

Hunter Economic Breakfast – Wests Newcastle, 1 March 2019

Q&A with The Hon. David Bartlett and Andrew Hoyne

Professor Will Rifkin (WR): I'd like to invite David Bartlett (DB) to stay on the stage and for Andrew Hoyne (AH) to join us.

Andrew Hoyne is the Founding Principal of Hoyne - a strategic place consultant and brand agency. They focus on positioning 'places' for commercial and social success. Travelling extensively, Andrew has seen the power of how effective place-making can transform communities here and abroad. He is passionate in his belief that we can do more to create meaningful places. He has published a volume - *The Place Economy* – that looks at best-practice place-making around the globe and its social and economic impacts.

Now is the time to explore implications for Greater Newcastle and query what we can learn from what has occurred elsewhere. First a softball question for Andrew to help illustrate his area of expertise.

Q to Andrew Hoyne: *Take into account what we have heard about the Tasmanian experience. Also reflect on local insights from the HRF Centre's economic presentation. What is one thing that Greater Newcastle may overlook in relation to undergoing a major transformation in identity and positioning? What do people often fail to consider?*

AH: It is interesting that we've just been hearing all about MONA and Tasmania. One of the most compelling things that cities around the world are starting to do is to understand the concept of creative prosperity. It seems really obvious and simple but the reason why people have not invested in the creative sectors in the past is because on the surface it seems there's not a sizeable enough financial return on investment. In traditional terms, people with the cheque book assume investing in creative prosperity doesn't stack up. But the reality is that when you invest in the creative sector anywhere in the world, you actually invest in entrepreneurship, innovation and new ideas – which are the cornerstone of creating new economic opportunities.

These people who use creative ideas as a driver of new economic activity, have a hugely positive effect on the greater community. When creative economies are given the opportunity to flourish, you get better restaurants and bars, better night life and music scenes, and you get a more engaged community. It is interesting because although we are surrounded by American television, and it is made to look normal when it is clearly not, America is not the progressive country that we are led to believe. It is, in many ways, incredibly backward for a country with its level of resources, funding and market size. When you take these things into account, you will discover that Australia is much more progressive than many other parts of the world.

What I see in many interesting cities around the USA is huge investment in creative hubs, rejuvenated city areas and progressive business precincts. Companies from the IT industry who have money, are seeing the value. What makes a city great is education which is integrated into the cities fabric. As the number one issue for intelligent businesses is recruitment and retention. Businesses

want to be where smart young people are. And where do smart young people want to be? They want to be where the fun is, where they are surrounded by like-minded people, entertainment and activity. This can only be achieved by having creative prosperity as a core pillar.

WR: We will now move to questions asked on our online platform, Slido.

Q1: David you've had a brief chance to see Newcastle. Did you see anything that captured your MONA heart?

DB: Kate kindly picked me up at the airport and gave me a brief tour. It was a great thrill for me to see the waterfront and the celebration of, not heritage, but of the working port. The apartments have their windows framing that industrial port and showing pride in that. The other thing that caught my eye was that brand new, gorgeously designed University building in the dead centre of town, where everyone goes, what's that building? It says something about the city that you value education. I have been a vocal advocate, and worked with a number of vice-chancellors over a number of years, to move the Tasmanian University campus from the southern suburb of Sandy Bay – an upmarket suburb where kids who come from less grand parts of the state don't visit – to the city centre. To enliven the city and open up all the shop tops to student accommodation, everybody benefits when that happens. To build not just a vanilla-flavoured, boring education building but to build something that looks great, that says, we value this.

WR: Andrew, did you want to comment on your impressions?

AH: I think that Newcastle is so much better than the way local people talk about it. So many people who live here, talk it down, which I find bizarre. There are a thousand reasons to have pride in Newcastle. My first piece of advice to the audience would be to stop comparing yourself to Sydney. Sydney is a world-leading city. It is like comparing yourselves to New York. Newcastle has so many phenomenal attributes that, which at this point in time, have not been celebrated. For instance, it has so much heritage, and it is near the ocean. You know the list of attributes better than I do. There needs to be a change of conversation to help people focus on optimistic attributes. There is a great opportunity to change your perception of your own city, let alone how you project it to the wider world.

