

**Supplementary
Submission
No 105b**

**INQUIRY INTO INQUIRY INTO MUSEUMS AND
GALLERIES**

Name: Mr Andrew Grant

Date Received: 6 February 2019

COMMENTS ON 2014 FINAL BUSINESS CASE FOR THE RENEWAL OF THE POWERHOUSE MUSEUM (MASTER PLAN)

Section	Title	Comment
1.1.8	Infrastructure	<p>What does the following statement refer to and what is the evidence? I had never heard of such a claim (For a start, the Power House buildings were not “heritage listed”):</p> <p>social benefits to NSW. The current site was developed from a disused heritage listed Power Station and has never met Museum environment and collection management standards due to the unique challenges the original building presents. Subsequent changes have further compromised the Museum’s capacity to achieve collection exhibition standards.</p> <p>The following statement is closer to the mark:</p> <p>economic and social benefit, the lack of investment and vision in the Museum has resulted in declining patronage and degraded and compromised facilities.</p> <p>In other words, it’s not about the buildings themselves but the lack of investment (and I would say other factors, including poor leadership)</p>
1.2.1	Financial unsustainability	<p>This is a reasonable claim that again <i>does not reflect on the buildings or the site itself but the lack of re-investment in permanent galleries</i>. I alluded to this in my evidence at the Inquiry.</p> <ul style="list-style-type: none"> ▶ Combined with limited capital injections, the Museum has been unable to update its permanent exhibitions and overall customer offering since its inception, 25 years ago. This compares poorly with the industry benchmark of six to seven years for most ‘permanent’ exhibitions.
1.2.2	Compromised core functions	<p>The following claim is implausible and yet is made with no supporting evidence, rather is followed by more assertions:</p> <ul style="list-style-type: none"> ▶ The Museum’s existing infrastructure has either reached the end of its useful life, or is no longer fit for purpose. This is compromising its ability to meet its obligations under the MAAS Act to display, conserve, maintain, secure and operationally manage its collections in terms of environmental management, security, and the campus becoming a pedestrian thoroughfare as part of the precinct development. <p>There is no definition of terms here: what is meant by “end of its useful life” and “no longer fit-for-purpose”?</p>

		<p>Then there is the following claim. Again, where are the <i>specific examples</i> of exhibition opportunities that have been declined and, if they do exist, were they <i>really</i> declined because of the building's limitations?</p> <ul style="list-style-type: none"> ▶ Substandard facilities have impacted on MAAS' ability to effectively collaborate with domestic and international institutions, including securing international loans and 'block buster' or exclusive exhibitions. <p>Lastly, there is an overuse of the buzz term "sub-optimal" to describe storage facilities, as in</p> <ul style="list-style-type: none"> ▶ Sub-optimal onsite storage facilities and OH&S issues are resulting in additional costs being incurred, such cleaning, advanced air conditioning requirements for storage purposes, and increased workers compensation premium payouts. <p>There is a lack of specific examples here too. "Sub-optimal" simply means "less than the highest standard". <i>Almost all facilities of all museums in Australia could be similarly described</i>, which leads to the suspicion that the term has been used in the report repeatedly to keep it vague but create the general impression of poor storage conditions that are damaging to the collection. Also, what are the problematic OH&S issues? Again, no specifics but I suspect one or two minor issues are being presented as a general problem.</p>
1.2.3	Sub-standard facilities	<p>There is a general statement here about the PHM complex not being "fit-for-purpose":</p> <ul style="list-style-type: none"> ▶ Existing infrastructure/facilities are not fit-for-purpose, and instead comprise a mix of heritage sites and adjoining structures constructed at various dates, resulting in a series of operating inefficiencies <p>This statement implies that the Museum buildings were <i>never</i> "fit-for-purpose". This may be concluded because the statement makes no reference to degradation, rather merely suggests that the mix of connected modern and heritage structures imposes "operational inefficiencies" that make the functioning of the Museum unsustainable. As this configuration has been roughly similar since the PHM opened in 1988, it was apparently unsustainable then and has been for 30 years! While we know that there were some operational inefficiencies resulting from the marriage of existing old and new structures built for different functions, in my experience these were overwhelmed by the character, historic context and architectural appeal, both external and internal, of the resulting "Powerhouse Museum". In conclusion, this seems like another example of over-reach.</p>
2.1.2	Site significance	<p>It's important to acknowledge that, for all its faults, the 2014 Business Case does in effect make a case to retain the Museum on its Ultimo site. Statements such as the following (on p19) were obviously ignored in the Government's single-minded determination to sell the site and move the Museum to Parramatta. It is also clear that Ultimo is not regarded as "remote" from the CBD but part of the then arc or "cultural ribbon" of cultural facilities. The Government is happy to quote the Master Plan when it suits (e.g., no longer fit-for-purpose") but ignores points like this about the strategic and historic importance of its location in Ultimo.</p>

