



Justice

Office of the Deputy Secretary  
Justice Services, Arts & Culture  
PO Box A226  
SYDNEY SOUTH NSW 1235  
[www.justice.nsw.gov.au](http://www.justice.nsw.gov.au)

The Hon. Robert Borsak MLC  
Chair  
General Purpose Standing  
Committee No. 4  
NSW Parliament  
[gpscno4@parliament.nsw.gov.au](mailto:gpscno4@parliament.nsw.gov.au)

Our Ref: VF16/3003#37

Dear Chair

Please find attached answers to questions on notice taken on notice during the General Purpose Standing Committee No.4 Inquiry into Museums and Galleries hearing on Monday 5 September 2016.

Also attached is a corrected transcript of my evidence provided at the hearing. On page 25 of the transcript, I am noted as indicating the visitation numbers for the Australian Museum. The 2015-16 figure of 521,155 is incorrect and I have since been advised that the number should be amended to 421,155.

Yours sincerely

**Samantha Torres**  
Deputy Secretary  
Justice Services, Arts & Culture

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 17)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. WALT SECORD:** When was the last discussion you had with the Minister involving the relocation to Parramatta?

**Ms Torres:** I would have to take that on notice. The exact date escapes me but it is a regular topic of discussion.

**ANSWER**

2 September 2016.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 18)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**Mr David Shoebridge:** Do you have a copy of the modelling produced by the Infrastructure NSW?

**Ms Torres:** No I do not. The State Infrastructure Strategy is publicly available on the web site.

**Mr David Shoebridge:** If the impetus came from Infrastructure NSW it would make enormous sense to get the modelling and details they have produced and show the public and say here is what started it?

**Ms Torres:** I can take on notice whether Arts NSW has that modelling in its possession. I personally have not read it.

**Mr David Shoebridge:** To the extent you can find it, could you provide a copy to the Committee?

**Ms Torres:** I will take that on notice as to whether it is able to be done.

**ANSWER**

Infrastructure NSW's State Infrastructure Strategy (2014) recommended the NSW Government urgently consider the relocation of the Powerhouse Museum to the Parramatta Cultural Precinct.

Arts NSW has not seen, and does not possess, the modelling produced by Infrastructure NSW to inform its recommendation.

## **QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 19)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

### **QUESTION**

**The Chair:** Previous witnesses have spoken of this nebulous organization called the project management control group. Who is in that?

**Ms Torres:** There are a couple of levels of governance around the project. There is the project steering committee, which is made up by the Secretary of the Department of Justice, myself, a member of the Museum of Applied Arts and Sciences board, Ms Merrillees- that is off the top of my head-the Department of Premier and Cabinet. I can provide the full membership to you but that is who comes to mind. Project control groups, depending on the aspect of work they are looking at, are the doers as opposed to the strategic oversight and governance. The divestment and site acquisition conversation is a project control group consisting of Arts NSW, the museum and Property NSW.

**The Chair:** Can you take that on notice?

**Ms Torres:** I can give you the full governance framework.

**The Chair:** And tell us about the management control group and how all the implementation groups work and who is who in the zoo?

**Ms Torres:** Yes.

### **ANSWER**

Each stage of the project has been overseen by a specific governance arrangement.

The initial phase of the project was overseen by a Project Control Group, which was responsible for short-listing potential sites for the new museum in Parramatta.

The former Parramatta City Council was also invited to attend this meeting on an as needed basis.

In August 2015, a new Project Steering Committee was established to oversee the site selection for the new museum.

Following the site decision, in April 2016 the Project Steering Committee was reconstituted to its current form to oversee the delivery of the final business case, comprising:

<b>Member</b>	<b>Position title and role</b>
Andrew Cappie-Wood	Secretary, Justice (Chair)
Samantha Torres	A/Deputy Secretary, Justice Services, Arts and Culture
Michael Brealey	A/ Executive Director, Arts NSW
Dolla Merrillees	Director, MAAS
Lisa Chung	Trustee, MAAS

Michael Parry	Director MAAS Parramatta Project
Erin Flaherty	Executive Director, Transport, Social and Cultural Infrastructure, Infrastructure NSW
Sarah Cruickshank	Executive Director, Cities Branch, Department of Premier and Cabinet (standing delegation to Director, Cities Branch, Department of Premier and Cabinet)
Anna Cuthbertson	Project Director, Johnstaff Projects NSW Pty Ltd (once engaged)

Representatives from Property NSW and NSW Treasury attend as required.

