



Sydney and New South Wales: Fast Facts

June 2009

New South Wales economy

- New South Wales (NSW) is Australia's largest State economy. In 2007-08, NSW's Gross State Product was valued at \$360 billion or about 32 % of Australia's Gross Domestic Product (GDP).
- Sydney is the financial hub of Australia and represents almost 25 % of Australia's GDP.
- NSW is a key economy in the Asia Pacific; in fact, the NSW economy is larger than each of the national economies of Hong Kong SAR, Thailand, Malaysia, Singapore, the Philippines and New Zealand.¹
- NSW is Australia's leading manufacturing and services State². It has the following share of the Australian total:
 - Finance and insurance (44% share)
 - Property and business services (38% share)
 - Communications (35% share)
 - Manufacturing (32% share).
- NSW has a highly developed knowledge-based industry foundation, with more than 83 % of the State's industry income from the services industry³.
- NSW is recognised as financially stable, with the State Government awarded triple-A credit ratings from both Moody's and Standard & Poor's⁴.

Internationally competitive

- Sydney and NSW offer an internationally competitive and compelling location for global companies to be based as they are home to the largest proportion of Asia Pacific regional headquarters in Australia⁵, with Sydney *the* most cost effective office location, above Seoul, Mumbai, Tokyo, Hong Kong, London, New York, Paris and Singapore.

¹ World Economic Outlook, October 2008, International Monetary Fund

² ABS Cat. No. 5220.0, State Accounts, 2007-08

³ ABS Cat. No. 5220.0, State Accounts, 2007-08

⁴ Standard and Poor's as at 16 June 2009; Moody's as at 15 June 2009

⁵ 2002 data.

- Sydney's credentials as a leading global city are well acknowledged. Sydney was named as world's best city brand in 2007 and 2008 by the Anholt City Brands Index and was ranked second in the world in 2009. Sydney was also voted as the world's top city by the Conde Nast Readers' Choice Awards 2008.

NSW is a major regional and international hub. Within Australia, it is home to the following as a percentage of the Australian total:⁶

- 73 % of property and business services regional offices;
- 60 % of manufacturing regional headquarters;
- 81 % of Asia Pacific finance and insurance regional offices;
- 76 % of all information and communications technologies regional headquarters;
- 75% of the headquarters of multinational pharmaceutical companies in Australia⁷
- 81 % of the headquarters of Australia's domestic and foreign banks ⁸; and
- 43 % of Australian information and communications technology specialist businesses.⁹

Business competitiveness

- Big business chooses to be based in NSW, with 48 % of the top 500 companies by revenue in Australia based here.¹⁰
- Sydney is the financial hub of Australia, with 81 % of all foreign and domestic banks based here.¹¹
- NSW is the leading Australian state for business investment (\$47.7 billion¹²) and more than a third¹³ of all of Australian businesses choose to be in NSW.
- NSW is the 'start-up' State, with more new companies registering in NSW than in Victoria and Queensland in the year to May 2009. ¹⁴
- More than 47,800 new jobs were created in NSW in the two years to May 2009 (seasonally adjusted)¹⁵.

⁶ Sourced from Invest Australia data commissioned in 2002 unless otherwise specified.

⁷ Medicines Australia Membership list, June 2008

⁸ Derived from APRA's list of Authorised Deposit-taking Institutions (ADIs), 11 February 2009.

⁹ ABS Cat. No. 8126.0, 2006-07

¹⁰ IBISWorld, as at 8 December 2008

¹¹ Derived from the Australian Prudential Regulation Authority's list of Authorised Deposit-taking Institutions, 5 September 2008

¹² ABS Cat. No. 5206.0 Australian National Accounts, March 2009

¹³ ABS Cat. No. 8165.0 Counts of Australian Businesses, 2006-07

¹⁴ ASIC 2008 Company Registrations, June 2009

<http://www.asic.gov.au/asic/asic.nsf/byheadline/2008+company+registration+statistics?openDocument>

¹⁵ ABS Cat. No. 6202.0 May 2009

- Over 56 % of the State's working-age population are tertiary educated, the highest proportion of all Australian States¹⁶.
- The wide variety of Asian languages spoken in Sydney and NSW has attracted international firms looking to establish regional hubs of customer service centres in the Asia Pacific.
- Since 1995 Sydney has won more than 60 domestic and international consumer and business awards.
- Sydney has a good quality of life – Sydney was rated 10th out of 215 cities in the *Worldwide Quality of Life Index* published by Mercer Human Resource Consulting in 2009 – an attraction for global companies transferring staff to NSW.
- Regional NSW offers business opportunities with a more relaxed lifestyle.