		<p>MAAS maintains a strong and important historical connection to the Ultimo and Pyrmont precincts as well as the City of Sydney. The Museum first opened in 1893 in a purpose-built Technological Museum in Harris Street, moving to its current location in 1988. The Museum's relationship with university, digital and technological partners in Ultimo has strengthened over this time, and is central to the Museum's core functions as a Museum of technology and learning.</p> <p>The Museum provides important connectivity for the Cultural Ribbon through Darling Harbour and the Goods Line while consolidating cultural heritage within the Ultimo precinct.</p>
	World-renowned collection	<p>The GLAM sector <i>Innovation Study</i> is cited to support the claim that, with a national museum average of 5% of collections on display, the PHM falls well short at 1.5% and the current site is not adequate to lift this to an acceptable level:</p> <p>internationally. While the collection is in high demand nationally and internationally, only an extremely small portion is on display. The GLAM (Galleries, Libraries, Archives and Museums) sector estimates that approximately 5% of collections are on-display at any one time. With only 1.5% of its collection on display, MAAS is falling significantly behind this benchmark.</p> <p>The Glam <i>Innovation Study</i> does make this point but its overwhelming theme is about <i>improving digital access</i>, which is (conveniently?) not mentioned in this section of the Master Plan. On average, 25% of national collections are digitised:</p> <p>archive material). Around 5% of this is on-display at any one time and 25% of it is digitised.</p> <p>[See https://mgns.org.au/media/uploads/files/GLAM_Innovation_Study_September2014-Report_Final_accessible.pdf]</p> <p>This is an area where the MAAS has achieved considerable progress, albeit constrained in recent years.</p> <p>However, the quoted figure of 1.5% on display is a statistic where the devil is in the detail, as we know. Anecdotally, the museum's funding limitations have led to a reduced exhibition program, fewer objects being treated and put on display and a much less dense object: square metre ratio within the Museum. As the National Museum's Matthew Trinca says in the GLAM Innovation Study, museums must retain their distinctive difference to other cultural institutions by providing physical as well as digital public access to their collections. However, it is ludicrous to suggest that the capacity to display objects from the collection of the current Powerhouse Museum buildings has been optimised.</p>

