

**Supplementary
Submission
No 148q**

INQUIRY INTO INQUIRY INTO MUSEUMS AND GALLERIES

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Analysis of ‘Final Business Case (Supplement) The New Museum in Western Sydney’ [the keystone Cabinet reference document] by JOHNSTAFF, head consultants, part of redacted documents supplied by Government under duress on Tuesday, 12 June, 2018 at the Parliament of NSW.

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[NOTE-THERE HAVE BEEN FIVE PREVIOUS VERSIONS? SOME EXTENSIVE ‘MASSAGING’ WENT ON?]

LGS comments in black; original document copied in grey and blue. This analysis should be read first after the short introduction: ‘Government Planning Falsehoods...’ since, as the old saying goes, a fish rots from the head. This ‘Supplementary’ document was the top/keystone summary document provided to Cabinet as a crib sheet for Ministers, or their staff, who were too lazy to delve into the various ‘supporting’ documents.

ANALYSIS OF EXECUTIVE SUMMARY:

Table of Contents

1. Executive Summary	1
1.1 The Extended Final Business Case	1
1.2 Case for Change	1
1.3 Description of Project	2
1.4 Consumer Demand	3
1.5 Scope of the Proposed Option	3
1.6 Analysis of Proposed Option	4
1.7 Financial Impact of the Preferred Option	5
1.8 Economic Impact of Preferred Option	7
1.9 Project Implementation	9
1.10 Conclusion	10
1.11 Supporting Documentation	10

1. Executive Summary

This Extended Final Business Case (EFBC) seeks capital funding of \$725 million (including a \$70 million design contingency) for the development of a flagship campus for the Museum of Applied Arts and Sciences (MAAS) in Western Sydney.

The EFBC also seeks an additional \$50 million of capital funding over the transition period to support the Collections Logistics activities and \$50 million for the extension of the Museum Discovery Centre at Castle Hill. The EFBC does not seek any additional recurrent funding following the commencement of operations at the New Museum in Western Sydney.

This Summary incorporates the changes that have been provided out of the NSW Gateway Review and the Deep Dive Review conducted by Infrastructure NSW.

1. a) **Capital 'sought' = \$725 million**, including [insufficient] \$70 million 'design contingency' + \$50 million for Collection Logistics + \$50 million for extending Museum Discovery Centre at Castle Hill.

Grand Total Capital 'sought' = \$ 825 million, with no contingency for the two \$50 million additional collections' expenditures noted. The Collection Logistics figure was reduced originally from over \$85 million to \$65 million plus and then, without explanation, to \$50 million [see 'Integration Brief']. Thus at 10% contingency on both, say, an additional \$10 million so:

ACTUAL [PURPORTED] GRAND TOTAL CAPITAL COST: \$835 in 2020 \$s based on this document, not \$725 million as claimed.

However, no mention is made of the site acquisition cost of \$140 million which if added pushes up the 2020 cost by that figure; or of flood mitigation (unless anonymously included in 'contingency'). There appears to be no fully appropriate BPI increases included for a minimum period of over four years (probably at 5% + compound per annum) so say \$167 million minimum (even with net present value –NPV– calculations this lack of inflation provision is inherently misleading); if extended out over six years a pro rata 5% X 2 needs to be added; no mention of costs of an expensive international design competition and its impact on overall costs; no mention of cost split out between building design/construct and exhibition fit-out to permit up front rational analysis; many headings were not included (see below); there is no statement of cost of wasted assets in Ultimo; no statement of risk; the collections logistics costing has been reduced from approximately \$65 million to \$50 million [ref: Hirst consultant review of two logistics plans] which also did not include contingency; etc. Total Project Cost should also pick up the c. \$385 million cost of the Ultimo Innovation Campus including a Lyric Theatre as revealed in the 'Integration Brief' which accompanied this 'Supplementary' [summary/crib sheet] for Cabinet.

SUMMARY conclusion: this is a deeply misleading Executive Summary/fiscal statement and is significantly incomplete; Cabinet was not correctly briefed; Cabinet was apparently misled by the Premier/Minister for the Arts and other Government Agencies and by consultants. It should be noted that Government's first project cost estimate was \$200 million [2015] so the Business Case figure of 'only' \$835 million is 400% plus higher; and that is at least \$385 million too low (see below) so NSW is looking at a 600% plus cost blow out, and indeed much more. The correct Total Project Costing, based on Government's own figures, is closer to a

range of \$1.36 to 1.4 billion plus if the Ultimo Innovation Campus is correctly included. If the wastage of existing facilities is added that makes it closer to \$1.7 billion in under-inflation-adjusted dollars, without many appropriate costing and cost headings included.

MAIN TEXT:

The New Museum in Western Sydney Project ('the Project') relocates the functions of the Powerhouse Museum to the Riverbank site in Parramatta. The Project will decommission the existing Powerhouse Museum and collection storage and will create a new MAAS headquarters focused on STEAM (Science, Technology, Engineering, Arts and Maths). Consideration to the retention of a presence at Ultimo is contained within the Ultimo Presence Investment Case and recommends that the Government undertake further master planning on the preferred option being the delivery of a fashion and design museum within an \$80 million envelope and a 1-500 Broadway style theatre by the private sector.

1. b) The new Museum Project does not 'relocate' the functions of the Powerhouse Museum (PhM) at Parramatta- most of the back-of-house functions are nominally relocated to Castle Hill- insofar as they are maintained. The splitting of these functions will markedly increase risk to the collections through movement back and forth; and markedly increase operational costs. This makes a mockery of the statement:

Hill. The EFBC does not seek any additional recurrent funding following the commencement of operations at the New Museum in Western Sydney.

1. c) The estimated Ultimo site capital costs should be included in this Total Project Cost statement. They are divided out so as to increase the Benefit Cost Ratio (BCR) to attempt to meet Treasury guidelines of no less than 1.0. These costs include 'Master Planning' for a 'fashion and design museum' and states that museum's costs are within an 'envelope' of \$80 million. There is no mention of contingency within that figure; no mention of demolition costs to permit removal of large objects and other heritage site degradation; no mention of wastage of fit-for-purpose museum and public facilities etc. properly added. **All** planning costs should be allocated in this Project costing to attain a 'Total Project Cost'.

Looked at from a different perspective on an *absolutely minimal* basis this means that the Total Project Cost is \$835 million + \$80 million= \$915 million in 2018 \$. This does not include full uprating for capital construction cost inflation [CCCI]/fit out cost inflation [FOCI]; or for site acquisition; plus, some contingency items are also not included.

