As Australia's smallest and most southerly state capital, the remote port city of Hobart has long had a schizophrenic attitude towards the wider world. It wants to be friendly and open to that world, but also wants to stay protected from its harsher realities. Hobart's cosmopolitan "yes" can really mean a pernicious "no". That mix gets even noisier when you throw in globalisation, which has hit Hobart relatively late, but with force. In the past few years, it has delivered a dramatic and locally unprecedented real estate boom, driven by capital from offshore speculators and sea changes. A Hobart property is a cool jewel in the crown of investors from Sydney to Shanghai and further afield.

The coolest jewel of all is Hobart's unique mixed-business harbour edge, which sits under moody Mount Wellington and opens to the D'Entrecasteaux Channel, then to the sea. The waterfront, the focus of an international design competition, boasts elegant Georgian warehouses, Parliament House, the Tasmanian Museum and Art Gallery, and the University of Tasmania's art school. The mix includes old port storage sheds and a handful of warships, pre-emptively, the blond brick mass of the Hobart Grand Chancellor, a 1980s folly from the days of Liberal premier Robin Gray.

There are exhibition spaces, commercial galleries, soil sculptors, sculptures and abundant car parking. The docks host a motley collection of fishing piers, pleasure craft, super-sized cruise liners, historic research vessels and, famously each summer, Rolex Sydney Hobart yachts and an international wooden boat festival. A beer chaser sits cheek-by-jowl with boutique accommodation, and fancy canapes are a stone's throw from pubs, clubs, Salamanca Market and a "granny space" selling old-fashioned Tasmanian wares.

A push is underway to capitalise on the potential of this special urban mix, which seems consider to be of world heritage status. As might be expected, local passions on this matter run high and can oscillate wildly. Steering a progressive path through these waters is the task of a quasi-governmental entity, the Salamanca Area Waterfront Authority. Established in 2003 by the planning boards of the waterfront – a responsibility that was controversially usurped from Hobart City Council – involving development of government-owned land, that's an immensely political role for the authority. Rumours of government deals with companies such as property developer Walker Corporation, timber giant Gunns, and the Packer gambling and media dynasty, regularly do the rounds of this town, which some disgruntled locals have started calling Tasmaninsanity.

If any of that means Waterfront Authority chief executive Jeff Glasson, he doesn't know it. In his office in a prime harbour-side position, Gilson delivers a confident account of his organisation's brief: "The past, a developer would decide to do something, then apply to do it, and council would..."
“Measure is something that architects must know very well. You must make projects. But you don’t always need to make The Project.”

react. What we’re hoping to do by contrast is be strategically proactive. The Hobart community loves what it’s got here, and is very protective of its place. That sensitivity has been reflected in the way we’ve done public consultations – an open way that people in Hobart were not used to. This is the first time the Hobart community has been given the opportunity to say what it wants and needs. And we’ve wanted that vision to emerge rather than being imposed.”

The Waterfront Authority recently took the unexpected step of running an international design competition. From July 2006, ideas were invited for developing a narrow slice of the waterfront that traditional, gridthink planners call the City Hall axis. This includes key heritage sites as well as challenges involving pedestrian and vehicle traffic. Although no commission was promised to the winners, the competition attracted 230 entries from architects and planning professionals in 51 countries – a high number for an Australian event, although the bigger global practices were underrepresented.

A top jury was appointed, chaired by Western Australia’s government architect, Geoffrey London. Australian landscape architect Carbenin Bull of the University of Melbourne – a Harvard graduate whose research interests include planning and design for open space in the 21st-century city – also participated. There were also two international jurors: Duchman Wiel Arents of Wiel Arents Architects, whose sleek projects include Green Square in Sydney, and Carme Pinós of Barcelona’s Studio Carme Pinós, in hot demand from clients wanting a more fluid, Latin style. All flew into Hobart in January to spend five days calling and judging the entries.

Three equal winners shared the $150,000 competition prize monies. The Danish landscape architect Jeppe Aagaard Andersen, currently working on the public domain component of Sydney University’s major campus 2010 development, and the son of the late modernist artist Gunnar Aagaard Andersen, offered a styled Scandinavian reversal of existing land and water. Aagaard Andersen introduced a chain of harbour islands as public park, turned a central car park on the 1804 site of the first European landing into a reflective pond, and transformed City Hall into a mix of aquarum and public baths. His project team included architecture students from the University of Western Australia, where Aagaard Andersen funds a scholarship bringing intern to work in Denmark.

Another winner was Sydney’s Tony Caro Architecture, run by a protégé of Harry Seidler, whose entry featured a new art gallery wing, a sculpture court and a commercialised 24-hour pedestrian ‘spine’ stretching across the water. Last, but not least, came emerging Hobart-Melbourne practice

Preston Lane – so young they don’t all carry business cards but do use Skype – which utilised existing spatial types, such as courtyards, that have a proven track record in Hobart’s difficult micro-climates.

A selection of competition entries was exhibited in February in Hobart under the deliberately provocative headline ‘See what they want to do to our waterfront… Allow: A panoramic view of the existing Hobart foreshore. Below: The rich creative cream the competition attracted included this offering from Lindie_Lindie Architecture & Landscape in huge amount of resources directed at something that’s never going to happen.”

So what will happen? Coming months could see amendment of the waterfront’s urban design frameworks released by the Tasmanian government in 2004, or to the planning scheme prepared in 1998 by Hobart City Council. The Waterfront Authority might also create a development plan for key waterfront sites. Premier Lennon wants change at the Tasmanian Museum and Art Gallery, having allocated $30 million in the last state budget for redevelopment to create a precedent ‘that showcases Tasmania’s historic and contemporary cultural assets’. Development could involve demolition of the museum’s modest mid-20th century extension in favour of something more fashionably ‘scenic’.

There’s a review panel to help the Authority explore issues emerging from the competition. Both the competition’s Australian judges are panel members, with Barrie Shetron a veteran of Hobart’s waterfront planning. The panel is fleshing out 10 key principles identified by the jury. These include a reminder that clearing up and subtracting may be as powerful as building or adding. Plus a clarion call for fully considered, incremental change through ‘many minor moves’ rather than relying on a single, major new construction.

This injection echoes the objection, strongly voiced by the international jurors, to the ‘loudness’ of the vast majority of competition entries. ‘Architects must understand the responsibility that we have,’ emphasised juror Pinós at a masterclass event during her Hobart visit. ‘One action can destroy the whole city. Measure is something that architects must know very well; you must make projects. But you don’t always need to make The Project.’

“At the end of the judging process I had to spend so much time to get acquainted with the site, then on average less than two minutes to assess each entry. They can’t have given them all due consideration, and they missed the best one of all.” According to Friend, that’s a joint effort by established local architect and waterfront resident Bevan Rees (also a member of Friend’s association) and award-winning Hobart firm 1+2 Architecture, with indigenous Tasmanian writer Greg Lehman. This submission uses the symbolism of the shining mairereen shells traditionally strung on to sweats by Tasmanian Aboriginal women to make necklaces, in an attempt to develop the idea of establishing ‘strings across time’, of oscillatory gestures between generations and cultures.

“We’ve told the world that we’re open to new ideas and the world has responded in a big way,” Premier Lennon said, announcing the winning entries. Hobart has been handed perhaps in its best chance to date to see its urban past and potential from a different angle – through a range of local and foreign eyes – and to become more confident and discriminating in its yays and nays.