

**Select Committee on the Government's Management of the Powerhouse Museum
and Other Museums and Cultural Projects in NSW
Hearing - 2 Sept 2020**

Answers to Questions taken on Notice

1. QUESTION – Budget breakdown – Create Infrastructure project portfolio

The Hon. WALT SECORD: In your opening statement, you mentioned that you are in charge of a portfolio of \$2 billion involving Walsh Bay, the Powerhouse, Sydney Modern and the Australian Museum. Can you give me the breakdown of that \$2 billion?

ANSWER:

The current breakdown of estimated total project cost (including NSW Government commitments and other contributions) as at 31 August 2020 for cultural portfolio projects in delivery is:

Project Name	Total Project Cost	Government Investment	Other Investment
Australian Museum Project Discovery	\$57,500,000	\$50,500,000	\$7,000,000
Powerhouse Parramatta Program (including Museums Discovery Centre)	\$915,000,000	\$840,000,000	\$75,000,000
Regional Cultural Fund	\$196,000,000	\$100,000,000	\$96,000,000
Sydney Modern	\$344,000,000	\$244,000,000	\$100,000,000
Walsh Bay Arts Precinct	\$371,300,000	\$347,700,000	\$23,600,000
Sydney Opera House infrastructure projects on foot	\$247,400,000	\$236,100,000	\$11,300,000
Total Investment / Project Cost	\$2,131,200,000	\$1,818,300,000	\$312,900,000

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2. QUESTION – Approvals process for projects applying to the Regional Cultural Fund

The Hon. WALT SECORD: Can I stop you there? You mentioned a probity framework involving DPC, the good practice guide of 2010, and ICAC. Do you say that all 136 projects were approved according to proper probity and ICAC procedures?

Ms FOY: My understanding is that all of the projects that were put forward were eligible for funding against the criteria.

The Hon. WALT SECORD: Are you aware that seven projects were submitted to the program after the deadline and were accepted for consideration after the deadline, which contravenes common good practice?

Ms FOY: My understanding is the probity framework allowed for a decision to be made by, I believe, the appropriate executive inside Create. There was an allowance for a decision to be made to accept late—

The Hon. WALT SECORD: Who made the decision?

Ms FOY: I would have to refer that.

The Hon. WALT SECORD: Can you take that on notice and provide the full name and title of the person?

Ms FOY: I am very happy to take it on notice.

ANSWER:

These seven projects relate to Round One - Stage One of the Regional Cultural Fund – the Expression of Interest process.

The Probity Plan for Round One - Stage One specified that the Executive Director, Cultural Infrastructure Program Management Office (now Create Infrastructure) had the authority to approve late submissions of this nature. The Executive Director at the time was Mr Craig Limkin, who exercised his authority in accordance with the Probity Plan.

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3. QUESTION – Late applications to the Regional Cultural Fund

The Hon. ROSE JACKSON: Do you record that information as to how late they are submitted? I agree with you; there is a difference between 30 minutes and three weeks.

Ms FOY: Yes, I would expect that that would be recorded and the decision-making—

The Hon. TREVOR KHAN: Would there be a problem with three weeks?

The Hon. WALT SECORD: Yes, there would be a problem.

Ms FOY: I would expect that that would be recorded, yes. Whether it has been, I would have to check.

The Hon. ROSE JACKSON: Would you be able to?

Ms FOY: Of course.

The Hon. ROSE JACKSON: I do not expect you to have this information with you today, Ms Foy, but would you be able to take on notice how far after the deadline those projects were submitted?

Ms FOY: I would be happy to.

