The State Government released its Metropolitan Strategy in December 2005 (City of Cities: A Plan for Sydney’s Future). It anticipates growth of 1.1 million people in the Sydney Region between 2004 and 2031, from 4.2 million to 5.3 million. The Strategy proposes 640,000 new homes and 500,000 more jobs across the Sydney Region. A key element in the Strategy is for ‘stronger cities within the metropolitan area’. “Sydney City and North Sydney will continue to be the harbour cities at the heart of Global Sydney. They will be the focus for world class business, tourism, cultural, health, education and entertainment activities. The river cities of Parramatta, Liverpool and Penrith will provide a focus for innovative business environments, jobs and more lifestyle and work opportunities closer to growing parts of Sydney. These centres will attract new shopping, health, education, business and cultural facilities.”¹

The Metropolitan Strategy identifies 10 sub-regions across the Sydney Region and the Department of Planning has prepared draft strategies for each sub-region, including for The City of Sydney, a sub-region in its own right. The working key directions identified for the City sub-region are as follows.

1. Reinforce global competitiveness and strengthen links to the regional economy.
2. Plan for sustainable development of major urban renewal projects.
3. Ensure adequate capacity for new office and hotel developments.
4. Plan for housing choice.
5. Develop an improved and increasingly integrated transport system that meets the sub-regions multiple transport needs.
6. Improve the quality of the built environment and aim to decrease the subregion’s ecological footprint.
7. Enhance the City’s prominence as a diverse global cultural centre.

These directions are supported by and reflected in the Strategic Directions identified for Sustainable Sydney 2030.

The City of Sydney Subregional Strategy, includes the dwelling and employment targets as shown in TABLE 1. The City of Sydney acknowledges these planning targets and has undertaken scenario modelling and risk analysis to identify implications that arise from them.
A higher number of jobs in the City than anticipated by the metropolitan strategy would place a strain on the metropolitan rail network. The State Government’s metro rail program, announced in March 2008, including lines to the North-West, South-East, and West would be sufficient to cater for increased public transport capacity into the City Centre from Western Sydney.

It would be sufficient to cater for demand under the Metropolitan Strategy employment target. However, without major change to the metropolitan public transport network, or significant demand management measures to unlock non-peak hour capacity, higher job growth in the City appears constrained in the medium-term, by limited transport capacity.

4. The sustainability benefits of more compact growth can only be realised if essential infrastructure, facilities and services are provided simultaneously with development.

The negative consequences of recent decades of urban consolidation without essential infrastructure and services are clear in growing public pressure for action to address poor amenity, failing transport and health services, unaffordable housing and damaging pollution. Without government action on these fronts, commitment to a sustainable and liveable City may prevent more intense residential development. Where ageing or inadequate infrastructure is overstretched without renewal, the long-term consequences are social polarisation, urban decay and economic stagnation.

In principle, the metropolitan-wide benefits from higher growth can provide the resources to tackle these challenges. This includes land value increases from additional development potential, cost savings from deferring investment in infrastructure elsewhere, and an efficiency dividend from reduced trip making and congestion.

5. Where facilities and infrastructure are effectively coordinated with dense residential development, benefits can be achieved, including:

- reduced travel with associated reduction in greenhouse gases, emissions and congestion;
- preserved character of valuable Village and heritage areas by concentrating development in identified renewal areas;
- protecting rural and arable land from urban encroachments;
- strengthening local economies through an expanded customer base;
- improved access to retail, office, health, education, leisure, entertainment and cultural facilities and community and personal services;
- improved accessibility, particularly by public transport, for a greater share of the community;
- optimised use of existing services and infrastructure where there is capacity;
- reduced car dependency;
- more opportunities for walking and cycling which provides for healthier communities; and
- increased housing mix.

The pre-requisites for higher densities include:

- A reliable and convenient public transport system;
- A good mix of commercial and retail land uses;
- A good mix of housing types and tenures;
- The presence of appropriate and affordable cultural, social and health facilities; and
- High quality and urban amenities including parks, recreation and pedestrian facilities and plazas.
The City of Sydney is confident of reaching the Metropolitan Strategy subregional targets for 2030. The planning capacity for new housing and jobs should be sufficient to anticipate uncertainties and longer term forecasts.

