

# "Never send to know for whom the bell tolls" - ask how much it costs to toll it.

Erica Walker, Curtin University of Technology, Perth

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ABSTRACT: The Bell Tower on the foreshore of the Swan River in Perth, Western Australia has suffered a controversial beginning. The cry has gone up from opposition political parties, special interest groups and the public alike - "...what is the government doing spending money on this, when we could build more schools, better equip our hospitals, provide more police ...." This paper looks at the costs of the Bell Tower Project, and asks - can they be justified - on economic or any other grounds? What is the Bell Tower worth? The property will be an income producing property - charging entry for tours of the tower, and containing a retail outlet. Is the income sufficient to justify the expense? Should we be conducting a pure feasibility study - or should we be asking the broader question - what costs and benefits should be considered that are not so easily expressed in dollar terms? The principle of spending money for non-economic benefit, or non-measurable economic benefit, is presenting some problems for democratic governments in the economic rationalist age - not the least of which, is that when economic measurement is replaced with qualitative value judgements, then someone has to make those judgements - public response to any artists impression of any future public project, or any public art reveals how personal and difficult that can be.

## **What are the Swan Bells?**

The Swan Bells is a bell tower newly constructed at the foot of Barrack Street, adjacent to the old Barrack Street Jetty site. It has been built by the State Government as part of a millennium project, to recreate Barrack Square, a civic space adjoining Perth Water, thus reconnecting the City to the River.

The development includes the rebuilding of the jetties with the addition of 'multi-function pavilions' containing function centres, cafes and office space. (Western Australian Tourism Commission 2000)

The design of the redevelopment is the result of a competition held by the State Government which was won by the architectural firm Hames Sharley.

The idea for the bell tower was born as a result of the Government's ownership of the Bells of Saint Martin's. These historic bells were destined to be melted down by the City of Westminster, because they were too heavy for the ageing St Martin's spire in the Church in Trafalgar Square. The metal was to be used to create a set of new and smaller bells. However, the then President of the Australian New Zealand Association of Bellringers (ANZAB) Mr Laith Reynolds, persuaded the Cities of Westminster and London to present the 12 bells to the City of Perth as a bicentennial gift in 1988. That is another story.

These original 12 bells were cast in 1725 and have been used to ring out historical occasions since then in their original home. They were the first set of 12 change ringing bells to be cast in the world, and are immortalised in the Nursery Rhyme "Oranges and Lemons". They proclaimed the coronation of every English Monarch since 1725, and many historic events, including the return of Captain Cook from Australia. (Australia and New Zealand Association of Bellringers 1999)

The task was originally given to the University of Western Australia to find a home for the bells. However, they are extremely heavy – the largest bell, named Zachariah, weighs in at 1,551 kilograms – and the ringing requires a location of significant strength and stability, which none of the existing University buildings had been able to provide. The University was unable to come up with an appropriate location, and the Government of Western Australia assumed responsibility for finding a suitable location.

It was eventually determined that there were no bell towers in Western Australia capable of holding the 12 bells, and that a new tower would need to be constructed. Once this decision was made, the Government decided to have another 6 bells cast to create a ringing set of 18, the largest in the world. The additional bells were made in the same foundry as the originals. Five of them were donated by businesses in the United Kingdom, and the sixth was paid for by the WA Government.

The resulting tower has been the subject of considerable controversy. There have been objections about everything from the design of the tower, to the fact that Richard Court, the Premier has his name on the bell that was paid for by the State Government, and the fact that we could have 'x' more hospital beds or 'y' more teachers for the same price –

and why do we need a bell tower? There have been concerns that in this location the sound of the bells will be lost over the vast expanse of Perth water, and there have been concerns that the sound of the bells will be too loud for office workers in the City. Some critics have said the tower is too high and will interfere with low flying aircraft, and some have said it is too small and will appear insignificant on the foreshore. (Hames 2000)

The design that has been built was created by the architectural firm of Hames Sharley. It is 82.5 metres high, with the bells located 23.5 metres above ground level. (As a matter of interest, the height of the Statue of Liberty is 46 metres, the Tower of Pisa is 56 metres and the Eiffel Tower is 300 metres.) It is described as the largest musical instrument in the world, containing the largest set of change ringing bells. The bell tower is claimed to be the first of its kind in the world, where the public can view the bells from a gallery when they are being rung. The funding of the construction of the belltower was a millennium celebration project with construction commencing in 1999. The bell tower was opened on December 10<sup>th</sup>, 2000 and is officially named the Swan Bells. The bell ringing is undertaken by bell ringers of the St Martins Society of Bellringers, named after the original location of the first 12 bells. (Knewstub 2001)

The design of the tower is intended to reflect the historical maritime link of the City of Perth with copper-clad sails and a tall glass spire. (Hames 2000)

### **How much did the Swan Bells Cost?**

The cost of construction of the bell tower was \$5.5 million, with an additional fit out cost of \$500,000. This does not include professional fees, which are not readily available, but have been estimated at 15% of the total.<sup>1</sup> Total costs for the building estimated to be \$6,825,000.