ANSWER:

Round One - Stage One (EOI) - summary of analysis of late submissions

Deadline was **midnight on 4 September 2017**

Applicant	Reasons for Late Submission
Merimbula Old School Museum	Had technical difficulties submitting the form. Contacted RCF Team via email before midnight on 4 September 2017 and provided a PDF of the application.
Bourke Arts Council	Had difficulties populating the budget template for submission. Called RCF team at 11.35pm to inform. When contacted, informed the RCF Team the issue was resolved, and application was submitted.
Mid Coast Council	Had difficulties populating the budget template for submission. Emailed RCF team at 6.37pm on 4 September 2017 to inform. When contacted, informed the RCF Team the issue was resolved, and application was submitted.
Wired Lab, Cootamundra	Called during the day with an internet issue. Emailed at 12.30am 5 September 2017 after being to hospital with a pregnancy issue. Attached a PDF of application.
Warrumbungle Shire Council	Had technical difficulties attaching support materials. Emailed Smarty Grants at 5.53pm on 4 September 2017. Following contact from RCF Team provided a PDF of application form.
Artistree Studios	Submitted application but emailed Create NSW at 12.30am on 5 September 2017 saying the wrong lease document was attached
Spiral Gallery	Uploading a file took longer than expected due to slow internet and went past the deadline on 4 September 2017. Also, selected the LGA business unit field by accident. Applicant provided a PDF of the application.

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4. QUESTION – Correspondence about RCF deadline and provision of funding

The Hon. ROSE JACKSON: Would you know off the top of your head—either yourself or, perhaps, Ms Pitman—whether representatives from the department contacted those organisations to solicit or encourage them to make applications, or whether they came up with the idea on their own but, for whatever reason, they just happened to miss the deadline? Were they proactively encouraged and told, "Why don't you make an application to this fund"?

The Hon. WALT SECORD: To assist the Hon. Rose Jackson and make it easier for you when you take that on notice, could I nominate the seven projects that I would like the answer to relate to?

Ms FOY: Yes.

The Hon. WALT SECORD: They are the Spiral Gallery in the electorate of Bega; Bourke arts council in Bourke, in the electorate of Barwon; Manning Entertainment Centre, MidCoast Council, Myall Lakes; Wired Lab in Cootamundra—

The Hon. BEN FRANKLIN: Point of order: I have been listening very closely to the Hon. Walt Secord and he had been within the terms of reference, which are very specifically about galleries and museums. I presume the term of reference that his question falls under is

(b) (i), which states:

- (i) current Government policy, funding and support for museums and galleries across regional New South Wales ...

That is fine when we are talking about museums and galleries, but the Hon. Walt Secord is now straying into other projects that are not directly related to—

The Hon. WALT SECORD: Mr Chair—

The Hon. BEN FRANKLIN: Could I please finish my sentence?

The Hon. WALT SECORD: I apologise; I thought you were done. It was that soft voice of yours.

The Hon. BEN FRANKLIN: I know—soft and mellifluous.

The CHAIR: Order! I would not go that far.

The Hon. BEN FRANKLIN: I respectfully suggest, Mr Chair, that while I understand where the Hon. Walt Secord is going, there is a danger that it now broadens to such a degree that it is actually outside the terms of reference of this inquiry.

The CHAIR: I will entertain the question, but I will wait for the answer to see whether it does broaden to the point where it is outside the terms of reference.

The Hon. WALT SECORD: The title of this inquiry is "on the Government's management of the Powerhouse Museum and other museums and cultural projects in New South Wales". In fact, even the title of this Committee relates to the questions I am asking. I only have two more facilities that I would like the witness—

The Hon. TREVOR KHAN: Could I address that?

The Hon. WALT SECORD: It is very clear that it is within the terms of reference and, in fact, the title of this inquiry.

The Hon. TREVOR KHAN: Whatever one can say about the title of the inquiry, if one is looking to what is within or without the terms of reference, one actually goes to the terms of reference and not to a title. I am fairly relaxed about this; this is obviously starting to be a broader exercise but I actually support my friend that, really, there is a limit to how far we can stray.

The CHAIR: If you keep straying, you will not have any friends.

The Hon. TREVOR KHAN: I will let you in on a secret: It is a pretty defined group now.

The CHAIR: We will see whether the Hon. Walt Secord does actually stray far enough to lose all his friends.

