

**Supplementary
Submission
No 148u**

INQUIRY INTO INQUIRY INTO MUSEUMS AND GALLERIES

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Part I Submission regarding International Museum Design Competition 12 02 2019

The Hon Robert Borsak MLC

Committee Chair,

General Purpose Standing Committee No. 4,

Legislative Council

Parliament House

Sydney NSW 2000

12 February, 2019

Upper House Inquiry into museums and galleries No. 4

Submission by Dr Lindsay Sharp in respect of:

‘POWERHOUSE PRECINCT AT PARRAMATTA, INTERNATIONAL DESIGN COMPETITION, SEARCH STATEMENT’ document released by Government, 24 January, 2019.

Preamble:

In reviewing the sweep of the Parliamentary Inquiry’s examination of the PHM Ultimo planned ‘move’ by the Government to Parramatta, a broad pattern emerges in almost every government document, consultant’s report and statement.

Thus a clear and obvious bias towards promotion and boosting for the proposal colours all the supportive ‘move’ content. Evidentially flawed factoids, unprofessional opinions, false statements, inaccurate figures, ignorance of impacts e.g. flooding, collection risks and expensive implicit relocation costs, astronomic building costs while no alternatives to a blind attachment to the slogan - ‘move the Powerhouse Museum’ –are repeatedly demonstrated. In reality, this oxymoronic mantra is a semantic and physical impossibility.

This pattern is clearly at odds with the overwhelming evidence of over 200 papers submitted to the Inquiry and the highest level professional testimony by witnesses to the Inquiry presenting irrefutable facts relating to the 135 year old Ultimo Powerhouse Museum - its history, value, awards, professional and international standing etc.

All being trashed by ‘developer’s greed’ on both the Ultimo and Parramatta sites.

In the opinion of the author this design competition search document exhibits all these characteristics and may well be actionable owing to the misleading and incomplete/unreliable ‘factual’ basis underpinning this outline Brief on which expressions of interest are based and upon which this relies. Similar in implication to the situation now unfolding in the courts where the contractor/sub-contractor is suing the Government of NSW for a billion dollars in regards to the East Sydney Light Rail Project.

Notwithstanding, during his testimony on 11 February, 2019 Mr C Limkin relied upon data presented in this document. In part he stated [personal notes of this author] that the capital cost numbers in summary describing the 'base building' costs of \$400 million do not include escalation or contingency.

This remarkable statement contradicted the author's previous version of this submission in that almost all public capital cost statements in official documents include reasonable escalation and contingency costs. Indeed for many years Mr Gleeson, Secretary of the Premier's Department, required all project costings to be TPC= Total Project Costs. In other words ALL APPLICABLE COSTS MUST BE ALLOCATED TO ANY PARTICULAR PROJECT.

Whatever else it might be this document is not about Total Project Costs.

Mr Limkin, when pressed, noted that a figure which might be used to cover escalation is 5.6% p.a. based on 'averages'. It is the contention of this author that under present circumstances and taking into consideration the present downturn in building construction, an 'iconic, world-class' [Government's description not this author's] cultural facility with massive objects delivered to the public at an elevated level to minimise flood risks by 2200 and the highest HVAC and engineering requirements would be looked at as a fat target for tenderers in an era of reduced opportunities, as opposed to the opposite. Thus, a more realistic figure might well be 10% escalation.

Then contingency is also usually much higher for public buildings such as this. As an exemplar look at Parramatta's vertical high school project. Contingency at 15% after base calculation [no precise details given of that descriptor- much may have been left out as per many cost summaries/detailed cost statements have done in the Extended Final Business Case] is more likely especially if 'starchitect' international fee structures are applied over and above 'base build' cost.

The question to ask is WHY has this rump of a dwarf 'museum' costing been applied without explanation? For the answers please see below.

THE FOLLOWING IS THE INFORMED OPINION OF THIS EXPERIENCED MUSEOLOGICAL ANALYST, WITH NEARLY FORTY YEARS' LARGE-MUSEUM PROJECT EXPERIENCE:

Original document text in red; comments in blue.