The Project Steering Committee currently has the following responsibilities:

- High level guidance and strategic direction on the project
- Ensure the development of the museum and the arts and cultural precinct in Parramatta meet overarching NSW Government objectives (visitor economy, arts and culture, MAAS objectives)
- Ensure the project is integrated with broader Parramatta developments from State Government, local government and private sector
- Ensure compliance with NSW Government legislation, policy and guidelines including those associated with financial management, risk management, procurement, reporting and business case requirements
- Monitor performance of key consultancies to ensure optimal results.
- Review and endorse corrective actions nominated by the Project Director where the nominated work is not meeting required time, cost, quality, scope or risk expectations
- Review, update and report on project performance
- Endorse recommendations for project budget allocations for approval by the appropriate financial delegate
- Review the program cash flow and expenditure against delivery
- Regular review of progress and reporting of the project
- Review the adequacy of any contingency held or risk mitigation costs
- Identify where additional funds may be required and ensure appropriate processes for securing such funds are commenced.

The Project Steering Committee is supported by a Project Control Group, currently comprising:

Member	Position title & Role
Anna Cuthbertson	Project Director, Johnstaff Projects NSW Pty Ltd (Chair)
Michael Parry	Director MAAS Parramatta Project
vacant	Manager, Infrastructure Engagement, MAAS
Stacy Warren	Director, Infrastructure, Arts NSW
Bronwen Sandland	Senior Policy Officer, Infrastructure, Arts NSW

David Gordon	Executive Officer, Justice Services, Arts and Culture
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Other officers and members of the project consultant team (Johnstaff Projects NSW Pty Ltd) attend on an as needed basis.

The Project Control Group's responsibilities include:

- ensuring compliance with the project work plan and budget
- making recommendations to and implement decisions of the Project Steering Committee.

Property NSW has two mandates in relation to the Museum of Applied Arts and Sciences:

- Ultimo: study of highest and best use (valuation) and divestment strategy. This work is underway with preliminary findings expected shortly. (Property NSW is not currently mandated to divest the site).
- Parramatta: Acquisition advisory services. Property NSW has been asked to provide advice in two stages on the likely value of the site. The first stage has been completed, and the second is likely to commence shortly.

Property NSW conducts separate Project Control Groups for each mandate on a monthly basis, currently comprising:

Member	Position title & Role
Samantha Torres	Deputy Secretary, Justice Services, Arts and Culture
David Gordon	Executive Officer, Justice Services, Arts and Culture
Michael Parry	Director MAAS Parramatta Project
Dolla Merrillees	Director, MAAS
Peter Hurley	Project Director, Major Projects, Property NSW
Helen Garcia	Senior Manager, Major Projects, Property NSW
Leon Walker	Executive Director, Major Projects, Property NSW

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 19-20)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**Mr David Shoebridge:** There must have been a figure at the outset. Whatever the museum's current valuation of the site, it would have to have been dropped on the table for the project management control group. Someone would have had said, "That's what they currently value it at." Perhaps we should look more deeply into this.

**Ms Torres:** Not that I have seen. Again, the project steering committee and the project were well advanced by the time I joined. I am happy to go back through the minutes and see whether that is available.

**ANSWER**

At its 28 April 2015 meeting, the Project Control Group (overseeing the initial phase of the project) noted the preliminary anticipated best and highest use value of the Ultimo site. This estimate was qualified as being dependent on the site's potential end use, conditions of sale and the need for more detailed investigation. This information will inform the Final Business Case, and is Cabinet in confidence.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 20)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. Walt Secord:** I return to my question. I am not an accountant but I know from my interactions with Treasury that you must provide a valuation of the assets. You would have the land value and the collections value. Will you provide that information?

**Ms Torres:** If it is available, absolutely.

**The Hon. Walt Secord:** I would like the value of the land and the value of the collections, separately rather than as a collective figure. Will you provide that information?

**Ms Torres:** Certainly.

**Mr David Shoebridge:** Can we also get the replacement value of the existing facility at Ultimo? I am obviously asking on the basis that you already have it; I am not asking you to establish it. If there is a figure for the replacement value of the existing facilities, it is essential that it be made available to the Committee.

**Ms Torres:** Of course. If it is available, we can provide it. However, I would speculate that it is difficult to create a value for the replacement of a modified, adapted, heritage building in a new building context.

