



LEGISLATIVE COUNCIL

PORTFOLIO COMMITTEES

BUDGET ESTIMATES 2022-2023 Supplementary Questions

Portfolio Committee No. 1 – Premier and Finance

PREMIER

Hearing: Wednesday 7 September 2022

Answers due by: Tuesday 4 October 2022

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PREMIER

Questions from the Hon Robert Borsak MLC

1. What percentage of the MAAS Collection will be stored at Castle Hill? What percentage of the MAAS Collection will be restored to Powerhouse Museum, Ultimo? What percentage will be shown in Parramatta Powerhouse and at Ultimo on an annual basis? Has this been factored into the forward estimates out to F/Y 2027-8 and, if so, what are the anticipated costs (including transport, carbon-load and risks, etc. involved)?
2. What are the carbon loads of the Parramatta Powerhouse, The Ultimo Powerhouse and Castle Hill Collection storage from new and demolished structures, both in terms of demolition/construction and in terms of operation over ten years?
3. What are the plans for the Ultimo Tram Depot/Harwood Building site over the period covered by forward estimates (F/Y 2027-2028)? Will the buildings be mainly or completely demolished and will this site be used early on for commercial rentals and, later, for construction of a tower of apartment units or similar commercial structures? What will be the costs of that partial/total demolition in terms of opportunity cost and carbon load (demolition of extant structures/new replacement structures)?
4. Of the three Museum projects what percentage of the buildings' spaces will be commercial, or semi-commercial as proposed to for free public access?
5. Why was the Premier unaware that the word 'museum' has been removed from the three Museum projects, why have the Premier's expectations not been met, how can this deviation have occurred, how can museums have become 'Creative Arts Precincts' and why have the people of Western Sydney been promised one thing and forced to accept another at a cost of over \$1 billion, without deep and genuine consultation?
6. When will the Premier redirect the Public Service to the option and concepts he approved as Treasurer on July 4, 2020?
7. In response to the Premier's comments on project sequencing in NSW, what will be the impacts on the three Museum projects in respect of construction and fit out costs, which from June 2021 up to December 2022 are likely to exceed 15% alone? For example how will the Parramatta Powerhouse Project (including Castle Hill) be kept to its \$840 million construction Capex

budget/envelope and what shrinkage in terms of building space and quality will, or has occurred?
What are the effects of inflation on the fit-out and display budgets, predicted out to opening?

8. The Premier touched upon the quantifications utilised by the ERC in respect of Benefit Cost Ratios and broader measures also used to 'justify' a project so, is the Premier aware that the 'Final Extended Business Case' for the Parramatta Project (2018-2019) massaged its BCR from 0.435 to 1.02 and that the figures released by MAAS CEO Havilah on Monday, 5 September, show the total Capex cost of the three projects at \$1.410 billion (minimum), that the forward estimates for Consolidated Revenue Annual grant will be \$68.3 million in 2027-8 (an approximate 50% uplift from 2018-9), and gross commercial income at \$38.8 million- so, therefore, what is the BCR of the entire expenditure, how and with what are the criteria for social benefit uplifts calculated, what are the current BCRs for each project, how are the gross commercial income market researched and validated and where are the five Business Cases which supposedly underpin all of this Capex and Con Rev expenditure? Please supply under SO 52 protocols, redacted where necessary.
9. Why was the Premier unaware that the word 'museum' had been removed by MAAS from the three new facility definitions? What is the intellectual and museological reasoning underpinning this decision and where else in the rest of the world has this happened? When did a 'Creative Arts Precinct' become a museum? Evidence please?
10. On Monday, 5 September, Ms Anne Pitman (as part of the DPC cluster) stated there was only one Conservation Management Plan (CMP) for the Ultimo Powerhouse Museum site yet it is widely known that Design 5 were paid for and delivered a 110 page (plus) CMP in addition to Curio's CMP, so:
 - (a) Why were two Conservation Management Plans (CMP) commissioned for the Ultimo Powerhouse Museum renewal project?
 - (b) What was the cost of each CMP ?
 - (c) Surely this demonstrates conspicuous financial waste?
 - (d) Please describe the differences between the two plans, especially the conclusions and recommendations
 - (e) Please table Design 5's Conservation Management Plan, redacted where commercial in confidence.
 - (f) With the Ultimo project there is an obvious opportunity cost involved: a number of 1988 new buildings and conversions will be demolished as a result of the CMP and the outlined

new build described in the EIS: what is that opportunity cost? What is the Premier's view of that waste?