'The culmination of nearly five years of planning, this project is for a new Powerhouse Precinct, including public space, a pedestrian bridge and the new museum, which will form a landmark destination on the banks of the Parramatta River. Focused on science, arts and innovation, and with 18,000 sq m of exhibition and public spaces, the new museum represents a major investment by the NSW Government, with the construction budget for the base building, public realm and pedestrian bridge set at AUD \$400M.'

Original comment: The following is the initial analysis based on a complete base building cost. [It is retained as background to the later comments made below].

This is approx \$22,000.2 per M2 to include all fees, demolition, site preparation including deep piling, massive flood risk minimisation, specially challenging structural

engineering reinforcement for large objects, vast cubic volumes, highest quality environmental conditions, access and egress challenges, building around heritage structures [otherwise a major public fight?], all parking, integration with enormous commercial structures above and contingency/overage which has to be at least 15% plus.

So, taking the \$60 million contingency/overage out, that leaves \$340 million which takes the available prime cost down to \$18,888 per M2.

Given the noted desiderata above and the 'iconic, world-class' criteria claimed by Government I believe this is significantly under costed even now.

With construction starting in later 2021- say 2022- that means 3 years inflation at a [minimum] 5% per annum.

So the actual amount is \$340 million less another 15% = \$289 million = \$16,055.5 per M2 in 2019 \$.

That is way below what might be expected for a world class museum building, all public spaces [? public realm- what and how large: see below] and a pedestrian bridge [across the river to join up with Riverside Theatre?] which, with flood risk, requires heroic engineering and heroic costs.

At one of the Inquiry sessions about twenty four months ago the consultant architect, Mr Agius, who gave evidence [17 Feb 2017; transcript; page 6] indicates that he said that the “construction cost was in the order of \$600 million to \$800 million.” With inflation at 5% per annum that places the capital envelope cost at a range of \$660 million to \$880 million at 2019 dollars. Extending that inflation out to 2022 indicates a cost envelope of approximately \$760 million to \$1,012 million. For the museum building alone.

Notwithstanding the following this document's simplistic fiscal/ capital statement remains a malodorous fantasy in my opinion. Especially noting the facts that, according to Ms Sanders and Mr Glendenning's testimony on 11 February, this project as described in this document and Government's Extended Final Business Case is much smaller in exhibition floor space and exhibition space cubic volume than the original Powerhouse Museum or even the present somewhat shrunken version.

NEW COMMENT:

Mr Limkin's comments to the Inquiry stating that escalation and contingency had not been included in the \$400 million base build cost is revealing.

The Preeminent question is 'WHY'?

This brings in train with it apparently different conclusions.

However that variance is more apparent than real and far more damning.

The only logical conclusion is that these two known cost factors [there are probably many others not included which will only be made known to the successful five applicants] would, if applied, escalate the build cost in a publicly alarming way

Simply put escalate \$400 million, plus contingency at \$15%, by 10% per annum [= \$460 million at a minimum] over three years.

Moreover it is highly unlikely given this Government's record that construction will begin in 2021. More likely in 2022, for a realistic build schedule of three years. So further part escalation has to be built into the overall base build capital cost figure to cover that build time- say an extra year to be conservative.

At three years' minimum escalation of 10% the end figure is \$598 million, plus [since compounding has not been applied].

At four years' escalation [to include project duration] the figure is \$644 million plus, since compounding has not been built in here either.

So, these figures lie at the lower end of Mr Agius' range as stated in February 2017: \$600 million to \$800 million. And it seems likely Mr Agius' figures did not include the full 'public realm' for example or an heroically engineered flood-prone bridge or a loss-making Planetarium. If these are included in the \$400 million 'base build' cost stated in the International Design Competition document it dramatically reduces funds available for collection display.

