not-for-profit, the SOH has many and varied partners and generous supporters who help make progress possible. "A lot of our social impact initiatives in particular are funded by donors and partners; we don't do it alone, no one does," Haas Jones says.

The team is focussed on maintaining their 6-star Green Star rating and are on-track to be climate positive by 2030. SOH is currently working with government partners to look at the feasibility and implementation options of a battery on-site. Haas Jones explains: "When the wind doesn't blow or the sun doesn't shine, we're exposed to peak energy prices and as a not-for-profit, that's a big deal."

Continuing to improve building efficiency by removing fossil fuels is a priority and fossil fuels have now been removed from the SOH Green Room kitchen. "It's one of our first kitchens to go off gas and be electrified, which is really exciting because not only does it create a better cooking environment, it's also a showcase that if some of the best chefs in the world can use electric cooktops – why can't everybody at home?"

Haas Jones asserts the need for ESG initiatives to be authentic and not just 'ticking a box'. "We've been on this journey for a really long time now, and it's about continuing to make those everyday decisions that deliver positive, sustainable impact," she says.

Arts and culture and tourism capital

Australia is home to the world's **oldest living culture**, with Aboriginal peoples living in Sydney for over 65,000 years. There are about **29 clan groups** in the Sydney metropolitan area alone, referred to collectively as the Eora Nation.

The city boasts a diverse and significant arts and culture sector, but the cost of living, coupled with some funding cuts, is causing some concern about the state's future capacity to support and fund creative industries.

According to [City of Sydney](#), "Sydney is the only capital city in Australia that has seen a decrease in the artist population in the last five years, even though our overall workforce has grown. The average weekly rent in Sydney is the equivalent of 62% of the average artist income and from 2012 to 2022, the creative floorspace of our local area reduced by over 170,000 square metres."

A **25% cut in staffing** at [Create NSW](#) was handed down in the **2025–26 NSW Budget**, and the [Art Gallery of NSW](#) announced in August 2025 the **loss of 51 jobs, or 10%** of its workforce. The Board of the [Australian Design Centre](#), headquartered in Sydney, says **it can continue operations after 30 June 2026 if it secures annual funding of \$500,000 for the next two years**.

Artists call for federal tax reforms

The Art Tax Reform Summit held at Sydney Opera House in late September 2025 attracted more than **300 written submissions**, including proposals to remove or reduce tax on prizes and grants, introduce offsets on production costs and incentives to support new work. The summit is part of the Federal Government's review into the [National Cultural Policy](#), which will officially open for consultation in 2026.

Executive Director of Sydney Theatre Company, Anne Dunn, told [ABC News](#) that theatre in Australia was on the verge of collapse as ticket sales rarely covered production costs. "We're at a precipice. These are really challenging times for the arts in NSW, and in Australia," Dunn says.

NSW 10-year integrated policy for arts, culture and creative industries

At state-level, the NSW Government's 10-year integrated policy for arts, culture and the creative industries, [Creative Communities](#) (2023–33) is in roll-out phase and a package worth more than **\$500m** to support local industry and creators in NSW was announced, bringing the total NSW Government spend in **2025–26 for arts, sports and culture to \$1.35bn**. A **\$100m capital fund** has been set aside to begin the search for a location for a second film studio in Sydney.

Live music has also been given a boost, with the [announcement in September 2025](#) that 39 NSW venues, including the [Red Rattler](#) in Marrickville, Sydney, will get a total of \$5.1m from the [Venue Upgrade Grants](#) that support operators with the sound proofing, equipment and professional advice they need to host live music without impacting on their neighbours. This investment approach aligns with the push for a [24-hour economy in NSW](#).

"A mix of recovery, innovation and ongoing challenges," describes Carmen Pavlovic, CEO and Producer, Global Creatures

The [Global Creatures'](#) team develop and produce boundary-pushing productions that captivate audiences around the world with titles including *Strictly Ballroom The Musical*, *Moulin Rouge! The Musical*, *Boy Swallows Universe* and *Murial's Wedding The Musical*.

A strategy of international partnering and licensing, coupled with establishing a global presence with international offices in London and New York, has seen the company scale successfully, but there are obstacles to overcome and the 'show must go on.'

Carmen Pavlovic, CEO and Producer, Global Creatures says that the operating environment for theatre and musical theatre in Australia, and Sydney specifically, is a complex mix of recovery, innovation, and ongoing challenges.



