

An Ugly, Stupid Idea – the Perth Waterfront

Introduction

The Barnett Government plans to destroy one of Perth's most valuable assets - its Waterfront.' An ugly, stupid idea' one Perth resident called it. She is so right.

The Barnett Government is not the first State Government to come up with a plan to destroy a key asset. Its Labor predecessor came up with what was widely derided as 'Dubai-on-Swan'. Even Paul Murray recognized was a plan with 'few friends'¹. Why did the Carpenter Government's proposal have few friends? Because it was OTT, because it was unaffordable, and above all because it was exceptionally ugly. The name really said it all: Perth trying to compete with Dubai, and of course, inevitably, failing.

Now Colin Barnett has his own version – not Disneyland-on-Swan - more like a pale version of Qatar-on-Swan. Paul Murray says it is a 'more modest proposal'². Is it? Take a look – there are fewer buildings, sure, and it looks a bit more old-fashioned, but there is really not a great difference in concept and style. Either way, the historic Esplanade disappears in a mish-mash of concrete, glass and steel.

Everything about the project is wrong. The reasoning, the content, the location – and the timing. Yes, people want jobs and development in Perth. But it's an illusion to imagine that 'build it and they will come'. It's about supply and demand, careful choice of location, good timing, accurate budgeting, and above all a vision of uniqueness for the future of Perth. Governments, as is well known, have a poor record of successful property development.

So permit me to remind the State Government and the enthusiastic planners behind the Waterfront development of some home truths. They may hurt, but then home truths do.

¹ Paul Murray, *The West*, January 18th 2012

² *ibid*

Meet the new boss...



Same as the old boss...



The Content is Wrong

The Government makes the grandiloquent claim that the Perth Waterfront development 'will create a magnificent precinct that returns the city's focus to the iconic Swan River and enhances Perth's reputation as one of the most livable cities in the world'. It will do none of these things if it is allowed to be built. Why would a developing city want to return its concrete and steel focus to the Swan River? Why would it not develop away from it?

As to enhancing Perth's reputation as one of the most livable cities in the world, let us examine what makes a city livable first, before we accept claims that a Waterfront development will enhance it. A good example of an approach to livability is the Mercer index of livable cities, which is something the Premier ought to take a look at³. Perth ranked 21stth. Not too bad – could be better. Why is Perth not ranked higher? Let's take a look. Mercer set out clearly what their criteria for a livable city are⁴. They are a very reasonable list, and the objective of a city planner, and the City authorities themselves, ought to be to accelerate the development of the city in the direction of each of these components.

Mercer's Quality of Living Survey Criteria

³ <http://www.mercer.com/articles/quality-of-living-survey-asia-pacific-1435880>

⁴ <http://www.mercer.com/articles/quality-of-living-definition-1436405>

Mercer's Quality of Living Survey Criteria

Political and Social Environment <ul style="list-style-type: none"> ■ Relationship with other Countries ■ Internal Stability ■ Crime ■ Law Enforcement ■ Ease of Entry and Exit 	Medical and Health Considerations <ul style="list-style-type: none"> ■ Hospital Services ■ Medical Supplies ■ Infectious Diseases ■ Water Potability ■ Sewage ■ Waste removal ■ Air Pollution ■ Troublesome and Destructive Animals and Insects 	Public Services and Transport <ul style="list-style-type: none"> ■ Electricity ■ Water Availability ■ Telephone ■ Mail ■ Public Transport ■ Traffic Congestion ■ Airport 	Consumer Goods <ul style="list-style-type: none"> ■ Meat and Fish ■ Fruits and Vegetables ■ Daily Consumption Items ■ Alcoholic Beverages ■ Automobiles
Economic Environment <ul style="list-style-type: none"> ■ Currency Exchange Regulations ■ Banking Services 	Schools and Education <ul style="list-style-type: none"> ■ Schools 	Recreation <ul style="list-style-type: none"> ■ Variety of Restaurants ■ Theatrical and Musical Performances ■ Cinemas ■ Sport and Leisure Activities 	Housing <ul style="list-style-type: none"> ■ Housing ■ Household Appliances and Furniture ■ Household Maintenance and Repair
Socio-Cultural Environment <ul style="list-style-type: none"> ■ Limitation on Personal Freedom ■ Media and Censorship 	Natural Environment <ul style="list-style-type: none"> ■ Climate ■ Record of Natural Disasters 		