Overall, with a minimal 5% inflation figure [CCCI/FOCI] over four years, that implies a total project cost of \$ 915 million + \$183 million (inflation) = \$1.08 billion by 2022 with many cost headings not included (see below)- for example site acquisition at \$140

million (so total project capital cost would then be \$1.220 billion); no accounting for wasted facilities at Ultimo; significantly increased operational costs/risks owing to collections' movement; plus significantly increased operational costs owing to the creation/growth of three substantial campuses as opposed to one at Ultimo; and of a Planetarium (see below). Once again this makes a mockery of the following statement:

Hill. The EFBC does not seek any additional recurrent funding following the commencement of operations at the New Museum in Western Sydney.

All the above predicated solely on Government's own figures before interrogation of their accuracy, comprehensiveness or planning/calculation assumptions. Conclusion: Cabinet was badly misled even based on the figures presented at the front of this document where capital requirements were stated at \$725 million.

1.1 The Extended Final Business Case

Prior to the completion of the Museum of Applied Arts and Sciences (MAAS), New Museum Final Business Case (the 'FBC') in early 2017, the Minister for the Arts directed that the FBC be extended to further explore options for the New Museum in Western Sydney and that additional works be undertaken to investigate the possible retention of a Cultural Presence on the Ultimo Site. As part of this new direction Project responsibility was transferred to the Cultural Infrastructure Program Management Office (CIPMO), within the Arts, Screen and Culture Division of Department of Planning and Environment (DPE).

The purpose of this EPBC, is to therefore, develop and appraise further specific options for the development, and delivery of the New Museum in Western Sydney on the Riverbank Site.

1.1.a) This statement is misleading: there were no options put forward other than relatively minor variations for the Parramatta Riverbank site thus evading and denigrating basic Treasury rules governing options appraisal. Far better, less risky, less constrained sites are available in Parramatta within 800 metres of the Riverbank site- the Cumberland Hospital/Female Factory site, already owned by Government, for which no acquisition cost is required.

1.1. b) Control was entirely lost by the MAAS Trustees and staff once CIPMO took over project responsibility

1.2) Case for change:

In 2014 MAAS developed a business case requesting funds for the renewal of the Powerhouse Museum. The submission identified that current operations were unsustainable, and that the existing infrastructure had reached the end of its useful life or was no longer fit for purpose. Compromised in its ability to meet its obligations under the MAAS Act, the Powerhouse required significant government investment to persist.

1.2. a) This statement is accurate only in one respect: MAAS did put forward an opportunistic/speculative/sub-optimal Business Case in 2014. But there was no effective testing by Government of extant facility conditions or operational sustainability issues raised therein; no testing of the outline upgrading costs; no checking with outside experts as to the facilities' capacity for becoming once again superlatively fit for purpose. Key staff- and the then MAAS President- are no longer involved and, arguably, lacked the museological expertise to make these judgements. The previous Government report (2012- INSW) noted only that a few millions \$ were required in maintenance. Many overseas Museums date from the C 19/early C 20 (V and A; Science Museum, London); the C. 18 (British Museum); and even, in part, the C14 (Louvre, Paris) making a nonsense of MAAS 2014 claims of inadequacy. Government assistance was requested in 2014 but a major portion of Phase I renewal was funded by the sale of air rights. No testing of refit estimates was made by Government.

1.2. b)

The decision by Government to re-establish the core functions of MAAS and its Powerhouse Museum in a new, world class facility at Parramatta will both, enable MAAS to deliver its legislated remit to its fullest potential, and contribute to the realization of key Government priorities and objectives. Although not defined at its inception by unmet demand like similar large scale infrastructure projects, the Project through the act of relocation ultimately begins to address the cultural demands of Western Sydney as a rapidly growing population centre and secure the future of one of the States most valuable collections.

To establish a new cultural heart in Parramatta does not require destruction of the Powerhouse Museum in Ultimo or a massive reduction in MAAS' physical scale and degradation of crucial heritage buildings on both sites. Site selection at Riverbank was done *BEFORE* the initial Business Case was prepared; no Business Case has looked at other options such as the Cumberland Hospital site; this 'Extended Final Business Case' [sic] is just one way to address Government stated priorities and objectives; no opportunity cost analysis or technically appropriate BCR of those has been undertaken; the selection of Riverbank did not take into account community views initially at all, or adequately in mid 2017(see below); the wastage of Ultimo museum facilities is nowhere costed or taken into account in the Business Case etc.

1.2.c

1.3.1 Project Objectives

The following Project Objectives were developed as a summary of the intended purpose, character and direction of the Project. The Objectives have guided the development of the Project Options and form the framework for their qualitative evaluation:

- Create an architecturally iconic, and world-leading museum, which helps to shape each city, and is specifically designed for the needs of the 21st Century;

a world class 21st century museum in Western Sydney, focused on science and innovation, that will meet the needs and aspirations of the community and deliver an exciting new cultural destination for the people of NSW and beyond.

Great buildings all have a capacity for internal renewal, reinterpretation and reorientation. The Ultimo Powerhouse Museum is a world class example of this. In 1988 the adapted and new buildings housed core components of NSW's social, science, design, decorative arts and innovation history and, on opening, looked forward to the future in these domains. In 2014, as now, the only pressing need was for this innovation aspect to be renewed in association with

applied art through the medium of design. Failure to understand the buildings' capacity to accommodate renewal reflects solely on the management and leadership of MAAS and of a deliberately misleading Government motivated by developer greed and political pork barrelling. Other, far more creative and cost effective options exist in Parramatta and Ultimo alike- as have been suggested in detail to a cynically maladjusted Minister and Premier whose sub-optimal 'Extended Final Business Case' [oxymoron] is here revealed as seemingly inept and dishonest. Community aspirations were not properly canvassed between 2014 and 2017 and, even in July 2017, appear to be incorrect and misleadingly selective. None of the objectives noted for the Parramatta project's purpose are antithetical to the existing Powerhouse Museum facilities remaining- at far less cost- or to much more creative solutions on the Cumberland Hospital/Female Factory site being developed.

1.2. d) Further objectives:

- Develop a place that encourages environmental and social sustainability;
- Develop a sustainable MAAS operating model that enables revenue raising and commercial opportunities;
- Investigate the potential for appropriate, large scale commercial development on the site;
- Utilise robust planning and delivery strategies to enable transition to the new Western Sydney museum environment;
- Establish the foundation for a vibrant science, innovation and cultural precinct in Western Sydney;
- The Project is to achieve Value for Money and affordability for the Government.