The take away political messages from all of the above- from the original calculations before 11 February testimony and after it- are:

- 1) The Minister's representative and the Government have apparently attempted to mislead the people of NSW, the media and this Committee of Inquiry in terms of project cost, comparative scale and delivery of value for money
- 2) They appear to hope to do so by obfuscation, misdirection [mapping NSW cultural needs? Have they talked to all of the over 2,000 museums and heritage centres for example; or all the applied art and multi-cultural community associations?] an avalanche of paperwork and simple mendacity where needed
- 3) So far they have escaped really detailed forensic analysis and questioning of the International Design Competition Search Document and the extraordinarily flaccid and inchoate [approx 4000 pages] of their 'Extended Final Business Case', a phrase which is an oxymoron. [please see some sample forensic questions at the end]
- 4) Despite diligent efforts under an excellent Chairperson the Committee of Inquiry has run out of time to do so as was pointed out by Committee members during the testimony of Mr Limkin amid the filibustering of the Hon. Ms Natalie Ward [Liberal]

- 5) The Government are desperate to evade or avoid detailed public inquiry into this catastrophic project fearing, perhaps, that a Royal Commission of Inquiry might be forthcoming if they should lose Government
- 6) The overriding scandal is that both sets of forensic analyses indicate that in excess of \$650 million will be spent to produce a museum, and buildings, which are a dwarf version of the Ultimo Powerhouse Museum, a rump 'museum' which banishes most of the large objects to storage, is absolutely at risk from future flooding events caused by global warming, robbing both Peter [Sydney's historic centre and most regional visitors] and robbing Paul [a midget attempt to replicate a museum they have not asked for; 'they' = Parramatta's and western Sydney's communities] to deliver an abortion of a project almost certainly costing [Total Project Cost to include all headings] more than \$1.5 billion.

'A business case [sic] to relocate the Powerhouse to Parramatta was approved by the NSW Government in April 2018. A summary of the business case is available online.¹ The business case investigated various options following the NSW Government's strategic ambition to create a major cultural attractor in Parramatta as part of the emerging development of the city as Sydney's second CBD (A Metropolis of Three Cities — the Greater Sydney Region Plan, 2014, updated 2018)², further reinforced and defined in the Cultural Infrastructure Strategy, 2016.³'

Comment: At the risk of sounding like a cracked record this is perhaps the most misleading statement about a Business Case possible.

On what this writer knows the present Government could be facing claims from participants of all kinds similar in seriousness to those filed in the NSW Supreme Court in respect of Sydney's Light Rail project.

Cost overruns as in Parramatta's vertical high school [250%?] can confidently be expected.

The evidence, written and witnessed to, by PMA members throughout last year, and especially by Kylie Winkworth, Andrew Grant and LS when on the stand, demonstrated conclusively that the key 'Extended Final Business Case' documents make a sieve appear to be without holes in comparison. The testaments provided to the Committee by Ms Sanders, Mr Baker and Mr Glendenning [with no questions or comments from Coalition Committee Members] have nailed this disastrous project's coffin shut.

In my opinion it is perhaps the most grossly incompetent Business Case Planning document I have seen, professionally, in a near forty year career.

I analysed in written submission detail a number of salient bloopers, omissions, miscalculations, chimera, fundamental faults and lacuna which make its over blown flaccidity worse than useless.

I will not rehearse them all here- one example will suffice: a Planetarium- really?

No institution has ever covered its lifetime operational cost especially if you include capital invested, which is usually obtained through philanthropy.

If Government wishes to challenge that comment then let them table an example of an operational planetarium business plan, which is successful, from anywhere else in the world.

Added to which.....a \$400 million [base cost not escalated etc.] build cost for a Planetarium with an Omnimax, an heroically engineered bridge, massive flood risk engineering and full public realm development including all interrelated access and egress.

Really?

This documentary capital cost confection is a miracle of Loaves and Fishes proportions.

The Planetarium alone is something the MAAS President and senior team should have interrogated with forensic care since they will be presented with a lemon in the form of a hospital pass from Creative [Accounting] NSW and its highly business-numerate [?] Minister for Arts and Miracles.

It requires a comprehensive QS by an independent professional whatever the outcome of the forthcoming State election.

As Shakespeare said 'It's a mystery' but then the Minister for the Creative [Arts] in NSW is its maestro.

He is a known fiscal miracle worker.

That would be the Minister [and President of the Board of MAAS Trustees?] who signed a document noting Captain James Cook founded the infant colony in 1788, unless I mistook the relevant statement?