Q2: How can a regional city like Newcastle gain more share of strategic investments compared to state capitals such as Hobart?

DB: I don't have a good answer for that. I know that being a state capital of the scale that we are gives Hobart significant advantages. State Government can do things to pull levers. They can co-invest with private capital that can unlock parts of the city that do things. Here, you have the Hunter Central Coast Development Corporation investing in the light rail and other projects. It can still be facilitated in regional cities. It looks like there is a lot of that going on here. I will be excited to come back here in five years and see what that light rail has done for Hunter Street and the wider city.

There is some advantages in being a capital but there are other ways. I go back to my golden rule here that cities or regions, or industry sectors or whoever you are, need to speak with one voice to Government. If you don't speak with one voice, governments will say that is too hard and move on. There was a reference to the \$1.43 billion city deal. Sometimes politicians gild the lily a bit and to

me, that city deal was a great disappointment. It doesn't include light rail, which it should have, it doesn't include the money to do Macquarie Point, which is a huge, open waterfront site that was port and is now open for debate about what to do with it. About half of that \$1.4 billion is for Antarctic stations. Yes, Hobart is the embarkation point for the Antarctic and it is a very important part of our city. We need some infrastructure to service that but I think it is a bit of a dog's breakfast.

Q: Andrew, attracting investment?

AH: I can't emphasise enough how important collaboration is. I referred to America a moment ago. A place that is considered the worst in American city is Detroit, but it is also one of the most exciting cities to look at in America. It is completely reinventing itself, and at a rapid rate. And a core reason for its success is what I'd consider to be an anomaly. Local and State government, private investors, and the general public, all want the same thing and they all agree on how to collaboratively move forward. Decisions are made quickly because everyone has the same agenda. That is to get that city back on the map, first and foremost by creating jobs, by attracting investment and by thinking about how to create better infrastructure. Those things would never be able to happen unless people are prepared to sit down, park their egos and focus on the agenda. Politicians and CEOs are two of the most important people in the conversations. If they can park their egos and work together, you will achieve endless amounts of good for the community and for the economy.

Q3: Perception is a very interesting point here in Newcastle. What do you think was Tasmania's turning point of shifting perceptions?

DB: The obvious one is MONA, the lightning bolt. What I was trying to say through the rest of my talk was that there was already 1,000 things going on in Tasmania. What MONA created was a catalyst to help people realise that there is a demand for the things that we are doing.

There is a wasabi farm in the north-west of Tasmania. The Japanese can't get enough of this wasabi, grown in a cool climate. They were trying hard to market their product but after MONA – I don't know why, perhaps they put it in their restaurant – they can't keep up with demand. The wasabi farmer is buying adjacent lots to grow more.

MONA is the catalyst for the success of a lot of things. There is a danger that people look at Tasmania and think there wouldn't be much happening here if it weren't for MONA. There is actually heaps happening.

Another exercise that I've undertaken is to look at the 10 decisions that changed Tasmania. What are the things that have driven change? I can see three of them for Newcastle – flood, earthquake and BHP closure. Things that you have no control over are the things that have had a big impact on our cycle of building and who we are. I want you to think about what are the 10 things that we did which changed the place and made it what it is. Sometimes we don't recognise these catalytic decisions when they happen. If we analyse those a bit, we can understand what catalytic decisions we need to make for the future. You may not get a David Walsh to plonk a \$200 million investment in your city but there are catalytic decisions you can make that can have a transformational influence almost overnight.

AH: I think about the comparison between Tasmania and Newcastle. If you park MONA for a second, Newcastle should be on the map ten-fold on Tasmania. In many ways it has more. You have things that are world firsts – coal, equine, wineries, etc. – that have not been replicated in other places. They are just not marketed and positioned in the right way. You are Australia’s second oldest city – older than Hobart. You have all these amazing heritage buildings. I walk around town thinking what I would do with those buildings. It is disheartening for me seeing wasted opportunity. They could be positioned as part of what makes this city special as opposed to just sitting there. They would be celebrated, they would be turned into destinations. The contrast of what you have and what you could have sits in black and white.