Here the real motivation for the project is revealed: ***'the potential for large scale commercial development on the site'***- this is applied in reality to both Riverbank and to Ultimo sites. It is the core reason for Government's actions in tandem with pork barrelling to help win the next state election. The Board of MAAS elsewhere in the 4,500 pages of documentation supplied is noted as (wisely) completely disagreeing with such co-commercial development on operational, cost and legal/security/ site control grounds. Government has disregarded the very guardians of the 'obligations' of the Trustees under 'the MAAS Act' which it quotes as a key criterion for museum destruction and has showed in this cavalier action its complete excision in practical terms of MAAS leadership from project control and management, in both instances obviating the Act:

reached the end of its useful life or was no longer fit for purpose. Compromised in its ability to meet its obligations under the MAAS Act, the Powerhouse required significant government investment to persist.

As to storing collections on the Riverbank site as originally intended- that is now a risible memory. With site constraints there both in terms of access, flooding and now co-commercial development- this too is risible in terms of future management efficiency and effectiveness. The 'outcomes of engagement' with the community in Western Sydney appeared only as window dressing late in the process and are deeply questionable based on public consultation meetings in Parramatta and Ultimo and on fiscal grounds (e.g. Planetarium) as well. 'Environmental... sustainability'? The flooding risk alone makes this another risible statement. The Government building graphics/ illustrations released with the 'Summary' of the Business Case show no aspect of environmental sustainability. The costs of such are likely to push construction costs even

further beyond the claimed funding envelope especially when linked to flood plain mitigation and large object engineering. 'Utilise robust planning' – after three years of end backwards planning; site selection without business case validation; and non-consultative, top-down, elitist supported (Parramatta captains of industry/developers/Council under Administrator) procedures? That is even more risible. As for 'Value for money' and 'affordability' only a cynic would place this as a criterion in the case of a project with a minimum capital requirement of \$1.22 billion based solely on untested, questionable and highly incomplete figures put forward by a mendacious Government for a project which cannot meet Treasury's basic Benefit Cost Ratio requirements. With the concept of 'opportunity cost' added this satire is reduced to farce. As to 'developing a sustainable MAAS operating model that enables revenue raising and commercial opportunities' the very fact that there will be three not one campuses makes that a misleading statement based on fantasy visitor spending figures (see below) and no grasp of additional operating costs which fail to be offset by increased Consolidated Revenue provision in the future. The fantasy and futility of this view is further reinforced by the spectacular financial failure of the recent MAAS fashion Ball. On all grounds this document, which Cabinet purportedly used to base approval of the project, appears to fail its own criteria.

1.3.2. a) 'Project Vision'

The world-leading New Museum in Western Sydney will be a facility on the cutting edge of Science and Innovation, dedicated to connecting visitors with the power of STEAM and inspiring innovative futures.

Located on the banks of the Parramatta River, the flagship Museum will partner with industry, educators and the arts community to foster connectedness and evolve the core of a dynamic science, innovation and cultural precinct. At its heart will be the MAAS collection, applied as a powerful storytelling instrument in an experiential setting to engage and encourage lifelong learning.

Inclusive of a programmatic Touring Hall able to accommodate interactive exhibitions and unique shows, the site will become a cultural venue to promote interaction, inspire and connect people of all ages and backgrounds. The generation of accessible 'people space' shaped by the community themselves, will provide the public with an engaging gathering place to share ideas, learn and create.

This 'vision' is exactly what animates the Ultimo Powerhouse Museum Campus. There is no need to tear it down, wasting hundreds of millions of \$, to achieve the aim of creating a sister facility in Parramatta at the Cumberland Hospital/Female factory site. Even adding to that renewal of the present Powerhouse Museum with an identical vision would be a fraction of the (minimum) \$1.22 billion cost of this sub-optimal project. As would creative adaptation of the Female Factory complex and of such a world class new Museum close by. None of which would be, as the previous Premier kept on haplessly suggesting to the Inquiry, 'second rate'.

Moreover the word 'heritage' never appears in this fantasy Government blurb. Yet with one inexcusable act Government is proposing the destruction or the non-funding (opportunity cost) of three outstanding heritage complexes which sum up the social, technical, industrial and medical history of NSW:

- Ultimo Powerhouse Museum buildings on the Harris Street site
- Eight buildings of significance on the Riverbank site
- Cumberland Hospital/Female factory site with Aboriginal sites dating back at least forty thousand years- a site even more significant than Tasmania's Port Arthur- *plus*

- The needs of hundreds of regional and town museums throughout NSW.

As an exercise in State-funded cultural folly this keystone document appears *sans pareil*. It also exhibits multitudinous, fundamental, inherent planning failures.

1.4. a) 'Consumer Demand'

The options development for this Extended Final Business Case has been underpinned by the outcomes of a Willingness-to-pay (WTP) survey. The survey, undertaken throughout July 2017, enabled understanding of the underlying drivers of participation and demand, and, identified consumer preferences and WTP for potential 'attributes' of the New Museum in Western Sydney.

The survey demonstrated that there is a high level of positive interest in the Project, and for the development of a museum focused on STEAM on the Parramatta site. Significant consumer value was attributed to programming focused on space travel, science, technology and engineering, as well as screen based culture, applied arts and mathematics. Consumer demand for facilities was highest for the Planetarium, food and beverage facilities, and education and research space.

This testing of the individual museum attributes has enabled the development of project options that best respond to the demand and requirements of the community.

In this domain of museum planning obtaining relevant, bankable guidance on consumer demand (potential visitor proclivity to visit then pay and for what/how much/how long/from where etc.) depends on the comprehensiveness, audience segmentation and techniques of survey; the precise questions and context/ order in which they are asked; the setting and moderation of survey discussions; and the range of options presented with great caution taken not to 'load' these or lead the subjects to desired conclusions. As one expert once noted: 'tell me the answers you want and I will get the questions and interviewees to deliver them for you'. Further detailed analysis of the 'supporting' [sic] documents will be undertaken. However, one glaring fact is inescapable here: this work was done three years into the so-called Business Case development utilising an already entirely predetermined project location, envelope and subject list. For the previous Premier and this Arts Minister to maintain this was the way business case planning should proceed either appears to indicate they are incompetent in this field or that they misled both the Cabinet and the Inquiry or both. This document would not pass muster at the simplest level for a project seeking commercial funding.