**ANSWER**

The Museum of Applied Arts and Sciences has advised a valuation of land, buildings and permanent exhibition galleries was undertaken as at 30 April 2015. The values were as follows:

Land: \$48,000,000 (market value – based on existing use and restrictions of site as a museum)

Buildings and plant: \$214,873,000 (replacement cost)

This valuation is based on the site being used as a museum. The land component is significantly discounted compared to the estimated value if there were no restrictions on the site.

In 2015, the Museum of Applied Arts and Sciences' total collection was valued at \$309 million. This includes items held across all of MAAS's facilities.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 20)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. Walt Secord:** As part of your research on the financial issue, can you also provide the Committee with details of any decision or investigation of the value of the air space above the Powerhouse Museum?

**Ms Torres:** Yes

**ANSWER**

Arts NSW is not aware of any investigation or decision relating to the value of the air space above the Powerhouse Museum.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 20)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. BEN FRANKLIN:** What is the value of cultural and heritage tourism to regional New South Wales?

**Ms Torres:** I do not have that broken down by region, but I can certainly get it from Destination NSW, because they are its figures.

**ANSWER**

In the year ended June 2016, according to Destination NSW, regional NSW received 6.3 million cultural and heritage visitors, who stayed nearly 19.1 million nights and spent an estimated \$3.6 billion in regional NSW.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 22)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**Mr David Shoebridge:** Ms Torres, can you point to an international example where the closing down of a premier cultural institution and its relocation many kilometres away from the central business district of a global city has worked?

**Ms Torres:** Apart from the Oslo example that Ms Merrillees gave you before, no.

**Mr David Shoebridge:** You are aware that Oslo is one-seventh the size of Sydney?

**Ms Torres:** Yes.

**Mr David Shoebridge:** In fact, it is not moving out of the centre of Oslo but right next to the Opera House on the waterfront, which you could throw a stone at.

**Ms Torres:** My understanding is that it is consolidating a number of museums -

**Mr David Shoebridge:** Next to the Opera House.

**Ms Torres:** - and it is actually just outside.

**Mr David Shoebridge:** you could almost throw a stone at it from the CBD.

**Ms Torres:** I will have to take that on notice, Mr Shoebridge.

**Mr David Shoebridge:** Apart from Oslo, can you also answer on notice whether or not you think it is comparable, as Ms Merrillees suggests. Can you think of any other example.

**Ms Torres:** No.

**ANSWER**

Norway's National Arts Museum is being relocated to the neighbourhood of Bjørvika, in Oslo's Sentrum (city centre) borough. The neighbourhood is a former container port area on the waterfront which is undergoing renewal. It will be close to the new Opera House and a new privately owned contemporary art museum, the Astrup Fearnley Museum.

Two examples which involve the relocation of a cultural institution from a central location are:

*Royal Armouries (Leeds, UK)*

The Royal Armouries relocated its core operations and the bulk of its collection from the Tower of London to Leeds. The Royal Armouries Museum opened in Leeds in 1996.

*National Railway Museum (York, UK)*

York's National Railway Museum was the first national museum to operate outside London. Following the consolidation of a range of railway museums and transfer of considerable collections out of London, it was established in York in 1975.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 23)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Chair:** You mentioned earlier that the project was not put to public tender.

**Ms Torres:** I did not. Ms Merrillees mentioned that in her testimony, yes.

**The Chair:** It would seem to me it would be more appropriate that you would be able to answer a question as to why it was not put to public tender.

**Ms Torres:** The initial tender was released before my appointment, so my understanding was that there was—I will have to take on notice what the actual process was that was followed, but from recollection it was a limited tender to a number of parties. It was still a competitive tender process, but it was a particular specialised expertise that was required.

**The Chair:** Can you take that on notice -

**Ms Torres:** I certainly can.

**The Chair:** - and provide us with the information as to when it was tendered, who it was tendered to?

**Mr David Shoebridge:** Who the parties were.

**The Chair:** Who were the parties in the tender process?

**ANSWER**

The contract for the works associated with the development of the Final Business Case was awarded following a Select Tender process.

Five organisations were invited to tender, drawn from the Performance and Management Services pre-qualification scheme managed by the NSW Government. The Request for Quote was advertised on the eQuote system on 7 May 2016 and closed on 3 June 2016.

This contract was awarded to Johnstaff Projects NSW Pty Ltd leading a consortium of partners across fields including architecture, quantity surveying, economics, research and planning. The contract was awarded on 26 July 2016.

