

**Supplementary  
Submission  
No 148s**

**INQUIRY INTO INQUIRY INTO MUSEUMS AND  
GALLERIES**

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## **Analysis of Hirst Projects Review of MAAS Collection Move: 31 October 2017**

This 'review' appears to have taken place between 2 October and 31 October, 2017. For an analysis of one of the largest and most complex museum programs imaginable this speed might be deemed reckless. No doubt the time frame was dictated by the client- the Government of NSW. It appears from internal notes that no engineer expert in moving very large yet sensitive objects was present at the meetings noted. This is a major lacuna of the report since it is likely that no one at the meetings possessed this expertise directly and thus could be questioned within the context of the discussions.

Yet as one might expect from these highly experienced museologists the review is calm, measured and apparently professional.

Nonetheless it is peppered with issues which raise concerns or indicate uncertainty about the prudence and practicality of this massive, complex and risky undertaking.

**The summary analysis by this author of this review suggests that it begs many questions leading to a high degree of uncertainty as to its reliability in regards to costings, risks, practicalities, reliability and implementability of the collection logistics plans on which it is supposed to be commenting. It is the professional opinion of this author that no reliance should be placed on the original plans or on this review of those plans. Added to which the motivation of these reviewers in regards to future project employment is also questioned.**

*Quotations from the original report are in bold italics.*

**'Executive Summary: ...The workforce employed to undertake the move will need good training'**. How many? Training from whom (Hirst Projects?). From where will such skilled staff be sourced? Are there enough skilled staff left at MAAS to undertake and manage such training and implement the programs?

**'An energetic and purposeful culture will need to be established to complete the work successfully in the time allocated.'** The implication here is that such a 'culture' does not exist at present- despite an expensive senior management team and Board oversight- and that a consultant will need to be brought in to assist. Root Projects- or Hirst Projects perhaps? And just what is the 'time allocated'? Severe time pressure in such programs almost inevitably increases risks and mistakes. Perhaps more opportunities for consultant oversight and intervention?

**'Background: ...collection estimated...to be 400,000 items...'** This number is much larger than previously reported and many 'items' may have multiple parts or objects.

**'The majority of large objects, currently on exhibition in the Powerhouse Museum, will be transferred to MAAS Parramatta.'** Really? Has Hirst Projects seen the Flood Study- its gaps, inadequacies and understated costs and risks? Or have they seen the large objects storage list? And do they understand the complexity of moving such objects into the Riverbank site? In addition it begs the critical question of the complexities, risks and difficult-to-quantify factors of deconstructing both the objects themselves and much of the heritage buildings, handling the parts and pieces of these objects, transporting them then reconstructing them. In the case of steamed objects this requires a steam system in the new building. The fundamental question- which they duck- is why this is necessary and even being contemplated?

***'The large objects not required...will be housed in a leased temporary store.'*** Really? This begs many questions not least of which is the issue of long term multiple handling of such large objects and the quality/ unnecessary long term cost of such storage when they [along with all other objects not already at Castle Hill] could simply remain at Ultimo while a new museum is developed at the Cumberland Hospital/ Female Factory site. Then selected items could be moved. Perhaps 20,000 to 30,000 in all for the first displays. Were the assumptions underpinning this and previous questions challenged at a fundamental level by Hirst Projects or Root Projects?

***'This [previous Root Projects] report recommends that the small to medium sized objects be moved to the recently completed 1 Store at Castle Hill.'*** All 400,000 of them. This begs obvious questions about the Root Projects report. Why move them at all? A store which we now know will have to be extended at a minimum cost of \$50 million [see Supplementary document which was the 'crib sheet' for Cabinet]. So the new storage structure will be replacing a completely fit for purpose, adjacent, existing collections building- the Harwood Building- in Ultimo requiring handling at least three times in the actual move (as apart from the other pre-move handling steps) and later handling and transport between the Castle Hill Stores and three other sites. The longer term risks and costs are nowhere referred to in this Review. There is no Net Present Value calculation of these additional costs over thirty years which must be added to Total Project Cost and included in the Benefit Cost Ratio analysis. There is no apparent cost benefit/risk analysis at all in this review of these matters. No analysis of the opportunity cost of demolition of the Harwood Building which would add hundreds of millions \$ to the real cost to the State of this Collections move. This leads to the inevitable conclusion:

COMMENT:

It is only by wildly overstating the renewal costs wrongly contained in the MAAS redevelopment bid report of mid 2014- which have never been forensically analysed by engineers or surveyors- that these multifarious avoidable costs, including facility wastage (opportunity) and long term risk/cumulative additional costs over thirty years (which should be subjected to Net Present Value calculation and included in Total Project Cost) - can be encompassed or be made spuriously relevant. Even then with all the miscalculations and incomplete inclusions in the Total Project Cost/Benefit Cost ratio this zombie project still fails badly according to Treasury's own rules.

