

**Supplementary
Submission
No 148f**

INQUIRY INTO MUSEUMS AND GALLERIES

Name: Dr Lindsay Sharp

Date received: 14 August 2016

Submission to the Upper House Inquiry into museums and galleries in NSW, August 8, 2016.

Submission VII:

Performance by the Museum of Applied Arts and Science's Board of Trustees, dominance by Government, sub-optimal project oversight and control, potential conflicts of personal interest, reduced access and risks to collections, deliberately misleading messaging and lack of transparency. Possibly culpable behaviour by the Board. Decline of museum's educational role. Decline of senior management project competence, appropriate design and exhibit development abilities and internal curatorial skills base.

[Relevant terms of reference: (a) (d) (e) (g) Submission to the Upper House Inquiry into museums and galleries in NSW, August 8, 2016.]

Dr LG Sharp

. Founding Director, Powerhouse

Museum, 1978-1988.

PLEASE CALL ME AS A WITNESS FOR THIS AND OTHER SUBMISSIONS

Please consider this in association with my submission I on project costs and II on project-related documents, which should be required for tendering from Government by the Inquiry, derived from the 43 suppressed reports and minutes noted in FOI papers released in March 2016 to the Sydney Morning Herald.

Key Words: Board of MAAS not appropriately independent; sub-optimal oversight of project; personal conflicts of interest potentially on the part of the new President; risk to collections; reduced access; decline of educational engagement; acceptance of substandard option; Trustees' lack of detailed project knowledge; not transparent about project scope and cost; threat to existing and future collection donors; lack of relevant senior staff project experience; loss of skills due to compound effects of so-called 'efficiency dividend'; decline of Governance capacity and core knowledge base inside the Museum.

Commentary:

In July when this author noted by e-mail to the then President of the MAAS Board that this Inquiry should be taken with the utmost seriousness, Professor John Shine replied:

"Thank you for your e-mail and I apologise for the delayed reply but have been overseas. I can assure you that the Trust and the Executive of MAAS are working hard to ensure that the Government's decision to relocate the Powerhouse delivers an exceptional museum for the future and protects the invaluable collection that the Museum has amassed over decades. With the stated government commitment to build an iconic museum at Parramatta, we believe that the Powerhouse has the exciting opportunity to build upon its illustrious past and develop even further into an internationally acclaimed institution. We appreciate your passionate support of the museum and hope that it will continue as the next exciting phase of its [sic] evolution unfolds."

This nebulous and disingenuous pabulum navigates around the Board's apparent dereliction of project oversight and control, its lack of transparency with regard to a project cost of at least \$450 million and acceptance of a significantly smaller and less appropriate site with inappropriate display potential for large objects (see my submission V). While doing so it evades the truths that a heritage site and excellent facilities worth a minimum of \$180 million (Annual Report 2014, but real replacement value \$450 million plus) will be destroyed and that the new site is far less accessible to most visitors thereby making the collections less accessible, especially the larger items. Arguably it runs counter to the letter and the spirit of independent Trusteeship enshrined in the 1945 Act.

Statutory basis for Trustee responsibility:

The governing statute is the Museum of Applied Arts and Sciences 1945 (the Act).

Relevantly, by s.11 (1) of the Act, the Trustees 'have the control and management of all property vested in them.' They constitute a body corporate and may dispose of real property, but only with the approval of the Governor.

The Trustees, as custodians of not only the real estate of the Museum, but also of its substantial collection, are, in effect, trustees for the people of New South Wales. Collectively, they lend an important sense of independence to the long-term governance of the Museum. As

is the case with other government agencies established via a statutory trust, the underlying intention of the legislature was to ensure that Trustees act with a view to the long-term interests of the State and its people, rather than the whim of government from time to time.

For the reasons that are articulated later in this Submission, it is the view of the author that the Trustees of the Museum, in particular the Trust President at the relevant time, abdicated their responsibilities under the Act in that they failed to protect and advocate the Museum's best long term interests, as was their fiduciary obligation.

(For a legally based submission regarding this topic please see that by Nicholas G Pappas AM, Level 14, 23 Hunter Street, Sydney, NSW 2000, Australia; for the view of a Powerhouse Museum Founding Trustee, see Trevor Kennedy's submission))

Government strong-arming the Board:

On 4 March 2015, just prior to departing his post as Secretary, Department of Trade and Investment, Regional Infrastructure and Services, Mark Patterson, AO, addressed a meeting of the Powerhouse Museum's Board of Trustees. This is unique in the annals of the Museum. This author was a Trustee of the Historic Houses Trust in the 1990s and cannot remember a single instance of a similar intervention in this or other relevant institutions. Mr Patterson advanced the (questionable) reasoning developed by his department that the case for relocating the Powerhouse Museum was already effectively half won because of its current unsuitable location. This was coupled with the baffling contention that the Powerhouse Museum's "content" would be unsuitable to include in the CBD cultural precinct. Specifically, the Board's minutes note that:

"The Strategy (of Infrastructure NSW) referenced international best practice in the development of cultural precincts focusing on proximity and content. Ultimo is not within the proposed central business cultural precinct."..."that assets are owned by the Government and that as Secretary, Mark must act at the direction of the elected government...Responding to a question relating to the Museum's participation in the sale of the Ultimo site and the determination of its future use, the Secretary indicated this was to be determined by Government, and it was not appropriate for the Museum to have a role...the Secretary suggested that, from his perspective, it would be counterproductive for the Board of Trustees to oppose the proposed relocation".

