

**Supplementary
Submission
No 65a**

**INQUIRY INTO GOVERNMENT'S MANAGEMENT OF THE
POWERHOUSE MUSEUM AND OTHER MUSEUMS AND
CULTURAL PROJECTS IN NEW SOUTH WALES**

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SUPPLEMENTARY SUBMISSION (I) TO THE SECOND UPPER HOUSE INQUIRY INTO MUSEUMS,
GOVERNANCE AND CULTURAL PROJECT MANAGEMENT IN NSW

Dr Lindsay Sharp (July 14, 2020)

Mr Chairman and Committee Members,

Thank you for the opportunity to update my submission in response to changing circumstances after Government's announcement on 4 July of the retention of the Powerhouse Museum at Ultimo and, thereafter, comments by the Premier, Treasurer and Minister Harwin. This has changed the entire context of the discussion although there is, as yet, no clarity in many areas of concern.

The following are some observations and comments outlining various contextual and planning issues synthesised from very recent discussions in the professional museum domain.

With a positive outline of a creative way forward so as to maximise positive outcomes, significantly reduce costs and vastly increase community engagement.

1. Context:

The July 4 announcement to retain the Powerhouse Museum at Ultimo at first appears a good initiative — but the implications of further, apparently unconsidered decisions or implications are deeply concerning.

On the positive side of the ledger this presents a new opportunity to respond to and to delve into the many helpful suggestions put forward by experts, inquiry submissions and other engaged members of the MAAS community [visitors, staff, volunteers] on how to maximise the benefits of this evolution in Government's thinking.

2. Neither more effective or now more efficient?

Investment in MAAS since the Powerhouse opened in 1988 has been diminishing. This is not limited to this institution, or even the entire cultural domain— similar policies of all types of Government in all Australian jurisdictions have resulted from so-called 'efficiency dividends'.

In the famous 'Yes, Minister' sketch Sir Humphrey pointed out that a new hospital with a skeleton staff but no patients was '100% efficient'. The Minister failed to ask how effective it was in service delivery.

These brutal and ineffectual [in terms of such service delivery] kinds of fiscal hallucination, brought to Australia by a Hawke Labor Government result in real reductions of effectiveness, as costs which all organisations incur continue to elevate, including wages. Chapter and verse could be supplied in regards to the Powerhouse Museum but suffice to say there are approximately two

education staff left out of around 28 and massively lower student visitation now than, say, in 1990.

For museums, whose single largest costs are generally programming and staffing, results and consequences are predictable. They must therefore generate more income, or there will be fewer visitors, fewer educands, fewer exhibitions, fewer events and fewer programmes.

3. Capital versus Consolidated Revenue:

Within Government the watchword is: “Capital is easy, output tough” — so Treasuries prefer to borrow low interest funds for investment rather than adding new operating costs (output) which must be absorbed by tax revenue/Consolidated Revenue in terms of operational expenditure.

This has resulted in the rarely defined policy options where Governments decides to fund major capital projects, if the business case can show how it how it will later pay for itself, or more often now, the operating burden will be well into the next political cycle.

The other side of the coin are euphemisms like 'asset recycling' ('lease or sell the family jewels') and the 'build stuff and they will come/ shovel ready' economic growth, large project hallucinations which are seen as 'rational, fiscally responsible policy', and provide many official openings for Premiers and Ministers. The core fact of opportunity cost allied with deliberate avoidance of total project costs [usually hidden by disaggregation], waste of existing facilities, fantasy business cases and avoidance of 'whole of life' costs are blithely ignored. Inside the bureaucratic *jaberwocky* of Treasuries such skewed 'Benefit Cost Analyses' contain remarkable delusions of efficient return on social investment. It is not that super competent Treasury officers do not know this just that the politicians force through sub-optimal calculations. Add to that cost blow outs where construction budgets appear to originally have been fiction and the results are usually massive waste of public funds. All the quants can do is sigh and shake their heads.

4. Efficiency versus effectiveness: operational deficits and income reality:

The concomitant reality is that despite some efficiencies derived from building newer buildings — these usually larger facilities require more resources to operate, and are forced back into the need to drive incremental, self-generated cash. Eventually this makes for deeply sub-optimal loss

of both efficiency and effectiveness and a completely skewed operational bias usually far distant from the stated Mission.

Thus, Australia's cultural domain has necessarily required more internally-generated, unallocated income to rectify operating deficits through a range of elements: commercial activities, blockbuster events, philanthropist organisations/ individuals and sponsorships.

Around the world and here this income has virtually disappeared since COVID 19 struck and, even with tardy Government support, has shown 'who is wearing no clothes as the tide goes out' [Warren Buffet]. Developing since the 1980s the cultural domain now faces a weirdly distorted and fiscally right-wing, economically 'dry' marketplace. Just look at Carriageworks in Sydney, or MOMA in New York. Discussions among Art Directors in the USA now feature a range of concerns stretching from despair to acute pragmatism, all complicated by BLM and the impacts thereof. Australia is little different.

5. Implications for the Powerhouse Museum:

The Powerhouse Museum/ MAAS is entirely caught up in this debacle, but there are 'added rodents' in the fiendishly complex, massively sub-optimal, politically heisted so-called 'Powerhouse Parramatta' project history and current confused reality. The Government will no doubt attempt to 'square the circle' in Minister Harwin's forthcoming 29 July statement but, to mix metaphors, 'that genie is out of the bottle and the worms are slithering out of a can of Government's making'. The possible planning outcomes may be even worse than before while the current EIS looks more and more like an enlarged pantomime camel staggering along then falling down, on its way to filing in a round cabinet located on the floor of the planning abattoir.