- (g) Is that cost taken into account in the Ultimo Business Case which has passed through the ERC of Cabinet?
 - (h) Please supply that Business Case.
 - (i) Is the Premier aware that Ms Pitman may have misled the Parliament?
 - (j) What has been the total cost of all consultants, architects, engineers and other professional services to date for the three MAAS projects and what is covered in the forward estimates out to 2027-8.
11. Is the Premier aware of the costs of restoration of the major PHM Ultimo objects at Castle Hill and of taking them there and removing them back to Ultimo in due course? What are the 'granular' (detailed) risks and costs concerned?
 12. Where are the written reports detailing such works and transport requirements, including 'granular' risk assessments? Please table them.
 13. What are the opportunity and demolition costs in the Powerhouse Museum of removing the contextual display materials in transport and engineering- such as the expensive and complex structural setting of the Boulton and Watt and the steam system for the heritage power and energy displays- and why is this wastage even being considered?
 14. Is the Premier aware that the Ultimo project has already been objected to by a majority of experts and community members - that the Concept DA has only 6 submissions of support and over 110 objections?
 15. Why is the Government determined to waste \$500m of taxpayers money destroying the much loved Powerhouse Museum?
 16. Is the Premier aware that there has been a massive escalation in SES employment at PHM/MAAS and questionable subsidy of artists? Specifically:
 - (a) Since 2015 how many education and collections based staff and staff positions have been terminated, deleted, unfilled, or combined?
 - (b) How many SES equivalent positions- temporary or permanent- have been created and filled since 2015?
 - (c) What are the previous relationships of successful candidates with the CEO, Lisa Havilah?

- (d) What is the total annual, aggregated cost of these positions to include all on-costs?
- (e) How does the cost of these positions and their number compare with those at the Art Gallery of NSW and the Australian Museum for example?
- (f) How many of these positions were advertised, how many were 'direct appointments'?
- (g) How many have been renewed or employment of the incumbent been continued under a different title/ position?
- (h) How many of the successful candidates worked with the Chief Executive previously and in what capacity?
- (i) How many of these successful candidates have museum qualifications and/or have worked in museums previously?
- (j) Is the Premier aware of the PHM's 'Artists in Residence Program' and has it recently been subject to an audit? If not, why not?
- (k) Who decides who gets a residency against what criteria, judged by whom?
- (l) Is there any oversight of conflict of interest?
- (m) What do the residents provide to the people of NSW, how is that evaluated before, during and after the residency is completed?
- (n) Are the residencies repeated with the same candidates and how many have benefitted in this way, how often, and at what total cost?
- (o) How does it fit with the Museum's Act and remit?
- (p) What happens if the residents do not pay their subsidised rent and has this occurred?
- (q) How much time and resource should the much denuded professional museum trained staff give to the residents, is this input valued, costed, counted and later reported on?
- (r) How much Recurrent funding is committed to (taxpayer) funding the Creative Residencies and the Artistic Associates programs overall?
- (s) How are the beneficiaries of these two programs selected? What are the criteria for selection? Who makes the selection? Please provide the recruitment papers to the Committee, redacted as necessary.
- (t) Are the Creative Residents and Artistic Associates on contracts? Examples please- redacted as necessary?

- (u) How much do the recipients pay towards their residencies?
 - (v) How is the performance of the creative Residents and Artistic Associates measured?
17. Adding the Capex updated to the end of the three MAAS/PHM projects, with the total increase in recurrent Consolidated Revenue out over five years, what is the total additional State expenditure forecast by Treasury on these linked projects since the 'Extended Final Business'?
 18. Do you stand by the Premier's July 4, 2020 comments that the Powerhouse at Ultimo will continue to display historical and contemporary technology, science, engineering and design?
 19. If yes, can you identify where these displays are located, list them and confirm those to be retained which are already in place? How do they compliment the Parramatta Powerhouse and Castle Hill proposed displays?
 - (a) What precisely, temporary and permanent, is planned for the Ultimo Powerhouse Museum's future family-oriented exhibits?
 - (b) What audience research has been undertaken in respect of subjects and delivery methods chosen?
 - (c) How has success been measured with such programs since 2018, what are the costs of these/ their results and how will they be measured in the future?
 - (d) How would you describe the current Powerhouse arrangement with respect to catering for summer holiday programs for families and can you provide details of family focused programs during the last and in following summer holidays including costs and formal visitor experience evaluation (eg. cost benefit, etc)?
 - (e) Please give a breakdown on visitor figures to each of the MAAS venues including a breakdown of families and school groups, 2018-2022.
 - (f) What formal market and visitor research has been undertaken for the three PHM projects in the last four years? Please table the reports with commercial in confidence figures redacted, where necessary
 - (g) To what extent do the public areas in each of the three PHM projects comprise spaces which are partly or wholly aimed at commercial income/rentable/leasable and what percentage of each relevant business case is predicted to be comprised of commercial revenues?
 20. Please explain why the fashion business *Romance Was Born* runs its business in taxpayer subsidised premises at the Powerhouse Museum.