Sustainable Sydney 2030 has been developed within the context of future uncertainties, which include:

- instability on financial markets which may slow global economic growth and opportunities in core Sydney sectors such as finance and business services;
- the projections for climate change and associated impacts on water, energy and extreme weather events;
- the prospect of higher energy prices, from carbon taxes and reduced fuel supplies, which could reduce international travel but also favour City living where transport choices are greater;
- changes in immigration rates to Australia, driven by political or social turmoil elsewhere in the world, or by the competition for labour, in which Australia’s quality of life could be an advantage;
- rising house prices and lowering affordability;
- demographic change including the ageing of the population and more single person households; and
- social changes including changing attitudes to urban city living versus fringe suburban living.

The City has conducted preliminary analysis to provide an indication of where these new dwellings and jobs may be located across the City. These estimates are shown in the table and maps on page 27. The analysis is based on estimates of demand and preliminary analysis of the potential in current State Government and City of Sydney planning instruments. However, further detailed capacity analysis is required to further validate these estimates.

City of Sydney housing and jobs targets provide for planning capacity to allow for the uncertainties discussed above. These uncertainties may result in higher or lower levels of growth than anticipated by the Metropolitan Strategy targets.

The 2030 Vision has built-in capacity on the ‘up-side’ to provide a risk ‘buffer’ and for flexibility in planning responses over time. There is no need for the City of Sydney to provide all this capacity in its planning instruments in the short-term. A staged approach is required.

Sustainable Sydney 2030 has identified investigation areas to accommodate future growth. These are shown on the renewal area maps and discussed in STRATEGIC DIRECTION 9: SUSTAINABLE DEVELOPMENT, RENEWAL AND DESIGN. The monitoring and review process proposed in STRATEGIC DIRECTION 10: IMPLEMENTATION THROUGH EFFECTIVE PARTNERSHIP aims to track the trends and factors influencing growth and assess their implications for the future.

<table>
<thead>
<tr>
<th>CITY OF SYDNEY PRELIMINARY ANALYSIS OF ADDITIONAL HOUSING 2006—2031</th>
<th>CITY OF SYDNEY PRELIMINARY ANALYSIS OF ADDITIONAL JOBS 2006—2031</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>CITY OF SYDNEY PRELIMINARY ANALYSIS OF ADDITIONAL HOUSING 2006—2031</td>
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</tr>
</tbody>
</table>

**Factors Accelerating Growth in the City of Sydney**
- Volatile fuel prices
- Resistance to fringe living
- Increased immigration
- Greater protection of arable lands

**Factors Slowing Growth in the City of Sydney**
- Ageing population and lower fertility rates
- Decreased immigration
- Continued lack of affordability
- Reduced economic competitiveness

<table>
<thead>
<tr>
<th>TABLE 2 CITY OF SYDNEY HOUSING AND JOBS 2006-2031*</th>
<th>TABLE 2 CITY OF SYDNEY HOUSING AND JOBS 2006-2031*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Activity Hub Catchment</td>
<td>2006</td>
</tr>
<tr>
<td>King Street</td>
<td>10,520</td>
</tr>
<tr>
<td>Glebe Point Road</td>
<td>8,460</td>
</tr>
<tr>
<td>Haymarket</td>
<td>7,290</td>
</tr>
<tr>
<td>Kings Cross</td>
<td>13,980</td>
</tr>
<tr>
<td>Crown Street</td>
<td>11,730</td>
</tr>
<tr>
<td>Oxford Street</td>
<td>9,620</td>
</tr>
<tr>
<td>Harris Street</td>
<td>9,440</td>
</tr>
<tr>
<td>Haymarket</td>
<td>3,560</td>
</tr>
<tr>
<td>Redfern Street</td>
<td>8,280</td>
</tr>
<tr>
<td>Green Square</td>
<td>2006</td>
</tr>
<tr>
<td>City of Sydney Total</td>
<td>89,970</td>
</tr>
<tr>
<td>Growth</td>
<td>+47,930</td>
</tr>
</tbody>
</table>

*The Metropolitan Strategy targets use a base year of 2004. Between then and the base year of 2006 used in this document the City of Sydney experienced estimated growth of around 6,850 dwellings and 12,500 jobs in the City.