'In 1788, British explorer Captain James Cook established a settlement in NSW which grew rapidly and over the next century transformed from a colonial outpost into a major global cultural and economic centre which is now complemented and enhanced by a multicultural population.'

They can even rewrite the historical record unblemished by factual accuracy.

Another miracle?

Or just Fake History?

'PROJECT GOVERNANCE

The business case was managed by Create Infrastructure [that's reassuring].

The design competition will be directed by Create Infrastructure, working in association with multiple stakeholders, including staff and Trustees of MAAS.

The design and delivery oversight of the Powerhouse Precinct at Parramatta is the responsibility of the Executive Director of Create Infrastructure, Craig A. Limkin. The operational oversight is led by the Chief Executive of MAAS, Lisa Havilah. The chair of the competition jury is Naomi Milgrom AO.'

Comment:

Horse?

Committee?

Camel?

Not a real race horse or even a cart horse not to mention a camel, more a pantomime horse presaged and succeeded by two rear ends.

Both apparently functional and functioning.

As the ' Final Extended Business Case' appears to be a farcical exemplar of misleading tripe....so this internationally embarrassing document, sadly, is beyond farce.

Perhaps more a tragi-comedy.

For which the people of NSW will pay again, and again, and again.

Or a score and *libretto* orchestrated and conducted by a tone deaf leader and played by an astigmatic, myopic ship of Gilbert and Sullivan fools.

'OPERATIONAL & PRACTICAL

- Devise a museum that is operationally efficient to manage and is capable of displaying both international exhibitions and showcasing the museum's diverse collection in a way that engages contemporary audiences.
- Design flexible, multi-use spaces that can support a diversity of scales of exhibitions and events.
- Embed a distinctive capacity to create large-scale immersive experiences.
- ***Develop a place that encourages environmental and social sustainability.***
- Establish the foundation for a vibrant science, innovation and cultural destination in Parramatta.
- ***Achieve value for money for the NSW Government.***
- Design a building that meets Australian building codes, standards and delivery capabilities, as well as international museum standards.
- ***Design a building that satisfies the brief and that can be delivered within budget and to the forecast completion date of 2023.'***

All of the above represents an oxymoronic statement of unachievable objectives given the core faulty Business Case and steps taken to prepare that failed document, most especially the italic portions.

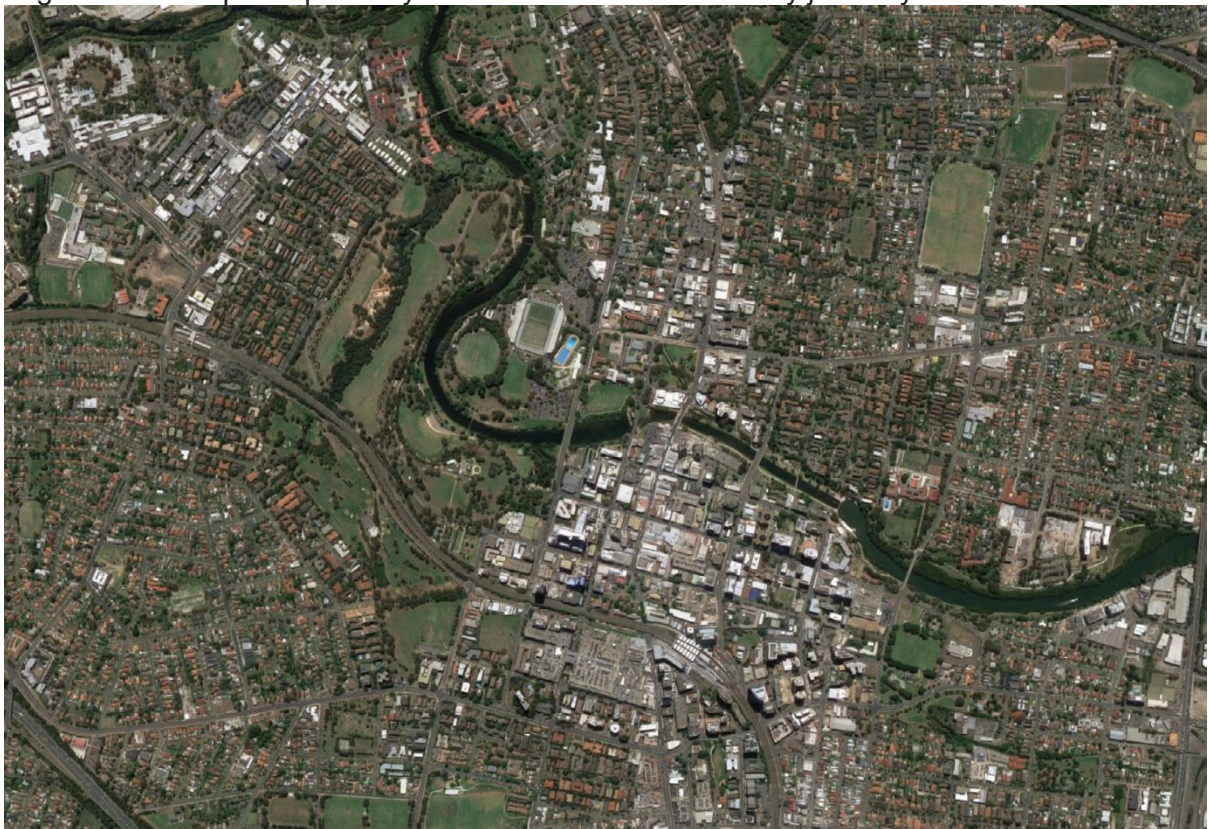
***'The future MAAS at Parramatta will be bigger and better than the Powerhouse Museum in Ultimo'* [On various occasions]:**