The Mercer index is from an expatriate standpoint. Sydney, for example, beats Perth because it has a more developed international banking system, more concerts, more international schools, and a direct link to a better airport. Perth outscores Sydney on congestion and pollution. Mercer agrees that absolutely nothing in the Perth Waterfront proposal – with the exception of the proposed Aboriginal Cultural Centre – much improves Perth's score under any of these headings. On the contrary, it is likely to bring additional congestion, and even do a little to deteriorate the local climate – the city needs every bit of green space it can conserve, especially around the CBD.

But don't take Mercer's word for it alone. Look at the Economist's version of the same thing⁵. Perth scores 8th in the world: very good. Where is Qatar or Dubai – nowhere near. The Culture & Environment, Education, Healthcare and Stability scores are what drive Perth's high ranking. Not the number of skyscrapers, still less the number of expensive private apartments.

What about some of the other indicators – how will the proposed development contribute?

- Accessibility

⁵ <http://resources.news.com.au/files/2011/08/30/1226125/568881-hs-file-liveability-survey.pdf>

The proposal involves the provision of car parking – six levels of it – around the development. This will bring a whole lot more cars into central Perth and reduce the quality of life for commuters throughout the city. So that will bring down Perth's score – impact: negative.

- Affordability

Shelter WA has suggested that any new development on the Perth waterfront would include a substantial percentage put towards inclusionary zoning for affordable housing, or at least 15% as outlined in the State Government's Affordable Housing Strategy. Nothing in the proposed development will make Perth more affordable, unless you think that throwing an additional 1700 apartments into the CBD will precipitate a housing crash in central Perth (as happened in the Dubai Marina development) which is not what Mercer means by affordability. Impact: negative.

- The Environment

A vital green lung will be cut out of the city; the very place where families were asked to picnic this Australia Day – for the last time, if the State Government gets its way. There may be a risk to the Swan River, as the Green Party has pointed out⁶. And naturally, trees have to be cut down for this environmentally insensitive project. As if there are so many trees in Perth city that we can afford to cut them down. We should realize how important that open space and those trees are to visitors. They are part of the 'green image' Perth presents. Tamper with that at your peril. Impact: negative.

- Facilities

According to the Government, the long-awaited redevelopment includes plans to develop 10-hectares of prime riverfront land to accommodate 1700 apartments, 150,000 square metres of office space and 39,000 square metres of retail space. It will also include a jetty with short-term mooring (only for small boats though because larger ones cannot use the Swan anyway, it's too shallow), a 1.5-hectare waterfront promenade, an island of parks and pedestrian walkways, and cafes and bars: shops, cafes, restaurants and other exciting entertainment venues? What 'other exciting entertainment venues'? I cannot see any planned, apart from the excellent idea of an Indigenous Culture Center which – of course- - need not be built on the Swan.

⁶ <http://au.news.yahoo.com/thewest/a/-/news/12626310/risk-to-river-health-played-down-greens/>

People will be able to wander about, but what will they do? Art galleries, cinemas, theatres: no mention. Another project estimate is 'the capacity to host 15,000 to 20,000 people during major events'. What major events? With the Esplanade gone, where will the events be held? Host where? In the hotels and serviced apartments? No, unless conditions of unacceptable squalor are contemplated – obviously not. In the retail and office buildings? No, unless they are all to be closed for the duration. In the Convention Centre? Not big enough. Where? Nowhere, is the answer – there is not any such capacity. Apparently it will all be about shopping and eating. Impact: negative.

