

Fremantle inner harbour development

In recent decades some of the most innovative and popular urban developments have taken place to rejuvenate increasingly obsolete historical river ports. Leading examples such as Boston, London Docklands, Vancouver, Barcelona, San Francisco, Cape Town and Sydney have demonstrated the vigorous demand for integrated retail, commercial, leisure, tourist and entertainment facilities at these port cities. The renaissance of these ports has been transformational that is clearly demonstrated by the success of local and international patronage to these trophy destinations.

A consistent theme has been to retain the character of the historic waterfront as part of the construction of a mixed-use retail, commercial, tourism and residential development while continuing the operation of the existing working harbour. Similar to Fremantle, many of these historical ports were becoming increasingly superseded internationally due to changing shipping technology, modern harbour developments, outdated freight corridors, environmental issues and urban encroachment. Elsewhere this valuable waterfront land was rezoned as part of a holistic integrated development and converted to alternative uses in order to generate and maximise the economic value as well as public benefits. Some of the most contentious issues elsewhere have been how the area is developed, how it is paid for, by which organisation/s and who benefits?

Current status

The State Government and City of Fremantle has astutely waited to learn from international waterfront developments as well as the Elizabeth Quay project so that the inner harbour can be revitalised to the international level demanded of perhaps the Indian Ocean's leading port. After many years in gestation and consultation between the State Government, City of Fremantle and local businesses, an updated rejuvenation vision was released by the City of Fremantle in April 2016. However, some of the plan called for increased State Government funding of a scale which is not available in the current environment¹ and alternative financing options for self-sustaining development should be considered from comparable projects around the world.

In the Proposed Fremantle Port Lease Package released by the State Government in April 2016, Berth C-J of the inner harbour will be leased to PortCo, which is the SPV for the long-term port lease. This approach splits the East and West of Victoria Quay and reduces the likelihood of a holistic integrated waterfront development plan. In addition, informed sources have questioned whether this approach will maximise the economic valuation to the State Government. Triggered by the recent port lease bid process, perhaps the timing is right to revisit a holistic multi-use development plan incorporating new financing options.



¹ The May 2016 State budget includes over \$12mil over four years for the Victoria Quay Commercial Precinct. These funds are only sufficient for minor upgrades of a tired precinct and the economic impact is expected to be limited.

Facilities

The main building central to the revitalisation of Victoria Quay is the cruise terminal that was opened for the 1962 Empire Games and represents the architectural style of this distinctive period. As is widely recognised, it is no longer suitable for current demand that will see fifty seven cruise ships dock in the 2015/16 year with 40,000+ disembarking passengers². The cruise ship market is forecast to grow, particularly in excellent tourist destinations like Fremantle and modern facilities representative of the main gateway on the west coast of the Nation are required.



International award winning terminals

Vancouver cruise terminal



Kai Tak Hong Kong Cruise Terminal



Victoria and Albert Waterfront development – Cape Town

As the Victoria Quay cruise ship terminal with its unique style is heritage listed, it has the prospect of becoming an international award winning renovation. The majority of the land on Victoria Quay is open space and considering the exceptional waterfront value of this land, is currently relegated to being one of the world's most expensive car parks if opportunity costs are factored in. There are foundations for a business case to relocate vehicle imports to Kwinana and release one of the world's most valuable car parks for modern waterfront development and convert this space from low value to high value use and for the benefits to flow to the State Government and not the future port lessee.

There are many comparable waterfront developments around the world that could be used as models to be tailored to our State's local demands.³ For example, Vancouver's international award-winning cruise terminal could be a reference point with its integrated shopping, restaurants, entertainment and tourist attractions. It was designed as a multipurpose facility and is a premier national attraction and economic hub. Another wonderful example is Cape Town's Victoria and Albert Waterfront Development that attracts more than 23 million visitors a year (many of them recurring local visits) and has a strong focus on mixed-use tourism, entertainment, residential and commercial real estate. Old historic buildings and warehouses were retained and through adaptive re-use were restored to new life and vibrancy.

² *Revitalising Fremantle: Building on Freo's Strengths towards a Dynamic Future*. Brad Pettitt. April 2016

³ Recent reports on Fremantle regeneration such as the ING development proposal and the 2014 Coda report are limited in scope, are incomplete regarding an overall strategic plan and are unlikely to maximise the potential economic benefits.

Properly done, waterfront developments are powerhouses of economic activity with research from comparable projects (approx. 150Hec) indicating an integrated Fremantle Waterfront development could generate over 11,000 permanent jobs, 2,400 construction jobs and yearly revenues of over \$2bil. A reference project indicated a multiplier effect of over three times per job and this level of economic development will likely positively influence the State's credit rating.

To assist in the development of the east end of Victoria Quay, hazardous and explosive goods could be relocated to Kwinana to reduce the required blast zone reserve in the middle of Fremantle (although the people who live on Kwong Alley and Doepel St are closer than Victoria Quay). Another benefit is this would also remove trucks carrying hazardous and explosive goods from roads through central suburbs. This is especially relevant as the old fuel terminals close by are being converted to residential apartments.

Also to improve tourism, especially for foreigners and to increase people density, it would be the ideal location for a casino, top end hotels, theatres or other trophy developments. The current isolated Australian Maritime Museum could also benefit from compatible development nearby and there is more than enough private sector interest to fund all these developments should the State Government and City of Fremantle choose to work collaboratively together for mutual benefit.

Issues to be considered for a successful waterfront development

Important points for a successful strategic waterfront development maybe considered to be;

- Retaining and respecting the unique heritage characteristics of the existing harbour,
- Maximise waterfront views and interaction with the water,
- Continuous dynamic community engagement, especially in the planning stages,
- Creating an integrated balance between retail, commercial, hotels, public, tourism and multi-use facilities that have extended opening times,
- Financial self-sufficiency,
- Balancing commercial and public considerations,
- Separate corporate structure specifically to develop and operate the waterfront development with dedicated management and staff,
- Judicial commercial tenant selection to ensure diversity and quality,
- Focus on local and repeat visitors,
- Like Elizabeth Quay, a sustained programme of special events and promotions – this is essential in order to retain market share and the repeat visits of the local population which is a requirement for sustained growth,
- Ensure ease of access, security and cleanliness, and
- A robust business plan.

Conclusion

In conclusion, reconsideration should be given to develop east Victoria Quay between Berth C to J for an integrated mixed use waterfront development including retail, world class cruise ship terminal renovation, commercial, hotels, tourism, entertainment, public facilities and potentially a casino. The rejuvenation could be in stages to reduce funding requirements and development risk. This would certainly fit within the Metropolitan Redevelopment Authority mandate and maximise the revenues to the State Government. Another option employed on comparable waterfront revitalisation projects has been independent bodies using private sector funding. Either way these waterfront rejuvenation projects are centres of economic activity and employment and if properly developed are symbols of local pride and capital buildings of national importance.

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