Q4: What scale of impact do you think growing cruise ship tourism has on place making and shaping changes in perceptions?

DB: At dinner last night, I referred to cruise ships as the locusts of the tourist industry. There are 60 massive cruise ships a year coming in to Port Hobart over the summer period now. That is the sort of tourism that people in Hobart don’t embrace. It doesn’t feel as though it is ours or that it is about brand or high-value.

In a small place, we need to be focussed on high value. We don’t want that retail, 1,000 people dropped on your doorstep and then leaving that night, although they are spectacular to watch coming up the harbour. There is a debate going on in Hobart about cruise ships. The cruise industry has led some things really well itself, like banning cruise ships from Wineglass Bay and Bay of Fires. These are beautiful, iconic places in Tasmania that, at the moment, you have to make some effort to get to. One of the people at last night’s dinner said the best meal they ever had in their entire life was sitting on a boat in Wineglass Bay, hauling crayfish out of the water and abalone off the rocks, all cooked there on the boat. I guarantee it’s a spectacular experience to have. To have a big cruise ship coming in there while you were doing that would take away from all that we are trying to create.

AH: When thinking about tourism and bringing people to spend money in your city, you need to very conscious that they are not the priority. The priority is the people who live here. I am not against tourism and cruise ships. However, you need to create infrastructure in those physical spaces to engage the locals, first and foremost. That can be repurposed for visitors as needed. If you important spaces in your city which are not busy in the winter on a Monday night, you’re failing. Summer and weekends are a given. You have to focus on the difficult times and implement strategies to engage people and get them off their sofa and into the city. If you have a cruise ship environment, think about what you need to get the locals involved, because there is a lot of time when there is no cruise ship there. And unused spaces become ghost spaces.

DB: This goes to my comments on authenticity. I had a massive war with the Tourism Industry Council during my time as premier. I granted a piece of waterfront that the State owned to the University of Tasmania to build the Institute of Marine and Antarctic Science. We are a leader in Antarctic research and marine science. That is what I wanted down there because it tells visitors and locals alike what we value. It is a spectacular building. The Tourism Council wanted a hotel there. I kept asking them, what are the tourists going to look at? What people want from new, high-value experiences is authenticity. They want to see what Tasmanians are doing. The waterfront, which is

the jewel in the crown of Hobart, needs to be a place that Tasmanians go to first. Then the tourists will go because it is an authentic thing that they want to see.

There is a danger of that happening in Tasmania at the moment. We have a fantastic old sandstone Treasury building that State government is selling. They are moving Treasury bureaucrats out and I don't have a problem with that but they are putting a Crowne hotel there. All the big hotel names are looking at that and thinking they would like a label in Hobart. The danger, in 10 to 20 years' time, is that all we have is a bunch of tourists looking at each other from our spectacular buildings across our spectacular waterfront. The waterfront won't be a place for Tasmanians in Hobart and that would be deeply disappointing.

AH: Half of my clients are developers around the world. It may seem like a contradiction in terms but developers can be the best friends of any city. Developers can contribute some of the most engaging destinations that a city can have. Through innovation and progressive thinking they can do great things. But they have also proven to us, over many decades, they can create the most blight of our cities also.

One of the problems I have with involving government is that the answer is no before the question has even been asked. It is an easy go-to, so they can say, 'I didn't approve it'. Local government are generally pretty lazy. This is not an Australian thing, I see it everywhere I go. They would prefer to do nothing than something. They need to think about the difference between a very good developer, who is progressive and creates something of worth that adds value to the broader community, and a developer who is whacking up shitty apartments, selling them off the plan and making something held up by sticks and sticky-tape.

If you apply the same rule to everybody, nothing gets done. Good ideas can get dumbed down because of the rules and red tape. There has to be the ability to assess on merit. An ability to see the difference between someone who is going to create a contributing outcome and someone who is just there for a quick financial win, where the community will rue the day it occurred.