The land on which the tower stands is Crown Land, which has for some time been a short stay parking area, grassed area and turning roundabout adjacent to the Barrack Street Jetty. The Government has derived no income from this land, and the amenity to the public has been minimal. It may therefore be assumed with some justification that the

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<sup>1</sup> Some reports that were commissioned covered much more than the bell tower which is only a part of the Barrack Square development.

cost of land contributed by the Government is of no value – to the extent that no income has been forgone in its use as a Bell Tower. There is, of course, a counter argument that if the land is good for a bell tower, then it could also be good for something else of greater economic value. However, given the Governments parameters of creating a public space with attractive features to link it to the City, other uses providing higher returns on investment would have been severely limited, if not precluded.

### **What are the expected direct returns from the Investment?**

The Western Australian Tourism Commission (WATC) commissioned a ‘feasibility study’ of the Bell Tower, which was prepared by Ernst and Young and presented to the WATC in August 2000 (Ernst and Young 2000).

The accountants were asked to make the assumptions that no value was to be attributed to the land, and that as the development cost was a sunk cost it should not be considered. On this assumption, and on the basis that no costs are payable for the land and buildings by way of rent or interest, the question that was addressed was whether the business of running tours can be a viable one.

As to the running of the Bell Tower ‘business’, there are two separate sources of revenue – the admission to the Bell Tower tour, and the tourist shop in the building. The particular study reflected in the report focussed on the former. The income from the tourist shop was excluded from the base case on the grounds that the net revenue accruing to any operator from merchandising would be between 2-3% of entry revenue. This was done to focus on the ability of the attraction itself to cover operating costs.

### *Costs of Operation*

The costs to the Government as a whole, associated with running the Bell Tower are estimated to be approximately \$1.33 million in year one, \$1.41 million in Year 2 and \$1.15 million in year 3. The larger sums in years one and two are because of an initial input of working capital which is characterised as a loan that is entirely repaid in the first two years. These costs include an assumption about a management fee to be paid to a private management entity, on the basis that the role of the appointed management entity is not to earn significant profit from the attraction but to operate it professionally. It is

envisaged that the appointed entity will accept a more benevolent role than is normally accepted in commercially based management fee arrangements. (Ernst and Young 2000, p.31)

### *Income from the Operation*

In order to assess likely income from the visitors to the Bell Tower, the report looked at visitor numbers to three other attractions Underwater World, Perth Zoo and Scitech.<sup>2</sup>

Visitor numbers in 1998-99, for the three attractions were as follows:

Underwater World	285,000
Perth Zoo	550,000 – 600,000
Scitech	175,000 – 200,000
Perth Mint	121,000

The operational assumptions made for the Bell Tower are that it is to open 363 days per year for a maximum of 12 hours per day. A bell tower tour will last for 20 minutes, and the maximum permitted number of people on the tour at any one time is 91.<sup>3</sup>

The report makes an assumption of 34% occupancy – that is 92 visitors per hour, 1,110 per day, 403,000 per annum.

Entry prices to the tower are suggested at \$5 per adult, \$2.50 per child and \$3.50 for concessions. From these prices, a weighted average entry of \$3.90 is assumed.

These assumptions are rounded to an estimated annual revenue of \$1,573,000.

The report assumed that entry fees would be charged from the commencement of the operation of the Bell Tower. However, the Government has decided to operate with free entry for tours until 10<sup>th</sup> April 2001.

In the first month after the opening of the Swan Bells, in December 2000, an estimated 70,000 people toured the structure. (Knewstub 2001)

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<sup>2</sup> It seems to me that the Perth Mint might also be a useful comparable. It consists of a feature tour – where a specific amount of time is spent, whereas the other three attractions are open ended activities, which can involve a short time, but more often occupy several hours or even a whole day.

<sup>3</sup> This is a requirement associated with fire regulations, and may be changed.

### **Potential for Direct Return on Investment**

The sustainable income, after the initial year when start up costs are repaid is estimated in the report as \$422,000. If the merchandising business is added to this at an estimated 2.5 percent of revenue from entry fees, or \$39,000, then the sustainable net income is estimated at \$461,000 showing a return of 6.76% on the investment of \$6.85 million for the capital expenditure. This is without allowing anything for the land.