The first statement reads like the sentence of a condemned man, yet for the past 20 years, commencing with the City West Development Corporation, Ultimo and neighbouring Pyrmont have been seen as opportunities for urban renewal and vibrancy. Indeed there is much evidence to demonstrate that Ultimo (and Pyrmont) have realised this potential and that the Powerhouse Museum has gained from its capacity to identify with both the Darling Harbour and Ultimo precincts. Since the early 2000s, the Museum has cemented relationships with key stakeholders in the Ultimo precinct, notably the University of Technology and the ABC, which have added significantly to its public profile and enhanced its educational programs. Meanwhile, local, interstate and overseas visitors to the Museum have consistently attended the Ultimo site, many drawn by its reputation as an award-winning building that provides ideal context for its magnificently interpreted collections. It has been argued that falling attendances up to 2014 were a sign of the inability of the "constrained" site to continue to attract competitive visitor numbers. This was almost certainly a reflection of fiscal impacts of the so called 'efficiency dividend', reinforced by questionable management practices that led to low morale and internal policy conflict. This is supported by the steady and significant gains in attendances over the past 12 months in particular. Does this mean that the Ultimo site has recently enjoyed a reprieve from the effects of its "isolation" and "constriction"? (For a devastating analysis of Infrastructure NSW's entirely faulted public strategy on this subject see the submission by Andrew Grant-Former Senior Curator, Transport (1988-2012), Acting Manager, Collection Development and Research (1995-1996), Group Leader, Exhibition Development (1984-1988), Curator, Transport and Engineering (1980-1988)

The last three Board Minute statements quoted above, following the President's strong exhortation in the December 2014 and March 2015 meetings for Trustees to support the project, rode roughshod over the Board's role as independent defender of the Museum's long term interests and owners of the collection, and probably the site. The Board appears to have 'assumed the position' at this meeting, to have drunk the Kool-Aid, to have thrown in the towel and then provided evidence of a new species of humanoid invertebrates.

The apparent facts and figures regarding scope, cost and quality, revealed in the March released FOI Minutes were related by the author to a Trustee at a recent Powerhouse Museum event, and witnessed by another guest. Clearly this Trustee was unaware that the relocated museum would be substantially smaller, much more expensive and profoundly underwhelming in comparison to the present museum and against the picture publicly painted by the Premier. It is probable that this lack of understanding is common to the Board of Trustees. If not, then the Board is possibly committing a sin of commission – as opposed to ignorance/omission – and a flagrant dereliction of responsibility which may also include failing to inform stakeholders of the true costs and their implications. This dedicated and hard-working Trustee had no satisfactory recourse to counter arguments based on FOI-derived facts, despite knowing MAAS exceptionally well, and could only plead a case of: 'If you make Government angry they will just dig in their heels again – can't all of us who love the museum just stick together and support the project?' The fact that this Trustee is a self-acknowledged, rusted-on supporter of the Government Party at State and Federal levels indicates a profound personal conflict of interest when contextualised in the 1945 Act, within the spirit and the wording of Trustee management responsibility and independence.

Personal conflicts of interest- perceived and actual:

The law in this domain is evolving beyond strict definitions of pecuniary interests. This is caused by the modern tendency for lobbyists, corporations and individuals to exercise influence to further their personal goals contrary to institutional best benefit. In Tasmania for example the following definitional interpretations are now employed by Government in respect to municipal councillors and other similar bodies- such as Boards of independent cultural bodies:

"A conflict of interest may be:

- actual your personal interest actually affects the way you behave in your role as [Trustee].
- perceived it might appear to others that your personal interest could affect the way you behave in your role as [Trustee].
- potential your personal interest could affect the way you behave in the future.
- non-pecuniary bias - a predisposition towards a certain outcome based on some emotional or other interest."

It is arguable that a number of present MAAS Trustees, and the new President Professor Barney Glover, may have strong and distinct personal conflicts of interest in this context. Let us take the case of Professor Glover. A spruiker for Western Sydney, Vice Chancellor of the University of Western Sydney, the good Professor seems to have a demonstrable conflict in that the proposed project wastes massive resources, destroys heritage, is already subject to a cost blow-out, has adopted a secretive non-transparent process, will put the Museum's collections at risk through avoidable moving and flooding, will reduce access, and that MAAS has undertaken no effective consultation of communities in central Sydney or greater western Sydney. Among a much longer list of negative issues. Arguably the Board should have threatened mass resignation in late 2014 and early 2015. More recently, in the spirit of independence to protect the long term health of MAAS, the new President should have declined the position, at a minimum, because of the appearance of palpable conflicts of interest. Other Trustees may have further political and personal conflicts of interest. These need to be illuminated during this Inquiry.