- Events

Whether you're a local or a tourist visiting for work, rest or recreation, Perth Waterfront will be a destination for everyone, according to the Government. And everyone, just about, is what the Government projects will come. The project documentation estimates an amazing nine million visitors a year. Visitors to what, exactly? WA as a whole attracted 4.3m visitors in the year to September 2011, according to Tourism WA, and even more tellingly, they forecast WA tourism numbers as a simple percentage of the total for Australia. No one has told them that Perth is about to become one of the most important tourist destinations on the planet because of a few skyscrapers and a small marina, and they were very surprised to hear it. Impact: negative.

Unique Selling Points for Cities

'Globalization has increased the global competition among cities, making the ambience of historic city centers the Unique Selling Point of cities'⁷ You might expect a Viennese city planner to argue that, but what if he is right? Every city has a story to sell about itself and a market to reach. And yes, that story can evolve – sometimes painfully and slowly, sometimes, as in the case of Dubai, lurching from success to near disaster and a slow recovery very rapidly indeed. However, every city also has its unique selling points (USPs) as part of that story, and you prejudice your market by throwing those away. Obviously enough, different cities have their own unique advantages and selling points. The bicycle has been chosen as Amsterdam's unique selling point⁸. In the Middle East, by contrast, the unique selling points of cities have to do with economies of scale, access to particular markets, and so on. But even in Dubai in the boom years, what did individual developers want to assert about their – grandiose and over-optimistic - developments? Well, space. So for example: 'I think the biggest USP for us is that City of Arabia is an 'experience locality'. It's not just concrete and mortar, but an experience. It is about a lifestyle and that's how the components

⁷ He even manages to draw Foucault into the discussion – city centers as 'heterotopias' – where myths and realities coincide....

⁸ <http://www.bike-eu.com/news/2775/amsterdam-chooses-bicycle-as-unique-selling-point.html>

have been put together; cleverly, in terms of the long term needs of the people. Everyone who has bought properties at City of Arabia tends to feel that it is one of those projects that has a soul to it. In reality we could have added another 30 buildings to it, but we have kept the openness in such a way that it gives a nice feeling of comfort and peace⁹.

Even in Abu Dhabi, which is not short of money, designers and developers believe they have to work hard to create value, not just throw up a jumble of buildings next to a river and claim success in advance. So for example with the \$22bn development of Masdar City, its unique selling point is claimed to be that 'it has been built to be a first-of-a-kind test bed for the large-scale trials and deployment of early-stage technologies and practices under study and development inside the city'¹⁰ including transportation, sustainable design and – of course – tax benefits. If Colin Barnett wants to create jobs, and real development, he just has to look at what they can offer¹¹. His time might be well spent in long negotiations with the Commonwealth to create a Special Economic Zone in WA, instead of a fleet of cafés and apartments that will compete with Fremantle. And thinking about improved public transport in and around Perth, too, rather than cluttering the place up with yet more cars like everywhere else in the world.

Perth's Unique Selling Points as a City

So what are Perth's unique selling points? Why do tourists come to Perth? Not for work, by definition. Perth is special. They come for the relaxed lifestyle, the sense of order and discipline that Australia manages to accomplish, for a place where crime is low, where the scenery is outstanding, where there are sports aplenty to watch and play, and where there are world class cultural events – film and arts festivals. Tourists do not come to Perth to dine and drink amidst surroundings that can be found in ample quantities in Singapore, Dubai, or even Sydney. Kate Lamont, the Chairman of Tourism Western Australia, ought to be well placed to comment. She says that WA's unique selling point is our ancient untouched landscape and the indigenous stories that bring it to life. How can this be intertwined with our great food and wine, wildflowers and enviable lifestyle, she asks?¹² Not at the Perth Waterfront, that's for sure. Take away the Esplanade

⁹ <http://www.gowealthy.com/gowealthy/wcms/en/home/news/interviews/Interview-with-Anwer-Sher-CEO-1199104822656.html>

¹⁰ <http://www.uae-eu.com/abu-dhabi/about-masdar-city>

¹¹ Which is advertised as: quick and easy set-up with a one-stop shop for registration, government relations and visa processing, 100% foreign ownership, Zero percent import tariffs, Zero percent taxes on companies and individuals, and no restrictions on capital movements or profits

¹² <http://www.enjoyperth.com.au/events/kate-lamont-wa-state-of-play>

now – regret it in the decades and centuries to come. And all for a copycat development of concrete and steel.