Comments about Appendices

Appendix A – Commercial strategy – Ernst & Young report – Powerhouse site

<i>Section</i>	<i>Title</i>	<i>Comment</i>
1.1	Introduction	<p>Right from the start, the Museum’s problems are assumed to be property and building related, as if progressive loss of skilled personnel, reduced operating budgets and poor leadership had nothing to do with it. Note in particular the 2nd para:</p> <p>The organisation recognises that the property portfolio, in its current state, does not support the MAAS 2020 Vision. The current configuration and condition of the Powerhouse Museum buildings in particular, is directly impacting on the Museums ability to provide a competitive offering. This has resulted in the performance of the Powerhouse Museum deteriorating over recent years, including a decline in visitor numbers.</p> <p>The point here is that <i>if buildings and property are the problem, then different buildings and property are a solution.</i></p>
1.2	Key findings	<p>This is where the mantra of “not fit-for-purpose” is drawn from. My guess is that management said this – and often - in their briefings with consultants but <i>I can’t find any specific examples given that illustrate why they were not fit-for-purpose.</i> For example, exactly what international exhibitions could not be accommodated or what problems were caused by, say, the sound spillage resulting from spaces not being enclosed.</p> <p>▶ The buildings are not fit for purpose and, in their current configuration and condition, limit the opportunity for the Museum to create independent revenue streams. Further, the current condition and configuration limit the opportunity for the Museum to collaborate with domestic and international institutions, reducing the Museums ability to attract significant loans and exhibitions.</p>
4.4	Gap Analysis	<p>The “Gap Analysis” on p.39 of the EY report seeks to identify shortcomings in the current PHM buildings compared with current and future operational needs (note in the third dot point below a significant typo “comprises” instead of “compromises”!). However, <i>I cannot find anywhere in the EY report where the <u>claims</u> of inadequate facilities (not “fit-for-purpose”) are backed up with examples.</i> Does this mean that the Museum merely made claims to this effect that the consultants didn’t test? (see over)</p>

		<p>The Powerhouse Museum comprises a significant land holding within an inner CBD location. Findings from our investigations into the business service delivery and primary accommodation objectives (refer Section 3) together with our independent site analysis (refer Section 4.1- 4.3) reveal the following works are required to improve the competitiveness and overall appeal of the Museum:</p> <ul style="list-style-type: none"> ▶ The Museum is isolated from the surrounding precinct and currently lacks visual presence, with the existing orientation fronting Harris Street, which is a busy vehicular thoroughfare with no retail presence. Greater integration with surrounding development and exposure for the Museum can be achieved by re-orientating the main entry to front Hay Street/ the Goods Line. This will result in an increased opportunity to broaden audiences and develop independent revenue streams. ▶ The internal layout of the Powerhouse Museum is confusing and doesn't best display the Museums exhibitions. A designated area for each discipline with a logical pedestrian course for visitors to follow will improve the Museum experience. ▶ The Museum accommodation is tired and detracts from the overall experience of the Museum whilst the office accommodation is in fair condition and the layout is inefficient for business operations. In addition, the current condition of the building comprises the Museums responsibility under the MAAS Act to display, conserve, maintain, secure and operationally manage its collections. The entire building needs refurbishing to lift the overall Museum presentation, experience, operational efficiency and to meet the obligations of the MAAS Act. 								
4.7.1	Modelling analysis	<p>The over-reach of the Master Plan and its budget is evidenced by the cost of a new building to replace the Wran Building, costing \$171m of the total \$350m, almost half the total budget! The cost to government of the 2014 was never the quoted \$352m, It was \$291m... (EY report p.52):</p> <p>Having regard to the total return available from the Museum, Table 10 provides a calculation to reflect the total cost of implementing the Commercial Real Estate Strategy to MAAS:</p> <p>Table 10 – Extract from Estate Master Development Feasibility Summary</p> <table border="1" data-bbox="472 767 1294 895"> <thead> <tr> <th><i>Total Proceeds received</i></th> <th><i>\$</i></th> </tr> </thead> <tbody> <tr> <td>Harwood Development</td> <td>61,000,000</td> </tr> <tr> <td>Less Cost of refurbishing and extending Powerhouse Museum site</td> <td>352,400,000</td> </tr> <tr> <td>Total Costs</td> <td>291,400,000</td> </tr> </tbody> </table>	<i>Total Proceeds received</i>	<i>\$</i>	Harwood Development	61,000,000	Less Cost of refurbishing and extending Powerhouse Museum site	352,400,000	Total Costs	291,400,000
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