The engagement of Johnstaff was endorsed by the Project Control Group, Project Steering Committee and the Minister for the Arts.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 24)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. SHAYNE MALLARD:** —around the acquisition budgets for Government-owned institutions. Do they have access to capital funds for acquisitions or is it wholly their responsibility to raise that money from the corporate sector and philanthropy?

**Ms Torres:** Acquisitions are generally a matter of philanthropy.

**The Hon. SHAYNE MALLARD:** Has that always been the Government policy? You probably do not know since—

*[An interruption from the public gallery]*

....

**The Hon. SHAYNE MALLARD:** No, it is not Dorothy Dixier. I am interested in the acquisition budgets for State institutions. I noted that the State archive does not have that from the State budget. You might take it on notice if that is historical. I was not aware there was ever an allocation in budgets.

**Ms Torres:** My understanding is that some many years ago it changed, but I will happily provide that on notice.

**ANSWER**

The State Cultural Institutions use various funds, including capital, philanthropic, and sponsorship, as well as grants from federal and local government, to purchase acquisitions. Items are also acquired via collections transfers and from field research funded by international collaborations.

There is no government policy that precludes funding being made available for the purchase of art and culture collection acquisitions.

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 25)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**The Hon. SCOTT FARLOW:** Are interstate and overseas tourism the main drivers in determining the programs and exhibitions of museums and galleries? What sorts of numbers do you see coming to exhibitions from interstate and overseas?

**Ms Torres:** The cultural institutions engage very closely with Destination NSW because of the strength of cultural tourism. We can provide on notice the numbers of overseas visitors. We have reasonably strong data on that. There is an ongoing discussion—I had a meeting with Destination NSW last week—on how we drive into particular areas and make sure that cultural tourism continues to grow.

**ANSWER**

The Australian Museum, the Museum of Applied Arts and Sciences and the Art Gallery of NSW advise interstate and overseas tourism are considered, along with other factors such as market research across all visitation segments, in planning programs and exhibitions.

The State Cultural Institutions have advised interstate and international visitor numbers as follows:

- Australian Museum – in 2015/16 23,926 (6.60%) interstate visitors and 69,088 (19.06%) international visitors. The Australian Museum also estimates a further 10,690 international visitors to David Attenborough's Virtual Reality experience.
- Art Gallery of NSW – 25% interstate or international visitors. Approximately 20% of specific exhibition visitors are from interstate or overseas.
- State Library of NSW - The Library has people counters which measure overall visitation to the Library, but the Library does not identify whether these visitors are domestic or international. An onsite intercept survey was conducted in 2016 which showed that 11% of visitors were from overseas and 7% were from interstate.
- Sydney Opera House – in 2015/16 more than 435,000 people took part in a guided tour, including more than 30,000 from interstate and more than 345,000 from overseas. This does not include performance attendance numbers
- Museum of Applied Arts and Sciences –
  - Powerhouse Museum developed the domestic tourist market in 2015-16 making up 37% of visitors compared with 29% in 2014-15.
  - Sydney Observatory developed the international tourist market in 2015-16 with 45% of visitors coming from overseas compared with 32% in 2014-15. Tourists mainly came from the United Kingdom, North America, Korea, and China (including Hong Kong).

**QUESTION WITH NOTICE: Legislative Council - Inquiry into Museums and Galleries (page 27)**

**Asked: 5 September 2016**

**Due to be lodged: 29 September 2016**

**QUESTION**

**Mr David Shoebridge:** Would you provide the Committee on notice any written communication the board has given to the Government about its position?

**Ms Torres:** Certainly.

**ANSWER**

An ongoing dialogue has occurred between the Trustees and Government representatives.

The Board of Trustees has provided written advice to the Government concerning its position in relation to the proposed relocation of the Powerhouse Museum on one occasion.

The President wrote to the Deputy Premier and Minister for the Arts on 1 September 2016, and the letter noted in part:

*Planning for the new Museum is ... a key priority, and this is a critical time to ensure that the Trustees' expectations for the project are clear, specifically that:*

- *the 'whole site' option is required, unencumbered by other commercial developments, in order to realise an architecturally iconic, world-class flagship Museum;*
- *the New Museum will improve the exhibition and programs we presently provide the people of NSW, and not diminish the scale and scope of the museum, or opportunities we are able to provide to our audiences that is currently afforded at Ultimo; and*
- *sufficient funding is provided by the NSW Government in order for us to meet these requirements, as well as effectively and safely transition our collection and operations to the new site.*