FAR BETTER: THE PROJECT OF A NEW MUSEUM IN PARRAMATTA, IN ANOTHER VERSION, WHICH WE ALL WELCOME- (i.e. KEEP ULTIMO AND USE FACILITIES THERE WHILE RENEWING THE POWERHOUSE MUSEUM- AND DEVELOP THE CUMBERLAND HOSPITAL/FLEET STREET SITE)- AND WHICH WOULD PROPERLY PASS THE BENEFIT COST RATIO DEMANDED BY TREASURY.

So, why is Government continuing with this? One answer: their elite business friends in the West and in the CBD are all beholden to developers; and Government represents politicians and administrators who in future need well-emolumated employment. Additionally it appears some public servants and consultants are complicit in this deeply misleading behaviour.

***'The CLP report estimates the cost of assessing, conserving (as required), digitizing, packing and movement of the collection to be \$65,350,000.'*** Most of which could be saved if the collections store and exhibits in the Powerhouse Museum were not decommissioned. No cost benefit/risk analysis of these matters was apparently attempted in this Review.

***'Hirst Projects was commissioned to provide an independent opinion on the assumptions underpinning the costs of the move and the outcomes of the move.'*** It appears from the above comments that Hirst Projects did not actually interrogate all the assumptions underpinning the costs of the move and the outcomes of the move, at all. No better, more responsible core options were canvassed and compared to these reviewed reports it seems. In fact they appear not to have given any opinion on a few core assumptions that really matter let alone many that obviously flow in the future, for example in terms of increases in operational cost and risk. Nor have they apparently quantified such costs and risks at Net Present Value so they could be included in the Cabinet Briefing Documents in respect of Consolidated Revenue forecasts. Which begs some other obvious questions such as their precise brief, how much they want further employment and who they were trying to please- the Government or the Museum?

***'Cost Comparison:***

***In the CRL model each of the 338,000 items...to be moved, goes through a seven step process (sensibly reduced from their original nine during the course of gathering information for this report), and is therefore more granular than CLP which identified only four. This allows for more accurate modelling...At the start of our engagement, the CRL indicated that the cost of the entire collection relocation to be \$85,929,110. During the last two weeks, this has been reduced to \$65,918,250.'***

It appears from a note in this section that ***'The model has, we understand, been verified by Deloitte and the logic is not in question.'***

Given the deep experience of Hirst Projects one might not have an issue with taking this statement at face value. Yet the phrase: 'we understand' should be noted. This should be related to a later statement as to the nature of this process as just an '***estimation***' - see below. It also raises the question as to the Deloitte expertise in museology and collection move logistics. However what this model establishes beyond doubt is that there are at least seven steps when physical handling of objects is required including assessment, recording, conservation, treatment and transport/packing-unpacking etc. The more times an object is moved thusly the more risk of damage is attached. To do so when many are in near perfect physical conditions is expensive folly.

Equally, unless the reports reviewed may be interrogated in detail over an extensive period by expert collections managers and multiple site/object type investigations there is no certainty these reports and this Review may be relied upon. Any enforced cost reduction under pressure from external sources of approximately 25% will certainly beg questions even with enhanced efficiency proclaimed as the reason. It may be more efficient but is it more effective, especially in reducing risk not cost? And especially in the case of very delicate objects large and small?