Another obvious, self-confessed factor in respect of the 'Consumer Demand' research is that this document notes its research and analysis was undertaken in a singular month, July 2017. It does not hint at how comprehensive and in what way this survey was undertaken; nor precisely which communities and potential market segments were engaged with and interrogated; the range of options presented (Cumberland Hospital/Female Factory site/Parramatta history and heritage/Aboriginal areas and subjects/human creativity/multicultural engagement/ environmental and natural sciences/decorative and applied arts/multicultural community collections/access to all NSW major collections/outdoor facilities like an auditorium; etc.?); or the breadth and depth of the research or the broader contexts within which the research and analysis were set. Going on the public 'consultation' evenings in Parramatta and Ultimo these activities were shoehorned into a

narrow range of options, time slots and contextual parameters. To try to accomplish this work in July 2017 in a population spreading over hundreds of square kilometres; dozens of cultural and community cohorts/demographic groupings; multilingual and multi ethnic sub-groupings; arts and other cultural associations; economic and socially defined groups; and a number of other market segmentations is facile, to put it politely. Comparative experience in similar multi cultural, multi ethnic cities like Toronto (Canada), Los Angeles and London for example, shows such research and analysis for a cultural project of this scale and complexity (let alone cost) requires months if not years of sensitive, strategic, socio-cultural research. This cannot be properly undertaken in a month or even six months but requires sustained, strategic research in dozens of moderated sessions. Such a cavalier acknowledgement of its limitations suggests that this research, like most Commissions of Inquiry, knew the answers before it started.

1.5. a) 'Scope of the Proposed Option' [sic].

An intensive options development process was undertaken to develop realistic and appropriate Project Options able to deliver upon the Government's commitment of a world-class facility, whilst also meeting the endorsed Project Objectives.

Significant museum spatial benchmarking activities have been undertaken throughout the development of the Preliminary and Final Business Cases. To underpin the further development of the EPBC, the spatial and volumetric requirements for the New Museum in Western Sydney have been further refined and validated through a series of additional detailed precedent studies.

In addition to spatial allowances, the benchmarking exercises identified the core facilities provided within comparable world class offerings, including the number of gallery spaces, visitor amenities, education spaces and back of house requirements. This process enabled the determination of the necessary spaces that comprise a contemporary museum capable of hosting blockbuster exhibitions and MAAS collection exhibitions.

Strangely, this jargon just means the project team looked at a number of other 'comparable' museums and plumped for a convenient list of spaces and facilities within tight spatial and financial constraints. Stranger still it is highly unlikely any other world class museum has the enormous cubic volumes of the current Powerhouse Museum which assist display of massive objects suspended and at grade. Even the Air and Space Museum in Washington, for example, or the National Railway Museum in York, England, do not get close. What the project team was trying to figure out was how they could get away with smaller volumes on a conflicted site (flood mitigation; smaller footprint; restricted access, etc.) hiding behind the argument that there may be more objects on display than currently at the Powerhouse Museum. More objects such as toothpicks, doyleys, shoes or tea cups. But far fewer majestic historic objects. More so called 'display storage'. Forgetting that mere numbers of objects do not engage the visitor or guarantee that meaning making or learning is enhanced. Or that potential visitors will be willing to travel then pay for viewing a plethora of netsuke and cami-knickers. The present Powerhouse Museum has more than enough available space for renewal at far lower cost with all the back of house facilities and educational spaces (refitted) etc. which could possibly be needed, immediately adjacent. All can be upgraded cost effectively.

A major shortage now and in the future is the number of available educational staff which has dropped from around 28 FTE in 1988 to around 4 FTE today. However, with no increase in Consolidated Revenue that is not going to happen. Currently, with over 1,500 M2 available in the recently created temporary exhibition space there are few international traveling exhibitions that

the Powerhouse Museum cannot accommodate notwithstanding the sub-optimal persiflage around this subject expressed by current 'leadership'.

1.5. b) Three options are canvassed. Option 1 is so small that it clearly would be incapable of accommodating the large objects on display at Ultimo and other essential experiential offers. The other two options are:

- Option 02 is based upon the Project baseline, with additional gallery space to be equivalent to the Powerhouse Museum at Ultimo. Option 02 provides 11,500 m2 gallery space and 18,030 m2 of net museum area.
- Option 03 extends upon the scope of Option 02 through the inclusion of additional attributes favoured by the results of the WTP survey. Option 03 includes the NSW Planetarium, 1,350 m2 additional Function/Events Space, 1,150 m2 additional Education Facilities, a Family Makers Space, 11,500 m2 gallery space and 21,200 m2 of net museum area.

In this EFBC, the predominance of collection care spaces, and collection storage for the New Museum will be provided at a new purpose built facility at the Museums Discovery Centre (MDC). The scope and capital requirement for that facility is described in full in the MAAS Project Integrated Brief but the cost are included below.

It has already been shown elsewhere that the Powerhouse Museum spaces are significantly larger in footprint and markedly larger in cubic volume than those described in Options 2 and 3 above. It is also abundantly clear that future back of house operations will be at Castle Hill- a remarkably retrograde operational step compared with adjacency in Ultimo; this will have major cost and risk implications. What is bizarre is the sudden introduction of a Planetarium (possibly a Planetarium/Omnimax?) into the engagement mix. This kind of facility is a fiscal black hole. Other research into these assembled documents shows a major ticket cost increase for visitors to include this experience. There are no guarantees this high price will meet with approval from targeted visitors. There are currently no operating similar facilities world-wide, including that at New York's Natural History Museum, which demonstrate the ability of such edutainment units to cover operating costs and pay back capital costs especially since there is no potential for amortisation against taxable liability. At the July 2017 public Parramatta consultation only one person present spoke about early astronomy and this worthy interest does not require a multi- million dollar facility to be separately constructed; there are other, better, more modern facilities which offer a completely engaging and immersive modality, that are much cheaper to construct and operate within general museum spaces. This proposal is fundamentally outdated and technologically inept, more likely to cause amusement among under-40s who have available VR, augmented reality and HDTV along many other options. Probably selected by the 'planning team' to permit graphic eye candy in an intellectually empty 'Summary' proposal recently released by Government. Typical of non-museum 'planners' who appear outdated, amateur and do not understand this kind of cultural business.

1.6.1) 'Analysis of proposed Options' [1-3].