Q5: Every new idea which is brought to Newcastle faces harsh criticism from the local media. How did MONA combat negative media and push forward to success?

AB: Is the editor of the daily newspaper here? *[response from reporter]* I'm pleased to see a reporter here. I would say to this community, you need the editor here. We need the editor here so that they buy in to what the Lexus and the olive tree are or what the tipping point is going to be.

News Limited's daily Mercury is very dominant in Hobart. They can control and run campaigns. They can make a choice to run them as 'we're from Newcastle and we're here to create something good together', or they can knock them. They have to make that choice. I am not commenting on what your newspaper does, by the way, because I have never read it and I don't know. I am talking about the Mercury and showing my scars.

In the lead up to MONA opening, there was a lot of negativity, 'oh, he's got Piss Christ, there's a band called the F**k Buttons, it's going to be terrible, the whole of Western civilisation will fall in Hobart because of this terrible evil'. The people of Tasmania quite liked it and the Mercury had to change its tune. It is a bit frustrating to watch the Mercury because they are now like a cheer squad

for MONA. Everything is bright in Tasmania and every new idea is encouraged with 'let's have a go'. It has a really big impact on the community's mood.

AH: The media are the enemy of innovation. The fireman who saved the cat is not getting the front page. Front page is woe and misery, that's what sells, and the media exists in that constant cycle. Therefore unfortunately, the wrong conversations end up on the front page, when they are not the conversations the community should be focussing on. What about focussing on ideas that would inspire night activation of the city, which would be a catalyst to engage young people? Don't let minority voices dictate how the majority live. Broadly speaking, Newcastle is famous for creating the lock-out laws. This blight on the night time economy spread to Sydney, and due to that, it now has a global reputation as a boring city at night. This is now known the world over. Sydney, one of the most beautiful cities on the planet, is considered boring. The biggest social and economic problem many of our cities have, is creating a proper, vibrant night-time economy.

AB: I didn't know that Newcastle started that trend. Kennett, who wasn't my favourite Premier of Victoria, changed the state liquor licensing laws to be per volume rather than a fixed fee. All of Melbourne's laneways and the CBD came alive with little cafes and bars. Every nook and cranny and old shop was converted into something because suddenly entrepreneurs could afford to do it. That city is so much better to be in at night than Sydney, in my view, and during the day. It is not as pretty as Sydney, I'll give you that, but it does offer a much more interesting cultural experience.

AH: Globally, Melbourne would be considered one of the top six most interesting vibrant cultural cities in the world. This brings me straight back to the theme of creative prosperity. Where do new ideas come from? They aren't just born from major organisations like the CSIRO and other large organisations. They often come from entrepreneurial people with no money. Young people with great ideas but barely two cents to rub together. When you change laws, get rid of red tape and promote the idea of innovation and entrepreneurialism from young people, you plant a lot of seeds for new businesses to grow. And universities are one of the ideal partners to support these platforms.

NSW is famous for the big clubs with 1,000 pokies, where hundreds of people can turn up any night of the week. Yet they were aggressively against the notion that we could have small boutique bars. Over 10 years ago, the President of the NSW Clubs Association said, 'we don't want wanker Chardonnay drinkers in this city'. However the big decisions we make as cities, have to take everyone into account A city is made up of a huge amount of tribes. As leaders, the decisions we make and the ideas we suggest, aren't aimed at pleasing ourselves. We need to be honest and conscious about the needs of the city and the different groups of people who live there.

There's often an emphasis on young people in these forums. For rural towns, retaining young people is all they want to talk about. However with a population of 37,000 students in Newcastle, you already have a great base that can continue to be further built upon. I wouldn't focus too much on trying to attract more young people. I would think very deeply about who is already here – and what you do about entertaining them, engaging them, and making the CBD a really attractive, vibrant destination. While I believe Newcastle is heading in the right direction, I also see a lot of unnecessary obstacles getting in the way of progress. And most importantly, it's just not happening fast enough.

ENDS