One Kuwaiti real estate developer made these comments about the Perth Waterfront last week:

When I read about the waterfront development, I felt sad at the thought of changing this lovely place into yet another grotesque development. Perth is so fortunate to have an opening on the waterfront, why does it want to deliberately create a point of congestion for its inhabitants in the forlorn hope of attracting millions of people?’

Why is it so very difficult for the State Government to appreciate what a unique, impeccable, still peaceful city Perth is? And how fragile that differentiation is, between Perth and other cities in this and other parts of the world. Imagine that e-card of the future featuring the Perth Waterfront – why would anyone come, when they could go to Singapore or Dubai instead, and see much more of the same, less expensively, and equally well designed and executed? They won’t, of course, and the Waterfront runs the risk of ending up like Singapore’s abortive Marina Parade or Dubai’s second and third Palm developments, huge money drains all of them.

Yes, this is the city that visiting urban planner Charles Landry sarcastically pegged as "the City That Says No." We say no, it’s true. No to masses of stunningly ugly, repetitive high-rise development. No to cramped, high-density city accommodation. No to the destruction of parks, waterfronts, open spaces and all the other 'lungs of the city' that give Perth its open feel. Do you trust a visiting urban planner to understand what makes Perth unique?

The Location is Wrong

Take a good look at the view. If the State Government has its way, you won’t be able to see it much longer.



There have already been concerns raised by the Department of Sport and Recreation over the loss of open space. The Perth Waterfront development will cover nearly 10 hectares of prime land. The Government claims that the project will provide much-needed hotel and short-stay accommodation. That Perth needs new hotels is virtually beyond doubt. A good place to start would be the airport – there is no airport hotel and there should be. For a State like WA with its dependence on fly-in, fly-out work, and on visitors from other States and overseas, a decent airport hotel would be an absolute blessing. The State Government does not appear to regard this as a priority.

There is even heritage there. Maybe no one much cares now that the Esplanade reserve was where self-government was proclaimed there in 1890 or that it has hosted Anzac Day parades since 1916. But I predict that one day they will, unless, of course, it disappears into featureless concrete. Perth Town Hall, which the Council thought of demolishing as late as 1990, was in 1973 classified by the National Trust and in 1978 placed in the Register of the National Estate. Australia needs every bit of heritage it can conserve for future tourism. The Heritage Council appears to think that it is possible for the heritage of the site to be preserved despite it becoming yet another very average development. I doubt that can be successfully achieved.

While we are on the question of history, is there a representative from the indigenous community who would like to come forward and say that built on a traditional river and surrounded by hectares of concrete is a suitable place for an Indigenous Culture Centre? No – of course not, because it isn't.

The timing is wrong

The Government has called for expressions of Interest (EOI) for a Managing Contractor to deliver the main works, including inlet construction and associated marine facilities. (Estimated value \$200m). The EOI process has now closed and will be awarded in early 2012. In December 2011, the State Government called for registrations of interest from developers for the establishment of a hotel at the Perth Waterfront site. The three-stage selection of a successful hotel developer will commence with registrations of interest which close on 16 February 2012 and be followed by the formal expression of interest process.

To make matters worse, the closure of Riverside Drive, which will be relocated has been scheduled for several months after the March 2013 State election. And just when WA will be hosting the G20 meeting in 2014, the city's prime river frontage would be a building site. The work will not be completed – even assuming everything works to plan – until 2015. What a mess that will make of the Perth CBD.

The costing is wrong

The \$2.6 billion Perth Waterfront is being managed under a Government Master Developer arrangement with the WA Government funding construction of community infrastructure and making development sites available to the private sector. In announcing the project in February, the government said it would cost the state \$404 million plus \$30 million for stage two inclusions, with revenue from property sales within the development to cover \$134 million of the total bill.