Within that context, then, this Review explicitly states that no contingency has been allowed for as part of the approx. \$65.5 million baseline cost and that this should be included in the overall project contingency. From the 'Supplementary/crib-sheet' document which went to Cabinet we know that not only is there no overall contingency which includes this kind of cost heading but also that the Collection Logistics provision was reduced from \$ 65.5 million to \$50 million without explanation. The differential between the 'original' figure of \$86 million approx. to \$50 million is effectively about 41%. This would indicate a cavalier approach to the planning and costing of this core part of the

project and a deep concern that many complex, risky and challenging factors have been swept under the rug to assist a lower cost estimate and thereby improve the Benefit Cost Ratio needed to get the project within Treasury rules for approval/capital funding. Which it still failed to do.

***'The CRL estimate does not make any allowance for the storage of the Very Large Objects as this is still under discussion. The CLP [report] includes a sum of \$9,315,000 for the Very Large Object store. We understand that the matter of a Very large Object Store is still [under] consideration.'*** So, where have the costs of moving/storing of these Very Large Objects been included and by whom/how have they been calculated? The uncertainty about these items needs careful investigation- impossible here and deeply concerning.

***'...an increase of staff costs...'*** The reader should think, for a minute, as to what \$51,954,093 in additional staff costs means and implies [CRL model figure]. Even at a grossly inflated annualised figure for all staff involved averaged out at \$90,000 per annum that implies (approx.) 577 person years. If the length of the 'move' is compressed to 3 years that means 192 persons full time are solely devoted to this work- or a figure close to that. The skilled folk needed are simply not available at present in Australia; certainly not in NSW. This figure does not include training time. It does not include hiring time, arrival time or induction or a number of different temporal headings. It does not include relocation costs as an implied heading. How it handles 'on costs' is unknown. It implies a crush of people all working in the same spaces and environments and all rushing to get completed the seven steps noted above. Managing this process will be exceptionally daunting and avoiding risks almost impossible. It is folly.

Observations and Recommendations -weasel words and rubbery figures:

***'We are impressed by the team who have reimagined the processes involved and subsequent cost[estimation, including business-like process reassessment]....This is a complex move for a museum....It is difficult to accurately predict the resources required for such moves, however it is our view that the level estimated at the time of writing is based on the best available data. The staff involved have dealt with the resourcing in a manner that is defensible using the data gathered in a previous large-scale move to the 1 Store. There is a potential... risk to the reputation of the MAAS and the new museum precinct in the movement of the collection. [Expert] Dr R Waller denotes ten agents which can result in the deterioration of collections [especially physical forces, criminal activity, information disassociation with objects]...Training of staff in handling collection objects, a high level of security and 100% barcoding is paramount...to protect the collection.'***

If ever there was an example of a consultant taking out 'insurance' (sensibly) in summing up the validity and reliability of their review- this is it. 'Defensible' 'best available data' 'potential risk' and so on. This author does not need to point out all the weasel words contained in the above statement. It appears the consultant may be trying to please both Government (the real project controller and paymaster) and MAAS; in effect attempting to square the museological circle? In passing it should be noted that additional security costs, insurance costs and other headings appear not to have been included in the costings reviewed here.

Unwritten are a host of potential assessment issues and uncertainties. Perhaps even an implication of substantial collection risk and a possible evasion of responsibility if and when things go pear-shaped. As, almost certainly, they will. Then the negative outcomes will be hidden. 'We told you so'

will be all consultants' refrain. But in such matters it might be argued that a responsible consultant probably should not try to have two-bob each way?

***'5. The cost of all staff involved in the move is accounted for in the CRP [report which]...refers to existing staff being employed in... Business As Usual. In our experience in such major projects there is never such a thing. The work of all staff needs to be examined and the best allocation of resources assigned to the new tasks centered around [sic] the making of a new museum. Once a direction is determined, aligning all resources for the new future is paramount. Leaving the past and setting a new direction will liberate staff resources, some of which may offset the costs of staff in the movement and documentation of the collection.'***

Thus are follies perpetuated. The every day activities can be binned. They become unimportant as this absurd project- absurdly risky with absurdly unreliable estimations, full of gaps and imprecisions, reduced in cost while increased in risk, without contingency and without expert engineers being questioned- appears increasingly as an example of the museum version of 'the theatre of the absurd'. Especially when much of the cost and most of the risk is avoidable by adopting a different strategy of site selection, planning and creative process.

This 'ship of fools' exercise appears driven by scavenging free-loaders in a number of professional domains, especially in that of development corporations and soon-to-be retired politicians seeking future employment. Or perhaps retired museologists- ditto?

END