Best for small business

- NSW has a thriving small business sector with over 650,000 businesses employing over one-million people.¹⁷
- Regional small businesses account for nearly 33% of all the State's small businesses, while small firms make up around 35% of goods-exporting businesses in NSW.¹⁸
- The Department of State and Regional Development hosts a number of high profile business development events, such as Small Business September, Manufacturing Week and Home Based Business Week that provide learning and networking opportunities and promote the economic contribution of the small business sector.

Trade

- NSW dominates the services trade. Sydney accounts for most of the State's 40% of all Australian services exports in 2008 (\$21.2 billion)¹⁹.
- NSW is a leader in exports of manufactured goods. In 2008, coal exports accounted for \$10.6 billion or 28.8% of total NSW merchandise exports²⁰, in addition non-ferrous metals exports were worth \$2.9 billion or 7.9 % of total NSW exports²¹.

¹⁶ ABS Cat. No. 6227.0, May 2008

¹⁷ Number is from ABS Cat No. 8165.0, 2006-07. Number of employed is from ABS Cat. No. 1321.0, 2001

¹⁸ ABS Cat. No. 5368.0.55.006, Characteristics of Australian Exporters, 2007-08

¹⁹ ABS Cat. No. 5368.0.55.004, 2008

²⁰ ABS unpublished data, March 2009

²¹ ABS unpublished data, March 2009

- International education services from NSW accounted for \$5.8 billion in 2008, representing 39% of the Australian total²².

Key industries

Finance

- Sydney is the financial hub of Australia, with 81% of all foreign and domestic banks based here²³, generating 42% of Australia's financial services income here in NSW²⁴.
- The financial services workforce of Sydney is almost 45% of the size of London's and New York City's²⁵.

Logistics

- Sydney is Australia's logistics and transaction gateway with almost 50 % of Australia's international air freight tonnage passing through Sydney in the year to December 2008²⁶.

Creative services

- Sydney dominates the film, music, broadcasting, publishing, games, interactive media, software development, advertising, and industrial and virtual design sectors.
- NSW dominates the Australian creative services and specialist ICT industries with ICT companies contributing A\$12 billion to the NSW economy in 2002-03²⁷. The creative industry employs more than 186,000 people, which is 38.3 % of Australia's creative industry workforce – the largest state share in Australia²⁸.

Manufacturing

- NSW is the engine room for manufacturing within Australia, contributing more than 9.7 % or \$35 billion to the State's economy²⁹.

²² ABS Cat. No. 5368.0.55.004, 2007-08

²³ Australian Prudential Regulation Authority's list of Authorised Deposit-taking Institutions, 11 February 2009

²⁴ ABS Cat. No. 5220.0, 2007-08

²⁵ Data Alert, Australia's Financial Services Workforce – Skilled and Expanding, 16 July 2008

²⁶ Bureau of Infrastructure, Transport and Regional Economics, Year Ended December 2008

²⁷ ABS data on request

²⁸ ARC Centre of Excellence for Creative Industries and Innovation as quoted in the Sydney Morning Herald, 15 June 2009

²⁹ ABS Cat. No. 5220.0, 2007-08

- Higher-value-added manufactured goods make up a significant proportion of NSW exports, accounting for 16.2 % of the States' exports and 12.5 % of Australian exports in 2007-08.
- Fields include medicinal and pharmaceutical products; photographic equipment and optical goods; printing, publishing and recorded media; petroleum, coal and chemical products; electrical machinery and appliances; and office machines and computer equipment.

Resources

- In 2007-08, mining commodities represented 20.5% of NSW exports, with coal accounting for over 26.5 % of NSW merchandise exports or 25.1 % of Australia's total export of coal³⁰.
 - Newcastle is the world's largest export coal port.
 - Innovation to reduce the greenhouse effects of coal is a key priority.