NSW Premiers Mr Baird and Ms Berejiklian.

Really?



Illustration in International Design Competition document. Present Boiler Hall display of majestic transport objects: 'Bringing people together' the 1988 theme. This would be easily and compellingly possible to upgrade using modern technology and is massively bigger in spatial terms compared with the dwarf structure described in the Extended Final Business Case documents and the International Design competition document. They could not find a larger museum space- probably 100% accurate- or were they just lazy?



1. Project Site
2. Parramatta Wharf
3. Elizabeth Farm
4. Experiment Farm Cottage
5. Parramatta Square
6. Parramatta Railway Station
7. Old Government House
8. Parramatta Park
9. Westmead Health District
10. Parramatta North
11. Western Sydney Stadium
12. Riverside Theatres
Parramatta area. Imagery © 2019 Google. Map data © 2019 Google
500m'

Comment:

The document contains a pictographic, interpreted map [above] showing key relevant locations in Parramatta which conveniently overlooks the destinational, heritage and historic importance for a much more creative and cost effective site/solution, provided to the Minister in writing and on-site on many occasions.

Most obviously a brilliant reinterpretation/restoration of the Female Factory/Cumberland Hospital site which is above the Flood Plain and is Australia's most important colonial/pre-colonial intra-urban site with history stretching back at least 45,000 years.

It is interesting to note that the Minister, the Hon Don Harwin MLA, has recently approved a \$17 million investment at the Hyde Park Barracks making a glowing comment about new technology helping to inspire visitors after repeatedly decrying historical displays as, essentially, boring.

Huh?

What happened to change the Minister's mind and why could this not be applied to a new Museum of Western Sydney and NSW located at a restored Female Factory/Cumberland Hospital site and a totally new MAAS-type, but based on profound local community consultation in Parramatta and region, museum accessing all the State Collections utilising similar modern technologies?

But of course!

That is not driven by developer greed, is it.

See the many relevant submissions to the Upper House Inquiry regarding these options. While mentioning Old Government House and Elizabeth Farm in slightly more detail the international competition design document, amazingly, fails to describe the Female Factory and the Cumberland Hospital [potentially World] Heritage Sites.

And this in a document about a fundamental cultural project in Parramatta?

Why is that?

'The Site'

Comment:

To avoid being tedious the following is a summary comment:

This description is almost criminal in the writer's opinion.