Over the last few years, we've seen a return to live performance, but with new dynamics. Audience attendance has not fully returned to pre-pandemic

levels, and there is a trend of 'late booking' where audiences purchase tickets much closer to the performance date. For us as producers, this creates financial uncertainty, and a significant challenge in producing shows locally.

Carmen Pavlovic
CEO and Producer, Global Creatures



While the not-for-profit sector receives significant government funding, the commercial theatre sector is largely self-sustaining.

"Production and touring costs have skyrocketed around the world, and Sydney is no exception. This makes it more difficult for producers, particularly those staging new or independent works, to recoup costs, let alone make profits. The high cost of production and the uncertain audience environment can lead to a risk-averse environment. Commercial producers may be more inclined to stage tried-and-true international blockbusters rather than investing in new, original Australian works," Pavlovic explains.

The Global Creatures team recently attended the Art of Tax Reform Summit in Sydney and are supportive of tax incentives to bolster the live performance sector and encourage new original works.

Pavlovic says, "The theatre and musical theatre sector is a key driver of Sydney's economy, with a ripple effect that extends far beyond the box office and direct economic contributions; the sector helps shape the city's identity through dynamic storytelling and offers serious community cohesion and liveability credentials."

Powerhouse

Australia's largest museum group expanding and revitalising

Sydney's storytelling potential is growing, with the Powerhouse undergoing a \$1.2bn expansion and revitalisation across four sites in Castle Hill, Sydney Observatory, Ultimo and Parramatta. The museum group sits at the intersection of the arts, design, science and technology and is custodian to more than half a million objects of national and international significance.

[Powerhouse Parramatta](#), currently under construction, will be the first NSW State Cultural Institution to be based in Western Sydney. Once completed, it will also be the largest museum in NSW with over 18,000 sqm of exhibition and public space, and a goal to attract two million visitors a year.

Lisa Ffrench, Director Strategic Projects, Powerhouse, and the team are working collaboratively to redefine what a museum is, and can be, now and for the future.



"We are committed to remaining at the service of the stories which are connected to the collection, and providing access to the collection is key. We want to be able to share these stories with growing local, national and international audiences. Another key driver is really embedding Country and First Nations practice across everything we do," Ffrench says.

NSW and Sydney remain a 'bucket list' destination for tourists

[Tourism Research Australia's](#) latest results confirm NSW led the nation for visitors, nights and expenditure in the year ending June 2025.

Key results:

- 124.6 million international and domestic visitors
- 219.5 million visitor nights spent in NSW
- \$55.9bn total visitor expenditure, including a record \$13.9bn from international visitors

Domestic and international visitation statistics for Sydney specifically, released by [Destination NSW](#) in the September Quarter 2025 reveal 17.0 million and expenditure of \$8.8bn, representing a continued rebound since the pandemic.

The [top five source markets by expenditure in NSW](#) in the March Quarter 2025 were:

- 36% China
- 7% USA
- 6% UK
- 6% South Korea
- 4% India

The NSW Government released a new roadmap in 2025 to “turbocharge the state’s visitor economy.” The [NSW Visitor Economy Strategy](#) has a clear target to generate \$91bn in annual visitor expenditure, 40,000 hotel rooms, 8.5m new airline seats and an additional 150,000 jobs by 2035.

Paul Nicolaou, Executive Director, [Business Sydney](#), says Sydney remains the gateway to Australia.

“When overseas visitors think about holidaying in Australia, they envisage beginning their local adventure in Sydney. This is true for visitors arriving by air or sea. With this in mind, we must continue to support the cruising industry that contributes around \$4bn annually to the NSW economy with much of that activity taking place here in Sydney,” Nicolaou says.

24-hour economy: A growing social and economic asset in Sydney

A critical piece in Sydney’s economic and cultural puzzle is the 24-hour economy. Momentum continues to build, with night-time economic activity in NSW generating close to \$110bn in value in 2024–25, supporting more than 168,000 businesses and employing around 1.3 million workers between 6pm and 6am as reported in the NSW Government’s [State of the Night Report](#). [Growth is increasingly decentralised, with strong expansion across Western Sydney and regional centres, reflecting changing population patterns and deliberate policy support for local nightlife precincts](#). The [NSW 24-Hour Economy Strategy](#) led by the Office of the 24-Hour Economy Commissioner, Michael Rodrigues, aims to reshape how precincts operate by creating world-class night-time destinations for visitors, locals and workers, supported by coordinated planning, precinct-based programs and regulatory reform.