The Hon. WALT SECORD: Ms Foy and Ms Pitman, the last three are Merimbula Old School Museum in Bega; Sommer O'Brien, Warrumbungle Shire Council; and Artist Tree Studios. The

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reason I ask about those seven projects is that they missed the deadline. Four of them were approved.

The Hon. WALT SECORD: Ms Foy and Ms Pitman, the last three are Merimbula Old School Museum in Bega; Sommer O'Brien, Warrumbungle Shire Council; and Artist Tree Studios. The reason I ask about those seven projects is that they missed the deadline. Four of them were approved. Are you familiar with a legal firm called Clayton Utz?

Ms FOY: Yes.

Ms PITMAN: Yes.

The Hon. WALT SECORD: What is their role as a probity adviser involving this program?

Ms FOY: They were the appointed probity adviser to the program and I understand that there was a nominated person from the company that was working closely with each of the panels.

The Hon. WALT SECORD: Are you aware that they expressed concern that four of those projects in the electorates of Bega, Barwon, Myall Lakes and Cootamundra—are you familiar that they wrote a letter expressing concern that the projects were receiving funding after the deadline and after guidelines set up by the Australian National Audit Office [ANAO]?

Ms FOY: I am not aware of that particular advice but I am happy to take it on notice.

ANSWER:

Communications about the RCF did not target specific applicants. All RCF communications were comprehensive across the sector and regions and encouraged applications from all eligible organisations.

The submission process included an additional probity step for those applicants who were unable to submit their applications by EOI close of Round One - Stage One: midnight on 4 September 2017. Claims for late submission were not be accepted after noon the day following the EOI close. Create's Regional Cultural Fund team subsequently contacted applicants requesting late submission of their applications, and asked for evidence to support the claim they were unable to submit for technical reasons.

The team assessed each claim from each applicant including any supporting information provided and made a recommendation to the Executive Director as to whether to accept the late application material in accordance with the process stipulated in the Probity Plan. The decision to approve (or not) the late material was made by the Executive Director in accordance with the Probity Plan and based on the information provided.

The Probity Report for Round One - Stage One, conducted by probity advisors Clayton Utz included an investigation of the seven late submission requests and concluded probity principles were adhered to.

The process for assessing the applications and awarding the funds was entirely separate to the application phase of the Round.

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5. QUESTION – Projects recommended by the panel

The Hon. WALT SECORD: Ms Foy, can you then tell me—and take this on notice if you are unable to—of the 136 projects approved, how many were recommended by the panel and then how many were recommended by Minister Harwin or the Deputy Premier or the transport Minister and member for Bega or the member for Myall Lakes and Parliamentary Secretary, Stephen Bromhead, or lastly, the Parliamentary Secretary to the Deputy Premier and member from Cootamundra, Steph Cook? Of the 136, how many were approved by the independent panels comprising the bureaucrats and the public servants and how many were approved by political masters or Ministers?

The Hon. BEN FRANKLIN: Point of order: Again my point is to the actual relevance to the terms of reference. This would be a relevant question when talking about those projects that were museums and galleries that receive funding under the Regional Cultural Fund but to throw this net so broadly is well outside of the terms of reference.

The Hon. WALT SECORD: Ms Pitman said in her opening statement that she had responsibility for a \$2 billion infrastructure program and the Regional Cultural Fund. This is entirely within that and relates to our terms of reference. She actually introduced the program herself in her opening statement.

The Hon. BEN FRANKLIN: Indeed.

The CHAIR: What part of that are you quibbling with?

The Hon. BEN FRANKLIN: The fact that she referred to the Regional Cultural Fund. Because she referred to the 40-odd gallery and museums that were funded under the Regional Cultural Fund—just because she said three words does not mean we are able to actually look at every single thing that comes under those three words. She also said the word "government". That does not mean that we can now look at icare.

The CHAIR: That is right.