This sub-optimal exercise also appears amateur, outdated and factually misleading. For example if Consolidated Revenue is not increased the idea of having *more* educational spaces than Ultimo (unproven statement) is irrelevant. More screen time will not engage students and the general public who are eyeballed out. Only skilled *human* engagement can do this. These specialists need employment and payment. Where will those funds come from? Moreover the additional ticket price for the Planetarium is noted above as a fundamental issue. Apparently its inclusion is critical to

success of the engagement 'mix' of Option 3. Any sensitivity analysis which suggests success based upon such a major ticket impost and outdated technology must be treated with great scepticism. Equal scepticism must be applied to the concept that more gallery space showing more small objects drives long term visitation. No evidence is adduced to underpin that assumption. The Benefit Cost Ratio of chosen Option 3 - 1.02 - given the unincurred costs/inadequate escalation noted above, these fundamental faults and other issues addressed below make the BCR more than incredibly optimistic; instead it commands incredulity. These data fundamentally misled Cabinet if members thereof accepted them as factual. This is perhaps one of the outcomes of relying on generic 'consultants' more skilled in Freeway, Hospital and Convention Centre development than museology - and questionably so, at that?

Even then these are only three variations of a basically similar, but different sized option. Failure to look at robustly different options- breaking Treasury rules- is a complete failure of Business Case Planning protocols. The magnificent options presented by Australia's finest heritage site- Cumberland Hospital/Female Factory and owned by Government- were not included because Government took the decision to excise them before even beginning to 'plan' the 'Extended Final Business Case' (oxymoron), or any Business Case even the 'preliminary' one.

1.7.1 a) 'Financial Impact of the Preferred Option'

After extolling the consultants chosen to undertake this throughout the 'planning' process this apparently shoddy and misleading supplementary document includes the following redacted table:

Table 2 -Capital Cost Break-down of Project Options

Capital Item	Option 01	Option 02	Option 03
Construction and Fit-out			
Riverbank Building			
External Works			
Exhibition Infrastructure			
FF&E			
Other Costs			
Client Direct Costs			
Professional Fees			
Site Agreement and Authority Fees			
Escalation and Contingencies			
Escalation			
Targeted Savings			
Construction and Fit-out Contingency			

This was blanked out for 'commercial' reasons. This attribution for secrecy is risible. The letting of contracts for almost all of these cost headings is at least two years away if not more and there is currently no agreed even outline design for either buildings or exhibits (except 'envelope' statements). With the exception of the cost of an international architectural commission following a competition- which just may be commercially sensitive- the rest of the figures can be released since they have to be (and are acknowledged as such in this document) internationally generic. Such figures if low balled here will inevitably be uprated once more detailed plans are made and tenders

are returned. Or if highballed can be reduced through comparative leverage. All of which are subjected to many iterations of cost negotiation. What is in such a document now is easily, and usually, cast aside. Equally the exhibits depend on an intellectual and experiential framework including thematic, storyline and collections related planning which apparently has so far (remarkably) not been attempted even though the project is already three and a half years in the making. The only logical conclusion is that these figures have probably been 'cooked' so as to pull the total project cost low enough to try to pass the Benefit Cost Ratio (above 1.0) demanded by Treasury project cost rules.

Further, if one analyses the costs likely to be incurred over a period of 2018 to say 2024 at an 'international' generic level this statement of capital cost figures appears amateur and misleading. Contingency undercosting and escalation is questioned above and, if it is argued that these (redacted) statements adequately cover CCCI/FOCI cost inflation, then we have entered the realm of satirical fantasy. Even if that was untrue we cannot track six years out in an *accurate* prediction as to such costs based on extremely limited base data. At best, these are indicative only and should be expressed in a range from low to high especially with a project on a geologically challenged, flood-prone, constrained access, multi-occupancy, tower-blocked, museum basal site. The line item marked 'Targeted savings' is also highly questionable. Such methods are available and widely utilised but to rely on them at this deeply premature stage is high in risk. The sole reason for redaction therefore appears to be to continue to mislead, now not only Cabinet who were bamboozled by the figures but now also the Parliament and the public who cannot interrogate them.

If an international, world-class, innovative STEAM museum of this scale with such large objects properly displayed in appropriate cubic volumes can be completed for an all up figure of \$655 million in current 2018 dollars on such a compromised site then we are again in an age of loaves and fishes miracles. Perhaps this project is evangelically blessed? Even if we are so fortunate the non-increase in Consolidated Revenue will raise the miraculous to a level of marvels of fiscal provision. Maybe Government or, more like, the Minister have an infallible Ouija board coupled with a magic pudding somewhere in its collective basement? Otherwise the public will be stuck with a financial and cultural black hole like some other jurisdictions have been overseas. The ROM in Toronto, Canada, comes to mind. Is that what Parramatta needs or wants?

1.7.1 b) Purported capex table with contingencies added:

Capital Item	Option 01	Option 02	Option 03
INSW Design Contingency			
MDC Build Costs			
Collection Logistics Capex	\$50m	\$50m	\$50m
Total Capex	\$624 million	\$786 million	\$825 million

The following contingencies have been applied to the cost estimate which are appropriate to the level of design undertaken:

- 10% construction design development contingency
- 10% construction contingency;
- 15% exhibition infrastructure, fit-out and FFE contingency.

This statement is profoundly sub-optimal. In critiquing it, it is difficult to know where to begin.

A 10% 'design development contingency' for an international quality/ design competition generated/international firm's architecturally implemented work product stretching out over six years (the supposed four year project term in one part of this document, compared to other relevant projects, is a fantasy) seems to be an hallucination. Especially for a geologically challenged, flood-prone, constrained access, multi-occupancy, tower-blocked, museum basal site. The costs here with a potentially declining Australian \$, complex site adjustment, and operationally challenged project are more likely to be no less than (estimate only) 5% per annum. So say between 25 and 30%. With the construction so complex (there is no other example of a massive STEAM museum project anywhere in the world- located next to at least one 65 storey tower, with such huge objects, a planetarium and extensive mixed use development - including MOMA New York) the 10% construction contingency is also a fantasy. This figure too may be subjected after correct estimation to approximately 5% compound every year. So say 25 to 30%. Then there is the 'Collection Logistics Capex'. In plain language this means moving some of the world's largest and most sensitive objects, one of which may be worth A \$1 billion, in some cases requiring massive heritage site demolition, plus approximately 400,000 smaller objects- some equally sensitive- and preparing many objects for display while recording and safeguarding each one before, during and after the moves. This estimate, too, requires suspension of disbelief. If it is properly and safely undertaken the multiple moves will probably be many tens of millions of dollars (minimum) more.