The State Opposition has already suggested that the project bill would significantly blow out because it did not include funding for planned inclusions such as an Indigenous cultural centre, a cable car from Kings Park and sewerage works¹³. In State Parliament the Labor Member for Cockburn Fran Logan said required stabilisation and sewerage works alone would cost \$440 million. Opposition planning spokesman and Member for Perth John Hyde has asked the Government to say whether there will be compensation to the City of Perth for the Esplanade reserve and buildings it relinquished and the disruption to private tourism operators. No word on that to date.

¹³ : <http://www.watoday.com.au/wa-news/perth-waterfront-project-bill-will-blowout-lord-mayor-says-20111109-1n7nc.html#ixzz1jLj003nD>

In February 2011, an ever-optimistic Premier Colin Barnett said Cabinet had approved \$270 million funding for the Perth Waterfront project in the 2011-12 State Budget. Where is the money to come from? Nine months ago Mr Barnett said he was optimistic about land sales, explaining that he believed "this will be the best land in Perth and depending on the state of the property market, my own feeling is we'll actually do very well out of that (land sales)." The project documentation suggests that land sales will earn the State Government \$170m. There is no evidence for this amount – or any amount, at the moment. Planning Minister John Day has said there have been no blowouts and no delays and the State Government was not behind the game in terms of land sales. Really? Why will they not tell the citizens of WA what land sales have been achieved, then?

The State Opposition has pointed out that the property industry now believes it would be responsible for covering the cost of below ground infrastructure, such as electricity and water costs, as well as the above ground building costs which was affecting investor confidence. The Opposition claims that developers are saying with the Northbridge Link now on sale, the West End on sale, that it's extremely unlikely that anyone would be seriously building on the Waterfront within a decade. The site could look like the Dubai Palm – reclaimed land awaiting development, costing money, doing nothing – for quite some time.

What else could be done with the money?

An allocation of \$440 million has been provided in the 2011-2012 State Budget to fund public domain works. Let's assume the State Government really can find the money – which is itself still in doubt, unless they let State debt rip still further.

Some of the money could go on public transport. Perth only made it to No 25 in terms of personal safety – some of the money Colin Barnett proposes to spend on the Waterfront ought to go on ensuring better safety on Perth's public transport, with officers on trains – it's not that expensive.

Perth needs a new museum, too, one that will stand out as world-class and act as a beacon for tourists. If the number of tourists coming to WA as a percentage of the total for Australia is to increase, then they have to come for a reason, and a world class museum would become one of those reasons.

Another extremely important area of expenditure is social housing. According to Shelter WA, the most recent data suggest that over 13,300 West Australian are homeless on any given night. According to the latest figures from REIWA, the median rent at the moment is \$400 pw, with a vacancy rate of 3.2%. The Department of Housing wait-list currently sits at 24,000 applications for public housing. These figures give an indication of the extent of the shortage of affordable housing in Western Australia – but the proposed Waterfront development will do nothing whatever to alleviate it, despite the expenditure of

State money. WACOSS takes the view that a key priority for the State Government ought to be to increase the supply of affordable housing in WA, particularly for those living on lower incomes. As WACOSS points out, despite the boom many Western Australians are struggling to find appropriate and affordable housing – as demonstrated by the lack of affordable rental properties in the metropolitan and many regional areas, high rates of mortgage defaults and a long public housing waiting list. In its Budget submission, WACOSS recommended substantially boosting investment in the State Affordable Housing Strategy by around \$350m per annum, supported by increased funding for homelessness services and a targeted tenancy support program. Stop the Waterfront, and this can be achieved – a major contribution to a better, more equal State.

The State Government does sometimes throw its weight behind worthwhile developments. Look at the Pier Street Development¹⁴ – a model for integrating social housing with commercial development so we avoid the ghettos that blight the unequal societies of the USA and the UK. Or the Perth Hostel at 96 Moore Street. For an expenditure of \$8.8m the State is getting 32 units of social housing for those making the transition to independent living¹⁵. The cost of this development being in the centre of Perth is high - the Department of Housing suggests that an average cost of construction per property is around \$250-300,000. So for half the money currently being wasted on the Perth Waterfront, the State could get a thousand more units of social housing, and put a huge dent in the waiting list. A mark of a civilized society is that its people are properly housed – not that they wander Perth's glitzy Waterfront looking for a doorway in which to spend the night.