The Hon. WALT SECORD: She made it a centrepiece of her opening statement that she had responsibility—

The Hon. BEN FRANKLIN: She did and she talked about the regional museums and galleries that were funded under the Regional Cultural Fund. That is exactly what the transcript said and I ask for confirmation from the witness.

Ms FOY: Of the 136 projects, all were deemed as being eligible for funding. Forty-two of those related to museums and galleries. Of the \$100 million, those 42 museum and gallery projects coincidentally received \$42 million, which makes it easy to remember. We are obviously happy in the hands of the Committee to take on notice any of those projects that are relevant to the terms of reference.

The Hon. WALT SECORD: I spelt them out.

ANSWER:

The Regional Cultural Fund was established as a Regional Growth Fund under the portfolio of the Deputy Premier. Create NSW administers the Regional Cultural Fund and was involved in convening an independent assessment panel to advise the Deputy Premier and the Minister for the Arts.

Consistent with the approach taken with all Regional Growth funds, the Deputy Premier consulted with local Members of Parliament to ascertain the principal priorities in local areas.

All 136 projects were eligible for funding. In each RCF Round, the independent panel provided advice to the Minister for the Arts who then consulted with the Deputy Premier. The final decision on funding is made by the Minister for the Arts in consultation with the Deputy Premier.

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6. QUESTION – Regional museum funding

The CHAIR: Museums funded under the program grant funding category include Hawkesbury Regional Museum, which received \$105,000, and Orange Regional Museum, which received \$80,000.

Ms PITMAN: May I ask if you are referring to the Regional Cultural Fund projects?

The CHAIR: Yes. What I am pointing out is that the programs for the regional museums total \$305,000 out of a total of \$18-odd million—1.68 per cent. Is there any reason why that percentage should be so low?

Ms FOY: I couldn't answer that question. Could you repeat what those museums and galleries were?

The CHAIR: Yes. Hawkesbury Regional Museum and Hawkesbury Regional Gallery received \$105,000; Orange Regional Museum, \$80,000—good local member there—Museum of the Riverina, \$75,000— another good local member. Albury Library Museum was not so good: \$45,000. In total, it is \$305,000 out of \$18-odd million.

Ms FOY: I would need to check on what the original bid was from those museums and what the inputs were to require or to have that result of funding, but I am very happy to take that on notice.

The CHAIR: Yes. If you could take that on notice for me that would be good.

ANSWER:

The question asked by the Chair refers to funding under the Arts and Cultural Funding Program (ACFP).

In 2019-20, the total budget for ACFP was \$61 million. The total funding for galleries and museums in 2019-20 was over \$10 million (approx 16% total budget). The total funding provided to galleries and museums in regional NSW was \$2.79 million.

Galleries and museums in regional NSW who apply to the ACFP are assessed through a competitive assessment process. Local councils are the primary funders for galleries and museums in regional NSW. The NSW Government provides support for arts and cultural outcomes rather than operational funding.

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7. QUESTION – Funding provided for professional development of curators

The CHAIR: I notice that, turning to the project grants category, only one regional partnership was granted some money and that was the Albury City Council: \$74,000 out of a total project grant funding of about \$5.9 million. Again, it is only 1.25 per cent of the total. Is there some explanation of the criteria that refined it down to that?

Ms FOY: Certainly.

The CHAIR: And the professional development support grants, we are talking about \$1.3 million but there was nothing given to museum creators or funding for museum creators as such.

The Hon. BEN FRANKLIN: Curators?

The CHAIR: Curators. Yes, there was nothing given for the professional development of those people. Again, out of that \$1.3 million or \$1.8 million, what was it turned to? Strategic funding grants. Zero museums were funded. Obviously the percentage of the grant of \$4.128 million was also zero. Can I get some more detail on that please?

Ms FOY: Very happy to. Certainly, it is worth saying that obviously we had for our projects a lot of interest and many submissions were made. I will go and come back with some detail on each of those for you.