If the Swan Bells were a private commercial venture, requiring the output of \$6 million for a property which is very business specific, has no current track record of success and only vaguely comparable businesses from which to estimate an income stream, the private investor would be looking for a much higher return on his investment, possibly in the order of 25-30%. This would give the present value of the estimated sustainable income stream as between \$1,688,000 and \$1,406,666 – significantly less than the initial outlay. In other words, it does not present as an attractive private commercial venture.

In the arrangement to be put in place by the Western Australian Government, the excess of income over expenditure from the Bell Tower is to be paid to a Foundation, which will use it to provide funding for youth music and performing arts groups.

### **What are the secondary economic benefits?**

If the Swan Bells are a successful attraction, then visitors will wish to tour the bells and be prepared to pay an entry fee, and possibly purchase souvenirs of the bells. These visitors will be local residents, State-wide visitors, interstate visitors and international visitors.

Of those visitors who come from outside the State, how many will now chose Perth ahead of another destination because of the Swan Bells? This could occur in one of two ways – either because the bells themselves are of a sufficient attraction that Perth becomes a destination of choice, or because the representation of the bell tower in tourist literature is of sufficient interest that it raises the tourist consciousness of the place.

The Western Australian Tourism Commission have estimated income per tourism visitor to Western Australia, for 1999, as follows:

International visitors: 559,000 with expenditure of \$1,031 million: \$1,844 per head.

Interstate visitors: 900,000 with expenditure of \$1,101 million: \$1,223 per head. (2000)

These figures provide a weighted average estimate of \$1,523 increase into the Western Australian economy for each additional visitor to the State. If 100 people per year visited Perth solely because of the Swan Bells, this would increase Western Australian income by \$152,300 – or an additional 2.23% return on the Government investment. An increase in tourists attributable to the Swan Bells of 836 people per year would give the Government an overall return of 25%.

It is a tourism challenge to identify the features of a destination which might fire the imagination of the target market. The ANZAB has 400 members and there are an estimated 50,000 bellringers world wide – how many of them will come to the new bell tower with the largest number of bells in the world? Will they come with their families as part of a family holiday, or to bell ringing conventions?

The Australia and New Zealand Bellringers Association are holding a Swan Bells Festival in Perth in April 2001, to which invitations have been offered throughout Britain, Australia and New Zealand. To date, 60 British bellringers have expressed interest in attending the festival, and this number is expected to be more than matched by interstate visitors.

### **Potential for Swan Bells as Icon of the City and the State**

The Western Australian Government Web Site for the Barrack Square Redevelopment suggests that "...the Swan Bells will be more than just a tower – it will be a musical instrument, a visitor attraction and a symbol for the people of Western Australia."

Can you create a symbol for a community, or must they evolve through historical meaning?

What value should we place on the creation of modern icons – and what chance does the Swan Bell Tower have of becoming such an icon?

Will the use of the bell tower as a symbol of the city raise its profile in the consciousness of the world traveller to the point where they think of Perth when they previously may not have?

One historical bell tower in particular attracts tourists world wide, to a town which otherwise might be indistinguishable from dozens of other attractive but minor European destinations. The bell tower of Pisa- first commenced construction in 1173, and completed in 1350, stands 55.86 metres high. The tower of Pisa contains architectural details which are acclaimed in their own right, but its most notorious claim to fame is of course that it is falling over – the tower has been leaning since it was under construction, and the lean has been increasing over the years, leading to the closure of the Tower to public visits in 1990. In 1989, 700,000 visitors climbed to the top. (1998)

Possibly the most famous tower in the world, the Eiffel Tower, started out life as part of the preparations for the World's Fair in Paris in 1889. Although it was intended to last for only twenty years, the plans for the tower were greeted with derision and protest. On February 14<sup>th</sup>, 1887, the newspaper *Le Temps* printed a “Protest against the Tower of Monsieur Eiffel”, signed by artists and writers of the time, which begins

“We come... to protest with all our strength and all our indignation, in the name of the underestimated taste of the French, in the name of French art and history under threat, against the erection in the very heart of our capital, of the useless and monstrous Eiffel Tower, which popular ill-feeling, so often an arbiter of good sense and justice, has already christened the Tower of Babel.”

The protest continues: “...for twenty years we shall see spreading across the whole city ... like an ink stain, the odious shadow of this odious column of bolted metal.” (2000) So much for the warm reception for the Eiffel Tower.

The Statue of Liberty was designed as an icon – a symbol of American- French co-operation, and in celebration of 100 years of American independence. The statue itself stands 46 metres high, and the total monument, including base and pedestal stand 93 metres high. Like the Eiffel Tower, the Statue of Liberty is an icon – but this time designed and built as one – with no recorded protests on its creation.