Another extremely useful way in which the State Government can spend is in the regions. To take just one example, what about the Midland Health Campus? An injection of money there could accelerate the development of a project that will provide the kind of durable, high-end jobs that WA really needs – not just lowly paid service jobs in the CBD, clogging up the transport system and adding little to Gross State Product, especially if they turn out to be seasonal, but long-term, value-added jobs – the kind WA really needs for the long-term, when the resources boom comes to an end as it eventually will. Then, it will not be waterfront cafes and ageing apartments that will sustain us, but world class jobs in healthcare, education, manufacturing and services.

It is clear enough that the State Government could use that \$440m much more usefully.

Can it still be stopped?

¹⁴ [http://www.diploma.com.au/Portals/0/docs/News%20&%20Media/100825%20DIPLOMA_west_campbell%20\(2\).jpg](http://www.diploma.com.au/Portals/0/docs/News%20&%20Media/100825%20DIPLOMA_west_campbell%20(2).jpg)

¹⁵ Department of Housing, Housing Authority, *Annual Report 2010-11*, p. 53

Yes, it is not too late. This dreadful project could still be cancelled. Evidently the current Government will not do so. It therefore depends on Labor and the Greens winning the 2013 election. If they were to do so, and indeed on Labor coming out fairly and squarely against the proposal. That would put some clear water between the parties, would it not?

An amendment to the Metropolitan Region Scheme was tabled in Parliament on 18 October 2011. This consolidates a range of parks, waterways and regional roads reserves to Public Purpose Special Use, reclassifying the land to enable Perth Waterfront to proceed. This can be repealed once a new Government were elected. Likewise, proposed construction of the inlet and other marine works were referred to the Environmental Protection Authority for consideration in December 2011, under Section 38 of the Environmental Protection Act 1986. The EPA can still come back with a stay of execution. The full land release program for Perth Waterfront is scheduled to commence formally in early 2012. The public domain works themselves are not expected to be complete until mid-2015. Of course it's not too late.

Conclusion

Don't kill the golden goose, as the saying goes. If you need to get commercial development done, do it the right way – let the private sector drive it. And if the State Government wants to help, then it can offer incentives in terms of reduced property taxes for private developers to build where it will really make a difference to local communities without blighting the landscape.

Meanwhile, our Premier fancies himself a new Charles Court. He affects the same bluff, "can-do" demeanour and pours scorn upon those lesser mortals who express doubt, pose difficult questions, and have some regard for the rights of others and the workings of democratic process. Like his idol, he has trampled on indigenous rights in pursuit of mining development and preferred to support the claims of offshore big business over those of domestic small business. Now, and like Sir Charles, he has turned his attention to the amenity of the city of Perth. Perth needs – for example - a proper, world-class Museum. It's getting a waterfront development. And what a waterfront development! Just as Sir Charles Court demolished the venerable Barracks – which would have made a good site for the museum Perth needs - to make way for the freeway, leaving merely its gateway to mark what once had been, so now Colin Barnett proposes to dig up Perth's birthplace, put a hole in the river, and sell off the real estate.

The State Government (and the City Council) need to be thinking about improving the quality of life of the city, not how to rake in more dollars through taxes – because, if they both do their job properly (for example by fixing the numerous problems with the airport), the high score will continue, people will

want to come to live here, firms will re-locate and grow, and the tax base will rise accordingly. Spoil it with ill-thought out development, and precisely the reverse will happen – and then what do you do? Build more, of course, in the increasingly desperate hope that you can reverse the trend, which becomes a downward spiral. Let's not go there.

So it's the wrong use of State money, in a disastrous location, at the wrong time. Wait awhile, the Perth Gatekeepers have suggested. Consult, see if we can do a genuinely more modest development No, let's not wait, consult, or consider a more modest development – they all end up looking the same. No, let's scrap it now. It's not desirable, it's not affordable – and it's ugly. Like any rotten edifice, this one just needs a good shove and it will topple over.