Meanwhile we have fascinating lacuna: there is no site acquisition cost included within the total project capex- @ \$140 million. There is no extension of Castle Hill collections proper facility cost, estimated earlier by Government at \$50 million (most probably underestimated deeply with no escalation and site acquisition cost included?). There is no Ultimo 'Fashion and Design' museum cost (deeply underestimated in a 'back of the non-existent Masterplan envelope' exercise?) at \$80 million, included. These alone total \$270 million plus escalation, except with the Parramatta land acquisition cost. So in a proper 'Total Project Cost' statement this is not '\$825 million' (plus about an additional 15% escalation overall at approximately \$99.75 million) but an additional \$270 million based on this document's own cost statements= \$ 1, 194.75 million- call it **\$1.2 billion minimum**. With probable undercosting of building construction cost and exhibit development cost/FF and E it is likely to be far more (see below).

There are many additional capex/operational costs left out or underestimated:

Marketing and community engagement

Wastage of existing infrastructure at Ultimo- a significant figure (hundreds of \$ millions)

Staff training, development and short/long term hiring during and after project

New infrastructure in back-of-house domains (collection management, transport, insurance etc.)

Expanded technological maintenance capabilities for new high tech exhibitions
 Fully expanded IT capacity
 Expanded exhibit touring capabilities/travelling costs during development
 Disaster management capabilities (flooding etc.)
 Enhanced conservation and restoration capabilities- during project and beyond
 Enhanced planning and curatorial capabilities- during project and beyond
 Enhanced educational human resources
 Covering declining Ultimo attendance costs; loss of F and B/shop income in Ultimo
 Enhancing philanthropic/fund-raising capabilities and resources
 Additional operational costs derived from 3 major sites/ much more complex main site
 Transitional costs not included above
 Etc.

With these uncertain costs not included we also have the need to interrogate whether the basic project costs are realistic in terms of building development/design/construction and exhibit, ditto, plus other FF and E costs.

- Option 03 extends upon the scope of Option 02 through the inclusion of additional attributes favoured by the results of the WTP survey. Option 03 includes the NSW Planetarium, 1,350 m2 additional Function/Events Space, 1,150 m2 additional Education Facilities, a Family Makers Space, 11,500 m2 gallery space and 21,200 m2 of net museum area.

The building envelope includes 21,200 M2 of built space. At present rates to include large (but nowhere equal to Ultimo volumetric spaces), reinforced and highly interactive-enabled exhibit spaces it is not unreasonable to propose a per square metre cost in 2018 A\$ of \$14,000 for a normal site. In this case, if it is possible to ameliorate flood risk and other site constraints, it would currently be in the region of \$16,000 per M2 minimum. So, averaging out this amount of built space will cost 21,200 M2 X \$16,000 plus escalation at 5% minimum over six years= **\$440,960,000** minimum.

The envelope contains (according to this document) 11,500 M2 developed gallery space so at approximately \$15,000 per M2 for high quality, in major part interactive exhibits, this will equate with escalation of 5% minimum= **\$224,250,000**.

Add to this a Planetarium of (undesignated but say) 2,000 M2 at approximately \$17,000 per M2, with 6 years 5% escalation (min) = **\$44,000,000** (minimum).

Then there is a 1,350 M2 Function/Events space with a fit out cost of approximately \$11,000 per M2 plus 6 years escalation at 5%= **\$13,300,000**

Add educational spaces of 1,150 M2 at approx. \$9,000 FF and E, times escalation of 5%= **\$13,455,000**

A 'Family Makers' space: unknown M2 but say 1000 M2 at \$10,000 per M2 plus 5% per annum escalation= **\$13,000,000**

Thus far the areas described by this Supplementary document total approximately 14,000 M2 so there is another area remaining of public circulation, shops, cafes, performance/presentation spaces, offices and so on encompassing 7,200 M2.

Conservatively, if this is calculated at, say, \$11,000 per M2 plus 5% escalation, this = **\$102,960,000**. (It should be noted that exhibition space is far smaller than present).

There is no provision for parking included. At approximately 300 car park spaces where each car space on average requires approximately \$73,000 (current average Sydney cost) at 5% per annum escalation = **\$28,470,000.**

If all of the above are totalled up the **Total Project Cost for Parramatta construction/development/fit out alone is \$880,145,000** by 2024 on an uninterrogated Government set of figures.

(Note: information in June, 2018 from within MAAS Board suggests the current working figure is already set at \$900 million)

This figure does not necessarily include special site risks/costs owing to its constrained and flood prone qualities or the unusually high costs of an international competition and subsequent development, etc. Or removal *pro tem* of price reducing strategies.

Add other capex costs:

Site acquisition **\$140 million** (to Net Present Value this lower is probably wrong)

Castle Hill development **\$ 50 million** (plus escalation and whatever else)

Ultimo 'Fashion and Design Museum' **\$80 million** (plus escalation)

Other unfunded cost headings, unknown but PC out at **\$50 million**

Under calculation in other headings unknown but PC out at **\$30 million**

And- Wastage of Ultimo facilities (say) **\$ 300 million**

Total of above= \$ 1, 530, 145,000 (minimum) Total Project Cost

These costs do not necessarily take into account any decline of the A\$; all the other unknown, unfunded costs; other cost factors related to the flood-prone, complex multi-occupational, etc., site (s); capitalised (MPV based) additional operating costs over comparable years; a notably smaller new museum than the original Ultimo precinct; unknowns due to Government secrecy; possible museum and project management incompetence; and so on.

Further detailed interrogation of the supporting papers will most probably reveal more lacuna and more undercosting, in addition to those derived from this analysis of the keystone document.

It would be surprising, based on the above, if the end cost was not somewhere between \$1.6 billion and \$2 billion by the time of project completion i.e. in or after FY 2024.

Risk- none of the above estimates investigate the avoidable, yet inherent risks attached to this project. There is no costed risk-assessment statement. Damage to the Boulton and Watt beam engine alone may have enormous fiscal (apart from heritage) risks. No financial assessment of loss of philanthropy/benefactor risks has been attempted. There




are many other headings which might be outlined but these are just indicators of how apparently incomplete this keystone document is.