ANSWER:

In 2018-19 Create NSW offered multiple project funding categories, including the Regional Partnership category. A total of \$394,001 in funding through this round was provided for 4 projects. The Albury Library/museum was one of four successful applicants.

The four funded projects were:

- 1) Lingua France - Regional New Writing Residencies
- 2) Tantrum Theatre Cooperative Ltd - Tantrum and Branch Nebula Partnership
- 3) Albury City Council - Aftermath - WWI's impact on our community (Murray Regional Museum Project)
- 4) The Cad Factory – becoming the Future

The NSW Government's key mechanism for supporting museum practice in NSW is through its cultural institutions; Australian Museum, Sydney Living Museums and the Museum of Applied Arts and Sciences. These institutions provide significant outreach programs to regional NSW.

In 2019/20, over \$10 million was provided in funding to activities and events through the competitive assessment rounds in regional NSW. This included \$2.79 million to museums in regional NSW through project and program funding. In addition, Museums & Galleries NSW was provided with \$1.195 million to provide expert advice and services to the NSW museum sector, which included fellowships, volunteer placements and professional training.

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8. QUESTION – Funding for regional museums and galleries

The CHAIR: The reason I am focusing in on that is because the total 2018-19 arts and cultural grant funding was \$56.2 million, of which the total funding for regional museums is only \$305,000. Some 0.67 per cent of the total amount of arts and cultural funding actually went to the bush.

Ms FOY: Of course. I am happy to take that on notice and incorporate any other information about— maybe not through that grant fund—other grant funds that are providing funding to regional areas.

The CHAIR: If you could elucidate if there is other money going from another fund to supply for similar purposes I would be interested.

Ms FOY: Of course. Certainly, say, for example through libraries. I apologise. I do not have the figure off the top of my head. There is quite a significant amount going to libraries in regional New South Wales and that has been announced certainly over the last 12 months. My understanding is it is the biggest investment in regional libraries in a very, very long time.

The CHAIR: We are not talking about libraries; we are talking about regional museums and galleries.

Ms FOY: Apologies. I am happy to take that one on.

ANSWER:

As per previous answer - In 2019/20, over \$10 million was provided in funding to activities and events through the competitive assessment rounds in regional NSW. This included \$2.79 million to museums in regional NSW through project and program funding. In addition, Museums & Galleries NSW was provided with \$1.195 million to provide expert advice and services to the NSW museum sector, which included fellowships, volunteer placements and professional training.

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9. QUESTION – Cost to move the Maudslay beam engine from Ultimo Powerhouse

The Hon. WALT SECORD: Ms Foy, you mentioned the retention of the large objects at the Powerhouse Ultimo site. Ms Pitman, what is the status of the community desire to have the Maudslay steam engine go to Goulburn?

Ms PITMAN: That is a matter for the Powerhouse. I am not directly involved in that. I understand that from time to time the Powerhouse loans components of its collection out to regional museums.

The Hon. WALT SECORD: I understand that it is quite a large object, so you must have costings and funding taken into consideration. I think I read in The Sydney Morning Herald that it would cost \$400,000 to lift it out of the museum.

Ms FOY: We do not have that detail. I am very happy to take that on notice and seek advice from the museum.

ANSWER:

The Museum of Applied Arts & Sciences regularly loans objects to museums and galleries in regional NSW and this practice will continue into the future. All loans are subject to curatorial significance, conservation and risk assessments with final project costs are determined based on these assessments. The team look forward to continuing discussions with The Historic Goulburn Waterworks Museum about the Beam Engine made by Maudslay Sons & Field.

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10. QUESTION – Timing for digitisation support for regional galleries

The Hon. BEN FRANKLIN: Yes, it was excellent. It was about the digitisation of a range of pieces, including all of the pieces in the museum and the gallery at Coffs Harbour. There was so much positive discussion about that, not just because people in Coffs Harbour could look at everything online but also because, more broadly, people across the country and around the world could too. It got us discussing the importance of digitisation for regional communities as well as for exhibitions and collections within Sydney to ensure equity of access for regional people. My question is about digitisation: What are the Government and Create NSW doing to have a real focus on this and increase it?