- (a) How was 'Romance was Born' (a commercial tenant) selected to receive the largesse of subsidised business premises at the Powerhouse Museum and on what criteria.?
- (b) Why is the taxpayer underwriting businesses on what should be public-facing Museum premises? *(Notes at end of section)
- (c) Does the Museum receive any income from 'Romance was Born'?
- (d) How can you justify that this is an appropriate use of taxpayers funds?
- (e) What are the measures of success?

JORDAN GOGOS' FASHION PARADE, Boiler Hall, 12 May, Ultimo

21. What was the total cost to the Museum of this program including staff time, cost of materials and the use of the Museum's workshop, workshop staff and facilities?
- (a) What was the total cost of removing and reinstalling the Micro Cars exhibition?
 - (b) How was Mr Gogos selected to be the beneficiary of the Museum's funding and in-kind support? Criteria, any reports, contracts etc
 - (c) Was this a program that fits with the Museum's Act and was there a competitive process?
 - (d) How was this program justified and evaluated? Results and documents please.
 - (e) How much sponsorship in cash and in kind was received and what were the details of the Business Case?
 - (f) How much income was received?
 - (g) How much money did Mr Gogos contribute to this program?
 - (h) Did the Museum break even on this program; make money; or was it a loss making program?
 - (i) Was Mr Gogos paid by the Museum to work on this project in addition to receiving in kind support to present his fashion parade?
 - (j) How many people attended and did they pay admission? If not, why not?
 - (k) What was the audience profile, how was audience response evaluated, what was the value-for-money analysis and what was the outcome of the cost-benefit analysis?

The temporary display: 'Eucalyptusdom'

22. What was the total cost to the Museum of this program including staff time, cost of materials and the use of the Museum's workshop, workshop staff and facilities?

- (a) What market research and visitor potential evaluation was done prior to proceeding with this exhibition, during its display period and after it had ended?
- (b) How many people attended and did they pay admission/ what were the sales of related products and services?
- (c) What was the audience profile, how was audience response evaluated, what was the value-for-money analysis and what was the outcome of the cost-benefit analysis?
- (d) By whom and how was the success (or otherwise) of this exhibition determined and what was the result as reported to the Board of Trustees and Create NSW?

PREMIER

Questions from the Hon Mark Buttigieg MLC *(on behalf of the Opposition)*

Premiers Priorities

23. Why have the current Premiers Priorities not been re-adopted?
24. Will you commit to the existing set of priorities for the remaining term?
25. Will you make adjustments to the targets before the end of this term?
26. Please provide updated data for each priority up to the June 2022 quarter.

Third-party contractors or consultancies

27. For every agency, department, or state-owned corporation within your portfolio, please provide the following:
 - (a) A list of all third-party contractor or consultancies engaged in communications services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
 - (b) A list of all third-party contractor or consultancies engaged in PR services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
 - (c) A list of all third-party contractor or consultancies engaged in marketing services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid

- (d) A list of all third-party contractor or consultancies engaged in Government relations or lobbying services, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (e) A list of all third-party contractor or consultancies engaged in industry or peak body membership, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (f) A list of all third-party contractor or consultancies engaged in policy or strategy development, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (g) A list of all third-party contractor or consultancies engaged in project management, including:
 - i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (h) A list of all third-party contractor or consultancies engaged in accounting and audit, including:
 - i. Contractor name,
 - ii. Contractor ABN,

- iii. Service provided,
 - iv. Total cost paid
- (i) A list of all third-party contractor or consultancies engaged in legal services, including:
- i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid
- (j) A list of all third-party contractor or consultancies engaged in any other services, including:
- i. Contractor name,
 - ii. Contractor ABN,
 - iii. Service provided,
 - iv. Total cost paid