How can you measure the value of these icons to the economies of their respective cities and countries? The decision to visit Sydney ahead of Melbourne, for example, may be

overtly based on the fact that one has the Harbour Bridge and the Opera House and the other doesn't. However, it may have more to do with sub-conscious images – the Sydney icons are so much a part of the international image of Australia to some visitors, that Sydney is Australia. What difference does it make to the number of tourists in Sydney as compared with Melbourne, because Sydney has the Opera House and the Harbour Bridge – two of the most recognisable and attractive icons in the world? Is it possible, or even necessary, to ascertain the increase in tourists that one can expect because of the creation of an icon?

In Singapore, in 1972, the Merlion was constructed at the mouth of the Singapore River. It is a result of a competition held by the Singapore Tourist Bureau, to find a symbol that could be used as an icon for Singapore tourism. The Merlion stands 37 metres tall, and is a statue of a mythical beast which was said to be half lion and half mermaid. The Merlion symbol occurs on a great deal of the tourist merchandise available on the island, and any tourist would be hard pressed to ignore the symbol, and would no doubt recognise it as the symbol of Singapore hence forward. It is another question whether native Singaporeans relate to the comparatively recent symbol as representative of their country.

Possibly the most famous bell tower in the world is miss-named by most - Big Ben, the main bell tower on the Houses of Parliament in London. The Tower is actually St Stephens. The name Big Ben belongs to the largest bell in the Tower, heard at the commencement of news broadcasts on the BBC.

### **The proof of the bells will be in the ringing.....**

One of the well-known steps of cost benefit analysis is to select the portfolio of alternative projects. (Panayotou 1997, p.2) In the present case, the Swan Bells are a fait accompli – the question is not therefore, which is the best project, but rather, what are the costs and benefits that may result from the Bells.

A cost benefit analysis ultimately endeavours to convert subjective judgement into dollar values. It includes, at least in the case of the Swan Bells an essentially philosophical and political exercise. (Dickson 1998) This is particularly the case where the object under consideration is of artistic nature, as with the Swan Bells, where there will always be disagreement on merit (see any public discussion on any public art, anywhere, anytime!).

The validity of the investment can only be found, if at all, in the indirect and intangible benefits to the Community— arguably, this is the role of Government expenditure – to do things ‘for the good of the community’ that it is not worthwhile private enterprise engaging in. This is the nub of the problem – when the community is not sure there is any value in a government proposal. The experiences of the Eiffel Tower and the Sydney Opera House suggest that public opinion is not infallible. This is where leadership becomes important.

In addition to the creation of an icon for Western Australian identity, the Western Australian Government has created a home for a gift, the indefinite storage of which has caused embarrassment to the recipients; created a tourist attraction that will (hopefully) increase revenue to the State, both directly and indirectly and created of a piece of art – both architecturally and musically, of which Western Australians can feel proud now and in the future.

There is a political and philosophical question – should we spend money to uplift our spirits when we still need more utilitarian facilities for uniform access to more basic needs – health, education and housing. It is a separate judgement call whether the Swan Bells are going to provide that uplift. No doubt it will for some and not for others. Again, a matter for leadership.

The creation of civic spaces and beautiful places ought to be affordable and on the list of priorities for Western Australians. All the social and economic statistics indicate a quality of life which can afford them. The Swan Bells have been criticised for many reasons. Not the least of these is the public perception that they are intended as a monument for the current Premier of Western Australia, Richard Court. This perception was exacerbated by the inclusion of his name on the inscription on the largest of the new bells forged for the project. However, he is the leader of the Government which created the Swan Bells.

Editorial comment on the project has been almost entirely negative throughout its progress. The West Australian Newspaper is the only local daily newspaper, and it has been critical of the project throughout.

The Swan Bells may become, in a very short space of time, a very popular tourist attraction, associated immediately with Perth and Western Australia, and of inestimable

value as an icon to be used in promotion; or it may dwindle in popularity, fail as an icon, and not attract more than passing attention. Whichever fate it suffers, or somewhere in between, will depend not only on its innate properties – world’s largest musical instrument, only bell tower where spectators can watch the bells being rung, historical bells, architecturally interesting and innovative building – but also on attention to detail of management – how much queuing is required, cost of entry, ease of access- and probably most importantly of all, on the manner in which it is marketed to the State and the World!

If the Tower is a success, then any retrospective cost benefit analysis would show a wonderful result; if the tower fails to capture the public or tourist imagination, then the same test will find it to have been a failure. As a business, it is an unknown quantity – as an investment it is a high risk strategy.

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