Project oversight, experienced management and control:

As in any major project, for architectural and cultural planning the client, the brief and the close project management processes help determine the core success of a project. For this project, it has not been clear who the client might be – the Museum or Government planning departments – and whether that client has adequate experience to manage the process.

The Trustees themselves asked a key question: did the '[Board of Trustees] have the skills and experience ... to ensure leadership of this important project?' (May 2015 Minutes). Clearly it decided that it did. On the Project Steering Group the Board was apparently represented by a person with acknowledged expertise in commercial property law; another, an academic bureaucrat, was to assist. Neither appears to have attended the first two or three meetings. Thereafter only one appears to have done so. It could be argued that neither seems to have paramount museological experience. That was the sum total of direct Board planning/group engagement detectable in these Minutes. There is evidence that the Trustees have been strong-armed to support the decision, and have been marginalised from much of the process.

If there is a Project sub-committee its minutes have been secreted. Compared with the Project Committee extant during the development phase of the Powerhouse Museum in 1980-1988, chaired by successive Board Presidents on a monthly basis, this represents a seemingly derelict, hands-off approach by the current Board. As well, it may be fair to say that senior Museum leadership as represented in the Minutes and other sources might appear sub-optimal in appropriate experience when facing such a huge and complex museological project with intense political, planning and financial pressures. In his article, (SMH, April 15, 2016), Andrew Taylor notes of the new Director: 'Merrillees says she has done "bits and pieces" including "fairly major" renovations and reconstructions at the Ultimo site: "I'm not unfamiliar with it but I've not built a museum from scratch". This is worrying within the context of Government's deliberate modus operandi and recognised techniques of secretive dominance and public deceit.

Such relative inexperience at all levels would not normally be permitted in comparable projects overseas. Then again, identification of who the client was and who controlled the creation of, and development from, the 'brief' is entirely muddled. In all, the minutes demonstrate a chimera of planning babble with confusion as to the identity of the client; lack of a definitive brief produced by MAAS/Planning Group; a damaging rush to complete with political pressure; and probable wastage. As well, the main consultants after Root Projects departed appear to be KPMG. It can be asked how experienced museologically were they, their sub-consultants and their own in-house staff?

Recent appointments to MAAS senior management positions do not necessarily cause increased confidence in future curatorial, project management and process control functions. This is a remarkably complex and increasingly toxic project. The ability for MAAS to attract internationally experienced and outstanding project-ready staff has arguably been reduced by this toxicity. There is a common perception out there in the museological world of this situation representing a 'ship of fools', among whom some have been motivated more by money and self than community and museological engagement. This may be inaccurate but the sentiment is there, nonetheless.

Management, educational, curatorial, donor and development issues:

At the opening of the Powerhouse Museum there was approximately 28 FTE education staff. Reputedly now there are three. In the last decade nearly a whole generation of children, in most age cohorts, have effectively been denied the educational experiences offered by this profoundly engaging institution. Human interface is essential to successful informal learning and to planning programmes and displays.

Equally the willingness of donors and sponsors who proliferated at the 1988 opening and thereafter will be profoundly damaged by this wanton project (see Anne Schofield's submission). This has been entirely overlooked by the Board and by Government.

In other critical areas such as display development, design, curatorial expertise and interactives development whole departments have been fired. This reflects the impact of so-called 'efficiency dividend' cuts as much as it reflects the sub-optimal strategic competence of the Board and senior management (see: Public Service Association Submission- Anne Gardiner author). Other submissions will deal at length with more supporting data related to the e-dividend than is appropriate here.

Suffice to say that across the board myriad essential skill sets have been sacrificed at mid and lower levels while SES numbers at high salaries continue to expand disproportionately. It is a bit like the Paraguayan or British Navy where now there are more Admirals than there are ships afloat and retention of other ranks is subsiding fast. Ultimately the Museum is riven into a small group of senior staff - all outstandingly well remunerated- with a few supporters who spruik the Parramatta project versus a much larger group of other staff and volunteers who do not if it should mean the demise of the Ultimo base for the Powerhouse Museum. The Board appears to be aloof from these factors and unaware of the decline in competence, broad skill-sets and morale. Perhaps the ship-of-fools analogy is more appropriate than was previously thought.

Government in the recent past have noted those skill sets inside the museum ready to undertake carriage of the project. Indeed, up to perhaps ten years ago, this confidence may well have been warranted. Now 'requests for proposals' in a whole range of skilled domains such as audio-visual, collections move and handling and other project- centric challenges are appearing in the press. Here we see attempts to replace skill sets which previously were available from within. In the long run these potentially expensive consultancies will exacerbate the now demonstrated project cost blow out even further.

Conclusion: It is recommended that this Inquiry investigates issues raised in this submission and calls for an independent Committee of Review to analyse the entire project for cost-benefit and alternative, improved options.