1.6.2) 'Options Analysis':

After analysing the litany of sub-optimal under calculation and missing cost headings noted above it is necessary to return briefly to the so-called 'Project Benefits' tables related to 1.6.1 above. These 'Project Benefits' [PB] are calculated according to Treasury protocols. Once the apparently inept, incomplete and inaccurate calculations are taken into account these PBs appear to be a fantasy and misleading. They apparently lie at the core of the Cabinet's approval of the Parramatta project yet they appear demonstrably false based on their own documentation. If that is the case Cabinet and the people of Greater Western Sydney/NSW as a whole have been profoundly misled by the Minister who presented this deeply faulted 'Extended Final Business Case' [sic/oxymoron] and by the previous Premier who described this carpet bag of misleading ordure in words such as 'complete', 'full' and 'a Business Case as it should be undertaken' (i.e. make the announcement then construct a Business Case which is massaged intensely after the event to try to justify an unjustifiable proposition- as an example of 'Chinese Baseball' business planning. When the ball is thrown Government keeps changing the rules to suit itself)

Table 1 - Options Analysis Summary

Evaluation	Option 01	Option 02	Option 03
Project Benefits			
Consumer Surplus Per NSW Household	\$115	\$118	\$132

Evaluation	Option 01	Option 02	Option 03
Net Benefits	\$ 1,031.9m	\$1,025.8 m	\$1,207.0 m
BCR	1.09	0.93	1.02
Objective Alignment			
Project Objectives			

1.7.2) 'Financial Appraisal':

This is a core statement to Cabinet and, as such, it has been copied in full. It predicates capital expenditure on an annual basis out over six years from FY 2019 to 2024. This

appears to be concrete and reliable for Cabinet when shown this way. In reality, as analysed above, these figures appear entirely rubbery. No bank would fund this massive edutainment facility based on such seemingly false and facile data, statistics, research, analysis and conclusions. Nor should any Government, either. A few factors reinforce this conclusion. For example, given a 3 site scenario and a completely different reservoir population which has not apparently been properly researched or modelled and also utilising present operational financials, is an exercise in imprecision and futility. These base figures have to be built up from scratch in a painstaking and detailed fashion and predicated on a range of costs and earned income from low to high. Previous experience, as is said in the investment world, is no guarantee of future performance: your capital is at risk. Ultimo's cost base, earning capacity, current visitation, market penetration and even staff cost distribution over a period of say ten years is no predictor of the new facilities/options being canvassed here. As to the Planetarium/Omnimax an entirely new and separate business plan based on comparators needs to be constructed, also from scratch.

1.7.2 Financial Appraisal

Paxon Group undertook the Financial Appraisal, which was informed through analysis of existing MAAS financial statements and operating assumptions provided by CIPMO and DPE. This information was used to build a financial model for each option, utilising appropriate drivers to develop cost and revenue projections aligned to the physical and operational nature of each Project Option.

For the purposes of the EFBC it is assumed that the existing Government Grant attributed to MAAS will be a revenue stream available to the New Museum in Western Sydney. As such, no additional recurrent expenditure is required under the Propose Option following the commencement of operations in 2023.

Summary Results of the Financial Appraisal

The results of the Financial Appraisal are summarised in the following results tables:

Summary of the Proposed Project Option

The following tables provide the cash flow results for the Proposed Project Option during the transition phase, and the operating position of the New Museum in Western Sydney during the first five years of operation.

Table 3 - The Annual Projects for Option 03 during the Project Implementation Phase

Option 3 Annual Projections – Development Phase						
Element	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue	-	-	-	-	\$28.86m	\$61.32m
Operating Expenses	-	-	-	-	-\$22.31m	-\$48.75m
Operating Sub-Total	-	-	-	-	\$6.55m	\$12.57m
Project Expenses	-\$8.2m	-\$8.2m	\$8.2m	\$5.0m	-	-

Option 3 Annual Projections – Development Phase						
Capital	\$95.1m	\$136.4m	\$127.2m	\$110.9m	\$145.9m	\$209.7m
Cash Flow	-\$103.4m	\$144.6m	\$135.4m	\$116.0m	\$139.35m	\$197.13m

1.8 to 1.8.3) Economic Impact of Preferred Option/ Economic Benefits/Economic Costs/Results of economic appraisal:

If the preceding analysis of lacuna and mis-costing are even partly true any conclusions, calculations and statements contained in this document's BCR /Economic Performance tables are inherently and invariably both incorrect and misleading. Not worth the electrons used or the paper on which they are printed. Apparently, even if the above is untrue, Mr Secord established that the ratio used in such calculations was incorrect and the Benefit Cost Ratio was below 1.0 for all three options presented. This assertion has not been successfully overturned it seems.

Two of the Project Options return positive NPVs. The Proposed Project option provides a net community benefit of over \$27.7m in present day values.

So, with a BCR below Treasury Guidelines- even without all the lacuna and under costing noted above; an NPV of only \$27.7 million in present day values; and the destruction/non-restoration of a significant number of heritage sites and structures on the very challenging, high risk, over complex, insecure Riverbank location this project, with no costing of other multitudinous risks, on its own criteria is profoundly sub optimal on financial and fiscal grounds. The predictions of unincreased Consolidated Revenue funding alone would warrant deep scepticism especially as the efficiency dividend grinds on. The Summary is also profoundly sub optimal on intellectual, planning, cultural, socio-economic, museological and creativity grounds.

As recipients of this cargo-cult project the elites out in the west and their developer colleagues, plus the Council of Parramatta and the Daily Telegraph, should be careful of what they wish for. They could well be landed with ultimate responsibility for financial and fiscal shortfalls.

The project is, as many Americans would say, 'a dog'.

1.9 to 1.9.2) Project Implementation/Project Delivery Agency/Programme:

This analysis does not seek to comment on these document sections with their schedule and linked programme simply because they are notional, with the exception of the Project Delivery Agency which shows, alarmingly, that MAAS as stated above appears to be tangential to project management. This is a bit like the old comment about bacon and eggs: 'the chicken is involved but the pig is committed'.

In this case MAAS is the chicken. The pig is Projects NSW and, given the other occupants of the Parramatta Riverbank site, the chef is likely to be the commercial co-developers. If MOMA New York is quoted as an analogue it should be noted that MOMA controlled/owned/funded the entire project- and the base site(s) - through their Board. They were the client. Not some exterior Government Agency.

