

Sarich speaks out

One of WA's richest property developers, Ralph Sarich, has hit out at plans for a \$900 million football stadium at Burswood and the expansion of the nearby casino, questioning whether it was the right priority in tough economic times.

The publicity-shy inventor of the Orbital engine and billionaire businessman has broken a five-year silence to voice his concerns on a range of issues.

A backer of the original Fremantle Dockers organisation, Mr Sarich said he loved football but would prefer more was spent on housing for struggling families or public transport.

He also said fellow billionaire James Packer's deal with the Government to boost his nearby casino was a "worrying" expansion of gambling that would have an impact on the community.

PROPERTY DEVELOPER BREAKS SILENCE

Sarich says red tape strangling business



Family life: Ralph Sarich and son Peter at the family home in Claremont in 2005.

Peter Kerr



He has picked the top of the market on at least two memorable occasions, so Ralph Sarich's declaration that he is getting out of residential property to rid himself of its bureaucratic headaches will send shockwaves through the already choppy WA industry.

"Residential has become too much of a hassle," he says.

"More effort needs to be put into making approvals go faster through government departments. In the end it (delays) just adds costs to the buyer, to first-homeowners in particular."

In a wide-ranging interview after five years out of the limelight, the publicity-shy inventor turned billionaire property developer and philanthropist broke his silence to air what he sees as worrying trends in business and politics.

From his boardroom perched above the Swan River, the inventor of the revolutionary orbital engine also says from hard-won personal experience with his technology that the Federal Government is wasting its time propping up car makers and should spend more effort on helping to develop new technologies, if a legacy is to be created from the mining boom.

Expressing dismay at a lack of leadership in Canberra, he also staunchly defends renewable energy and the need to cut carbon emissions, and even weighs into the debate over the football stadium at Burswood, questioning the WA Government's plan and nearby casino expansion by fellow billionaire James Packer in these straitened fiscal times and a "worrying expansion" in gambling.

"I put a considerable sum into the Fremantle Dockers when they got started, so I'm not against the game," he says. "I just cannot comprehend why the priority is to build a new stadium (and expand the casino) rather than help struggling families desperate for housing."

Speculation of cuts to research and development incentives to balance Canberra's Budget deficit, which refuses to die despite denials, is just one issue getting under his skin, because he says it will have dire long-term impacts.

"Australia's legacy post the mining boom will be like a denuded rain forest," he says. "Other countries have created and prospered on technologies without the flying start we have been handed by nature. There will be no long-term future without science and technology and it is extremely foolish to think otherwise."

Raised on a Baskerville bush block, the 73-year-old son of Austrian-Croatian immigrants stunned the commercial property market in 2007, raising \$500 million



Passionate advocate: Cape Bouvard chairman Ralph Sarich in the company boardroom. Picture: Mogens Johansen



Easy lift: Michelle Downes, the 1972 Miss Australia and Ralph Sarich demonstrate how light the Sarich orbital engine is.

from the sale of six office towers.

About a year later the world's financial system cracked, allowing Mr Sarich to chase better investment opportunities with his cash pile.

With his son Peter as the driving force, some went into property on the east coast, as well as a major development at Lake Clifton near Mandurah via his family's flagship Cape Bouvard investment vehicle.

Other big WA property developers such as Peet and Aspen Group are also finding the going tough with low sales and subdued prices.

Mr Sarich says he doesn't see a recovery in the residential market for at least two years, and signalled a "measured" shift in his portfolio back into commercial buildings.

For the man who prefers to work from home in T-shirts and shorts, it will also mean a break from bash-

ing his head against bureaucratic roadblocks, which he says is sadly costing first-homebuyers. "The time required to get approvals for developments through the various bodies decimates returns (and ultimately costs homeowners)," he says. "We don't expect the property market to show any meaningful improvement over the next year or two. "We will stay with commercial property, including over east."

Like fellow Sydney-based property mogul Lang Walker, who yesterday chided those worrying that interest rate cuts would spark a property bubble, the argument doesn't wash with Mr Sarich. "We can't see it ourselves, we're not moving as much," he says. "And we talk to others who aren't selling as much."

He's hit other hurdles lately, revealing that he had to shelve plans for a major wind farm involving an innovative compact turbine at Lake Clifton because of opposition from residents.

It's forced him to divert about \$400 million set aside for the venture, which is now being invested in a suite of technological and engineering prospects.

But he remains a passionate



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Ralph Sarich

advocate for renewable energy and says that problems around storage and the intermittency of electricity produced from green sources will eventually be solved by technology.

He also says he'd rather back the "smartest scientific brains on the planet" on global warming than "vested interests and puppet politicians" and says bickering over issues such as the carbon tax is delaying the inevitable.

"The coal industry for one has been the recipient of taxpayer handouts and despite this some are active at obstructing the introduction of technology that is beneficial for the future of mankind," he says.

Perhaps it's not surprising from a man who wanted to help the environment four decades ago with an engine that burnt less of the world's fossil fuels. His lightweight and "green" technology developed in the 1970s and 80s — originally from Mr Sarich's modest Morley garage — never reached the heights of global dominance of the automotive industry once predicted. Yet it has carved out a successful niche in marine and scooter motors.

On the crest of a wave, he surprised some investors by selling out Orbital Engine in the early 90s at its peak. Not all of his subsequent plays have turned to gold.

But he spun the \$200 million in proceeds into his current \$1 billion-plus fortune, and at least \$65 million of that was given to medical causes, including some for neurological research born of his experience of being hospitalised for six months after a serious car crash.

Mr Sarich denies suggestions that the complexity of his engine design was partly to blame for its failure to reach the mass production levels in the car industry, and cites political reasons and apathy in the car industry as key factors.

As the Gillard Government grapples with subsidies to the struggling manufacturing industry, which is only making profits because of handouts from Canberra, Mr Sarich is reluctant to rake over old ground but says his experience suggests the money would be better spent on new technologies and industries.

Despite his concerns, Mr Sarich describes himself as an optimist, and signs off by saying: "In the long run things will be fine, I'm sure, but we've got some significant short-term issues."