Ms PITMAN: The Coffs Harbour website that went live just recently is a really fantastic opportunity to see the breadth of the collection that they have, especially in this time where unfortunately the access to physically go and see these items is limited due to COVID. It is a really wonderful opportunity to have to still be able to engage with those objects. The Regional Cultural Fund has been coordinating a digitisation program for regional galleries and museums. We have worked very closely with Museums and Galleries of NSW in the development of that and with the individual end user galleries as well. We have allocated \$5 million for this exercise and 11 local collections have been provided with funding for that. In addition we are in the process of developing what you would call a hub-and-spoke model for enabling regional galleries to leverage a hub which has the equipment that they need in order to digitise their items and training around that digitisation process, as well as an online platform for them to use to showcase their items.

The Hon. BEN FRANKLIN: To be clear, you are providing that to the regional galleries?

Ms PITMAN: We will be, yes.

The Hon. BEN FRANKLIN: Great. What is the time frame for that?

Ms PITMAN: I would have to take that on notice to give you a specific answer.

ANSWER:

A roll out strategy to deliver remaining Regional Cultural Fund funding for regional digitisation is being developed in collaboration with Museums and Galleries NSW. It is anticipated an invitation to potential regional gallery and museum 'hubs' to express interest in applying for funding will be conducted by the end of the 2020.

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11. QUESTION – Construction start date for Parramatta Powerhouse

The Hon. WALT SECORD: Do you have a date for construction to begin on the Parramatta Powerhouse?

Ms PITMAN: For it to begin on the Parramatta Powerhouse?

The Hon. WALT SECORD: Yes.

Ms PITMAN: I would have to take that on notice. It will be next year.

The Hon. WALT SECORD: Can you be a bit more specific than early next year?

Ms FOY: I hate to be a bureaucrat, but I would like to turn to process. The process is that we are in the planning phase. Submissions have been received and Infrastructure NSW is in the process of responding to the issues raised in the submission. They are taking the lead on delivery. The time frame for those, I think again we talked about last time, so I refer back to the evidence submitted by Mr Draper. Once we are through that planning process we have the Infrastructure NSW [INSW] assurance process that we go through. The pre-construction tenders are submitted to a gateway review process. Following that and the successful completion of that particular gateway we go to market. The market will then come back with their responses that are assessed and through that there will be confirmation on when a start date would be. But we are holding to our timeline of being into gateway this year and into market over the subsequent months for construction next year. I cannot give you a precise date. There is quite a bit of process to work through.

The Hon. WALT SECORD: There are four quarters in a year; the first quarter, second quarter, third quarter, fourth quarter.

Ms FOY: I will come back to you.

ANSWER:

Infrastructure NSW is currently finalising its procurement approach. Infrastructure NSW will seek Expressions of Interest for a Contractor, before carrying out a competitive tender process. This is expected to commence later this year. Construction work will commence once all relevant planning approvals are received, and the procurement process is complete.

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12. QUESTION – Plan for tender process for Parramatta Powerhouse

The Hon. WALT SECORD: You are looking at a tender to construction companies at the end of the year?

Ms FOY: This is a question for INSW and I will need to confirm with them, but my understanding is a time line of through the planning process, a gateway assurance, tender to market, all led by Infrastructure NSW.

The Hon. WALT SECORD: Could you take it on notice then? Could you tell me on notice what the current plan is for tender process and construction at this stage?

Ms FOY: Yes.

The Hon. WALT SECORD: You were very clear on a planning process.

Ms FOY: Yes.

The Hon. WALT SECORD: You must have benchmarks and dates set down, which I understand will shift?

Ms FOY: Yes. I am very happy to take that on notice and seek advice from Infrastructure NSW.

ANSWER:

See answer provided to the previous question.