However a 'couple of words to the wise':

- The destruction of Heritage Buildings in two key sites is likely to cause delays

- The challenging nature of flood mitigation, multiple site occupancy, commercial tendering, local resistance to tower blocks for the wealthy and other contingent factors may cause additional delays
- The collections logistics may carry with them some unpleasant and delaying/costly surprises
- There may be many other legal challenges
- There may be peaceful but effective civil resistance
- There may be further Parliamentary activity injurious to Government's schedule
- There will be a State election
- Parramatta Council may wake up to its responsibilities and question both details and the 'deal' itself
- MAAS may find itself unable to adequately fulfil its multiple roles (see below)
- Etc.

1.9.3) 'Collection Relocation and Logistics':

In other documents tendered to the Inquiry this unnecessary and risky process is critiqued. The document under review states the following:

1.9.3 Collection Relocation and Logistics

During the development of the FBC, a report was commissioned to provide specialist analysis and planning advice in the areas of collection assessment and management, documentation, digitisation, storage, decanting regarding the relocation of the MAAS collection from Ultimo to the New Museum. For the purpose of the EFBC, MAAS and its consultant team has extended this work to provide detailed planning for the decant of the MAAS collection from Ultimo, to the new storage facility at the MDC and the New Museum in Western Sydney.

The movement of the collection from Ultimo is a key activity on the critical path for the overarching MAAS programme. It is necessary that adequate resources and planning as allocated to this activity to enable the safe relocation of the collection and the maintenance of the overarching programme.

The last sentence is critical- quite apart from the reports noted which will be analysed in due course:

'It is necessary that adequate resources and planning as [sic] allocated to this activity to enable the safe relocation of the collection...' Why was it thought necessary to include this caveat? Presumably there is a sinking feeling on the part of MAAS management that such planning and resources have *NOT* been allocated? This is unsurprising. Word from the expert staff within the Museum [many have now left from this field] has consistently been that a proper process for undertaking this massive task has not been planned or costed adequately. The collections lie at the heart of any museum and MAAS has some truly world-class objects and collections. When highly professional staff are fired prior to such a Herculean task or vote with their feet a sceptic or experienced museologist will take notice. There are no guarantees that the MAAS leadership have the experience or training to manage this process or, indeed, possess the appropriate motivation or attitude. This bodes badly. This may get Fracked Up Beyond All Recognition [FUBAR].

1.10)

1.10 Conclusion

The overall evaluation within the EFBC confirms that Option 03, as the proposed Project Option will deliver on the Project Objectives and provide a number of quantifiable and non-quantifiable benefits to the people of NSW. The proposed Project Option will provide a significant addition to the community of Western Sydney, which will enable the people of New South Wales to access the innovative intersection of arts and science through the delivery of the New Museum in Western Sydney. The Project will enhance the reputation and capacity of NSW as a cultural capital, increase employment and contribute markedly to the significant urban renewal already underway in Parramatta.

This EFBC seeks capital funding of \$725 million for the development of the flagship campus of the Museum of Applied Arts and Sciences (MAAS) in Western Sydney. The EFBC also seeks an additional \$50 million of funding over the transition period to support the Collections Logistics activities and \$50 million for the MDC construction. Additionally, \$29 million of recurrent expenditure is requested for the delivery of the project such as the recurrent portion for the collection move etc, with a review to be conducted for the ongoing need of recurrent funding.

So this sub-optimal 'Supplement' provided to Cabinet as a 'crib sheet' appears misleading, lacuna ridden, exclusive of many essential parts and pieces, under-costed, non-risk assessed, overegged and, even its last dying paragraph slips in that 'a review should be conducted for the ongoing need of recurrent funding'. The kind of 'Clayton's increase in Consolidated Revenue you have when you are not having an increase'. The kind of courageous bravura of the earlier statement that no increase in Consolidated Revenue will needed or sought after opening. So much for internal consistency and evidence based logic?

This whole effort, reflecting as it must the entire range and dystopian reliability of the other 4,500 pages in the redacted/released volumes leaves this reviewer thunder struck as to Cabinet's reliance on what appears to be a steaming pile of jargon ridden, inaccurate, incomplete and inconsistent pap. It speaks volumes as to the capacities of Cabinet members to interrogate a Business Case document in the field of museums and edutainment/engagement. It speaks similar volumes as to the capabilities in this field of the client- the Minister for the Arts- and two Premiers one current the other previous. The latter has given remarkable and 'interesting' evidence [in the Chinese sense] of how his Government went about 'Business Case Planning' which explains a lot- not just in this domain but in many others. It speaks volumes as to the capacity of the popular press- such as the Daily Telegraph- to read and understand the implications of such a core document. In a different way it speaks volumes as to the Inquiry's essential and well conducted role. Overall, this exercise in supplementing and explaining the purported justification for such a benighted project perhaps should be given to University undergraduates as 101 course material on how not to conduct Business Case Planning? To this reviewer it appears a complete shambles. Parramatta should be careful what it wishes for.

Opportunity Cost:

For every dollar spent on one project there is usually a dollar not spent on another. Unless Government possesses a magic pudding. This is especially the case when this project fails to meet Treasury BCR criteria and must be paid out of Consolidated Revenue not capital funds (e.g. 'Poles and wires' proceeds). This project is being pushed forward as State receipts from real estate taxes is declining. Moody's has just questioned this in terms of the State's overall

credit rating and infrastructure cost blow out. Prior to the next election Government is spending like a drunken matelot bribing us with our own money.

Opportunity costs must be considered when weighing up a project's viability and justification.

Mention has already been made of the 'opportunity cost' (wastage) of hundreds of \$ Millions of fit-for-purpose facilities at Ultimo. This has been entirely disregarded by Government hidden behind the pathos of claiming the MAAS told them the Ultimo facilities were irredeemable without massive cost. This was never tested as it must be by responsible fiscal managers because it suited Government's purpose to be able to sell all or most of that site to developers.

Yet this is just part of a bigger picture. If the Cumberland Hospital/Female factory site was chosen instead of a \$1.6 to \$2 billion cost at Riverbank it would be possible to create a far more popular, far less risky, far more culturally and historically appropriate (yet brilliantly creative cultural) destination in Parramatta and **still** have a STEAM innovation centre at the Riverbank site aimed at young adults, at an overall cost significantly lower than \$1 billion.

This would free up capital for a mass of grants to hundreds of local and regional museums in Western Sydney and throughout the State driving heritage preservation, renewal and tourism throughout a ten or fifteen year strategic plan and schedule. Yet Government refuses to even consider it despite being given a variety of implementable plans along these lines. Why?

Once again the only reasonable explanation is their developer driven mind set and future employment opportunities after politics.