Tourism

NSW

- NSW gets the lion's share of all international tourists to Australia – 54 %. More than any other State.
- Tourism is vital for the economy in NSW, especially in regional areas. The sector directly contributes around \$13.3 billion to NSW' gross state product, and an additional \$9.2 billion indirectly. The industry provides 158,000 direct jobs in NSW – about 4.8% of all jobs in the State.
- Tourism's contribution to the NSW economy is greater than that of agriculture, forestry and fishing; mining; communication services; personal and other services; and electricity, gas and water supply.
- Regional NSW earns \$11.4 billion a year from domestic and international tourism expenditure (YE March 09).
- Domestic overnight visitors stayed 58.5 million nights in regional NSW and spent \$7.7 billion (YE March 09).
- Domestic day visitors in regional NSW spent \$3.1 billion (YE March 09).
- International visitors stayed 9.0 million nights in regional NSW and spent \$611 million (YE March 09).
- Every \$1 million of tourist expenditure supports approximately seven tourism jobs.

³⁰ Derived from World Trade Atlas, June 2009

Sydney

- Sydney is well known as a city for extraordinary natural environment, distinctive architecture, rich history, friendly people and lifestyle – all key elements of its identity. Together, these create a vibrant image that has universal appeal.
- Sydney is a much loved city, a tourist destination and often a host of world sporting events.
- It also has a reputation as a global financial centre with a competitive business sector and is leader in creativity and innovation.

Regional

- The regions of NSW are within easy reach of Sydney by car, train or plane. They have much to offer from the spectacular World Heritage listed nature of the Blue Mountains to the world class wineries in the Hunter Valley and the red sands of the outback.
- In the year ended March 2009, regional NSW earned \$11.4 billion from domestic (includes overnight and daytrip tourism expenditure) and international tourism expenditure.
- 36% of all tourism businesses were located in Regional NSW in 2007.
- Domestic overnight and day visitors spent \$10.8 billion in year end March 2009
- International visitors spent \$611 million in regional NSW in year end March 2009.

Tourism strategy

- The NSW Government has delivered an extra \$40 million in funding over three and a half years to grow tourism across NSW. It is recognition by the NSW Government that the tourism sector is a job generator and significant contributor to the State's economy.
- The strategy is strongly focussed on capacity building, increased marketing and addressing supply issues in NSW.
- Key components of the draft strategy include:
 - Better State Plan Target to maintain our market
 - additional **23,000 jobs** in NSW by 2016,
 - new target of **160.6 million visitor nights** by 2015-16
 - which will see **\$19.2 billion in visitor spending**.
 - Share stronger partnerships with the industry
 - New 'Brand Sydney' for use across industries and Government

- New 'Visit Sydney' unit in Tourism NSW
- Expanded international tourism, particularly into China and India
- Expanded regional tourism
- Greater focus on aviation, planning, national parks and infrastructure
- New Tourism Industry Plan, replacing the Tourism Masterplan to be developed in the next 12 months

Economic challenges

- Tourism is being impacted by the current global economic conditions – and some sectors will weather the difficulties better than others.
- But tourism is a resilient industry and has an important role to play in creating an image of our state that represents its vitality, energy and diversity.

Innovation and technology

- NSW is the nation's leader in research and development, with businesses in NSW spending \$3.8 billion in 2006-07, compared with \$3.3 billion in Victoria and \$1.9 billion in Western Australia (ABS)³¹.
- The NSW Government provides funding support to nine of the 27 Australian Research Council Centres of Excellence.³²

NSW is home to 11 universities, including two ranked in the top 50 in the world in The Times World University Rankings for 2008.

Medical research

- The NSW Government has provided \$64 million over three years (FY 2006-07-2008-09) in infrastructure funding for 15 NSW medical research institutes under the Medical Research Support Program.
- The NSW Government has committed \$11 million in funding from 2007-10 for research into spinal cord injury and related neurological conditions.
- The NSW Government has allocated funding in excess of \$225 million for the capital development of medical research facilities in NSW since 2006.

Economic challenges

³¹ ABS Cat No 8104.0

³² According to Australian Research Council Centres of Excellence Program Unit (as of 7/3/08).

- Australia is in better economic shape than many countries to resist the worst of the synchronised global recession.
- Australia is known for its resilience and stability.
- Australian and State Government fiscal response to stimulate the economy has supported activity
- Australian Government and Reserve Bank intervention to provide capital, liquidity and bank guarantees has helped build confidence in the financial system.
- Australia is well placed in the current environment because:
 - The fundamentals of the Australian economy are sound
 - Australia has well regulated financial institutions
 - Australia is in a stronger fiscal position than almost all other developed countries
 - Australia is located in a region that is still growing, though at a slower rate.