For example:

The flood risk is profoundly underplayed given very recent, internationally recognised scientific research parameters, described in submissions to the NSW Upper House Inquiry.

Any designs which are based on the City of Parramatta's current flood risk profiles may well result in legal claims by MAAS and others against firms, Government and contractors involved in design and construction, in a similar way to the present very expensive *imbroglio* of the City of Sydney's eastern light rail project [among others].

Define '1-in-100 year flood zone' risks given mounting evidence that we have not understood the potential range of global sea-level rise and eastern heavy rain and wind-driven storm events at this critical juncture between river and catchment.

The access and egress issues for almost every category of operational requirement, especially large objects, appears misleading

The complexity of working with massive commercial developments also on site appears wildly underplayed.

And so on.

Enough.

For any contractor one hopes their indemnity insurance covers huge losses after any potential legal action and is bullet proof.

This call for EOI appears a trap for the unwary, redolent of the highest future indemnity risk in the view of this writer.

'Facilities and spatial requirements:' [summary comment follows]

Comment:

Once again the message here in summary is: CAVEAT CONTRACTOR.

Any proposal, even at preliminary investigation and exploratory juncture [please read the small print], suggests weasel words and worrisome considerations.

If any experienced submitter of an EOI sincerely believes all these desiderata can be delivered at a 2019 base-build, un-escalated and un-overaged cost [contingencies] then they have a Ouija Board far better than this analyst.

On their own heads be it in his view.

'Public Realm'

Comment:

Huh?

How much per M2?

How large?

Where, exactly?

What thematic approach?

With what key signals, iconic materials/objects?

In what way?

A little thematic and cost/scale guidance here would be practical.

Of course this ship of fools have no idea.

Or, if they do, they certainly aren't going to blab their profound ignorance and lack of descriptive ability.

They will steal all the best of any proposals and brazenly say: 'you supplied it knowing our rules'.

Good luck with that.

Remember: arguably, the consultant who fails to get adequate definition for such a briefing document is usually a fool and has a fool for a client.

Accurate brief definition is the *sine qua non*.

'Sustainability and environmental conditioning'

Comment:

Another range of oxmorons given the location, integration with massive commercial drivers and site dynamics.

Not impossible but deeply difficult especially if the whole project is later novated to the prime commercial developer.

Think New York and the 9-11 building projects/ architect's melt down.
[Liebeskind]

Do you want to be in the frame like that?

Up to you.

'PROJECT PROGRAMME:

The new museum is anticipated to open in late 2023. The outline project programme

(subject to change) is as follows:

Agreed concept design and design team Late 2019

State Significant Development Application (SSDA) submission Q3 2020

Design development and responses to SSDA 2020–2021

Construction procurement and commencement 2021

Construction completion (base build) 2023

Further details will be provided at Stage Two for shortlisted competitors.'

Comment:

Good luck with that, too.

In the opinion of a somewhat experienced museological analyst this is fantasy.

Collections?

Last and perhaps most importantly there is an almost complete lack of reference to MAAS' world class, unique collections. Trying to explain this away as just a matter of a two step selection process defies credulity. The public record of Mr Limkin's cringing and limp-wristed apologia for this Orwellian-speak [inspired collection description bad; two steps good?] speaks for itself. This commentator moved through contempt, to disdain, almost to pity for this jargon-spouting and apparently inept public servant as he progressed through this embarrassment.

Homer Simpson could have done a better job.

Even without notes.



Overall how reliable is the International Design Competition Search document?

In the opinion of this commentator:

Just look at the present Government's track record with this and so many other projects.

Almost all exceptionally late; almost all wildly over budget; almost all deeply distressing for contractors.

The basic question is: why would anyone but an ignorant, innocent fool bother to put in a submission?

A key, simple suggestion:

Look at:

The Powerhouse Museum Alliance website
The NSW Upper House Museums Inquiry submissions
The Save the Powerhouse Museum website.

Do your homework then pause and think carefully, please.

CAVEAT CONTRACTOR.

Thank you for reading,

Dr Lindsay Sharp.

(12 02 2019/ or 02 12 2019, if you are in the USA)