Stephanie Kanellis, Partner, Tax Services, RSM Australia, is pleased to see the positive progress being made to support NSW’s 24-hour economy, despite some obstacles that still need to be overcome.

“The pace has certainly increased around the 24-hour economy, with clear structural reform underway and investment commitment. Currently the process can be costly and time consuming, especially for SMEs looking to contribute to the growing 24-hour economy. Addressing regulatory complexity, particularly around liquor licensing, the planning approval processes and zoning issues, is vital for continued growth. Safety, policing and late-night public transport options are also critical, ongoing considerations, to get right,” Kanellis says.

Kanellis views the 24-hour economy as a strategic lever for Sydney’s economy – for growth, job creation, cultural vibrancy and global competitiveness.

“I think we need to continue to grow the 24-hour economy for our future. We want Sydney to be a

preferred destination for investment, and having a prosperous 24-hour economy helps keep us on the global stage.”

Despite the potential benefits of continuing to grow a 24-hour economy, concerns have been raised by community groups, residents and some local councils – often relating to noise, safety and broader social impacts. Peter Achterstraat AM, NSW Productivity and Equality Commissioner, asserted in the [Review of Regulatory Barriers Impeding a Vibrant 24-Hour Economy](#), released in September 2025, that the night-time economy remains a major social and economic asset.

“It supports connection and belonging, gives people more ways to be active and creative, and attracts visitors from interstate and overseas,” Achterstraat says.

According to the review, industries associated with the core night-time economy generated more than \$56bn in turnover in 2023–24, across more than 45,000 businesses and directly employing over 300,000 people in NSW.

Events are a strong draw card for Sydney: But are there enough hotel rooms to meet future demand?

25 years on from the Sydney Olympics, Sydney events continue to bring economic benefits and keep the city on the ‘must visit’ list of many.

Data from property analytics provider [CoStar Group](#), show two major events – the [TCS Sydney Marathon presented by ASICS](#), and the [British and Irish Lions Tour – helped drive Sydney’s hotel performance to new heights in August 2025](#). “Average daily rates and revenue per available room reached record levels for the month and hotel occupancy was the [highest August result since 2018](#), peaking at 95.1% on the night before the marathon.”

In 2024–25 financial year, ICC Sydney reported a \$746m contribution to the NSW economy, generated through 546 events attended by 1.5 million visitors, reflecting continued growth in business events.

One of the challenges, [according to Paul Nicolaou, Executive Director, Business Sydney](#), is we need more hotel rooms.

“Sydney is Australia’s gateway and global destination of choice. To keep pace, we need more hotel rooms and continued investment in the visitor economy. Sydney and NSW are number one, let’s keep it that way,” Nicolaou says.

Shaping Sydney's future: Thriving together

Sydney stands at a pivotal moment, supported by strong performance in tourism and business events. Our city's strengths – its dynamic visitor economy, world-class event hosting capabilities, and globally recognised brand – form the foundation for continued prosperity. By leveraging these assets, Sydney can remain a destination of choice for both leisure and business travellers, ensuring sustained economic growth and a vibrant cultural scene.

However, to maintain this momentum, Sydney must proactively address its critical challenges. Foremost among these is the need for expanded hotel infrastructure to meet growing demand, particularly during major international events. Strategic investments in accommodation, transport, and public spaces will be essential to support increasing visitor numbers and enhance the overall experience for residents and guests alike.

Equally important is the commitment to fostering inclusivity, innovation, and environmental sustainability. By prioritising these values, Sydney can create opportunities for diverse communities, attract top talent, and strengthen its reputation as a forward-thinking, resilient city. Collaboration between government, industry, and local stakeholders will be key to driving transformative projects and ensuring that growth benefits all segments of society.

Sydney's vision must remain ambitious yet grounded in practical action. By celebrating our distinctive identity, investing in the visitor economy, and embracing new challenges, we can ensure Sydney remains a beacon of opportunity, creativity, and quality of life for generations to come. The work continues, and together, we can shape a future where Sydney thrives on the global stage – beautiful, bold, and truly world-class.

The power of being understood

As the forces that shape Sydney's future continue to evolve – trust, knowledge and human connection matter now more than ever.

The RSM Australia team welcomes the opportunity to continue to partner with clients and Sydney stakeholders in our shared pursuit of prosperity, innovation and collaboration.



Partner with us in shaping
Sydney's future



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