This proposed [as of July 4, 2020] four-site museum will also fall down before departure if there is not sufficient additional funding through uprated Consolidate Revenue from Government, irrespective of capital investment made in individual sites. The current Consolidated Revenue, distributed across a couple of 'world class' [in one case 'museum'] venues will see failure in both. On 8 July it was further announced by the Premier that Treasury would uplift Consolidated Revenue provision to accommodate both with an 'extra tens of millions of dollars a year' but, as always, the devil lies in the detail. This forecast will nonetheless have to be continued significantly after current forward budget estimates, as the actual operational costs for Parramatta

initiate from very late 2024 or, more likely, in 2025 or even early 2026. By then there may well be a Labor Government who will inherit this challenge.

6. Personal views of the way forward:

As the Committee will know the rejuvenation of existing museums, the development of new ones on a much larger scale than this and the subsequent operation of same on national scales [Toronto, Canada/UK/Sydney] has been the core of my professional life since 1978. The following is a compilation of my and others' views and is not stated as either unavoidable or essential: the future is far too uncertain at present in the case of MAAS/Powerhouse Museum. Yet it is an approximation which may provide comparable value to those more directly involved. We are now in a new phase and the - admittedly critical - comments above and in my first [written April/ May 2020] submission needed to be flagged up but now retired as a new phase of hoped for cooperation and consolidation eventuates.

7. Stand back, re-evaluate, redesign the Brief:

After approximately five and a half years with exceptionally fluid and fugitive priorities, the whole Master Brief for the four sites and operational integration thereof requires intense re-evaluation and careful redesign.

The Parramatta project, as currently defined in the EIS package, cannot be continued as is or replanned without deep consideration being given to the Ultimo complex [complete, present site], Castle Hill and Sydney Observatory. Inevitably not doing this would lead to critical discordance between capital and operational funding/priorities. Inevitably, also, the Powerhouse Parramatta project must be paused, the EIS withdrawn, the Brief redefined and, while still developing an international architectural gem, the project be appropriately reduced in scale and cost giving MAAS and the Government a reasonable position to 'save' Willowgrove and St George's Terrace, utilising them in a commercially effective way, while respecting local entrenched views, the Green Ban of the CMFEU [not necessarily with stated acknowledgement] and actually look like heroes and heroines into the bargain [see below].

The MAAS network of venues needs to respond to an integrated Master Brief in ways which serve all its publics/visitors, provide much enhanced access to the collections, and to succeed in

both the fiscal and financial sense. If this is done intelligently it may also look at very rapid, lower cost works in Ultimo [far lower cost than moving the collections, building Castle Hill and than the Rose Hiscock 'gilded age', vastly overblown hallucinatory 'plan'].

[Please see the note on basic building service rejuvenation at the end].

Such work could be 'shovel ready' and announceable in a realistic sense within 9 to 12 months. Other progressive announceable works would follow to meet Treasury dictates. And planning parameters

8. Other low-cost options:

All of the above may be allied to analysing enticing, low cost options in the Cumberland Hospital/ Female Factory sites, so that Government can appear correctly as being socially and culturally responsive while reining in costs [see below]. Integral also to the Brief is a powerful, compelling and creative programme of cultural events linked to the MAAS collections and to future STEAM considerations, which engage and reconnect the MAAS/Powerhouse Museum to its communities and families throughout Sydney in the broadest sense -and in the Regions. That is what Parramatta has been promised and that is what Parramatta and all of Sydney and NSW should get- but only after deep and widespread community engagement.

However, to deliver programmes like those at Dublin's Science Gallery, which may also synthesise elements of Carriageworks/art installations, a professional team of specialist engagement officers must be built up at the Powerhouse Museum in addition to the growing number of 'partner' [commercial, educational and community based] organisations in the STEM field. Sustained demonstrations of this proved up in Dublin and, say, in London at the Science Museum/Dana Centre and the Wellcome Trust demonstrates this element is absolutely crucial. I have some experience in this field.

9. Make use of planning to date where appropriate:

The NSW Government has funded many plans and business cases since 2014, parts of which explored how you can creatively drive a much enhanced and dynamic visitor experience, flexibly engage the collections, extend them to an increasingly vertical, high-rise city and significantly

enhance commercial revenue. That planning and investment should be revisited and the prize wheat winnowed from what is now obviously extensive chaff. It would feed into the revision of the Master Brief and will help reduce cost by not reinventing the wheel where appropriate.

10. Digital collection access:

Collection Digitisation: one of the unique elements of the current project is the digitisation of the MAAS collection, a remarkable advantage, rare in the profession and of enormous value if completed. This project will probably be seen as an easy cost saving and reduced if less of the collection moves, but retaining it to completion if carried out more slowly is of enormous long term value and cost saving as is keeping expertise within this recently developed team.

11. Leadership

It is now essential that there is leadership with a demonstrated track record of delivering very large capital cultural projects while embracing massive cross-discipline museum collections which -critically- is possessed of both aspects. This does not need to displace current leaders but can service their requirements. Such recalibrated leadership should be maintained and contained within the Museum's structure while responding to external, senior administrative desiderata.

Critically, also, the Board needs to be recalibrated with matching expertise so it may properly undertake its governance role in sense-checking the recommendations and implementation which project direction and museum management are driving.

Most critical, those leaders must be given the capacity to intrinsically manage the project, as opposed to continually receiving extrinsic dictates from prevailing political dynamics. While still properly maintaining transparent and effective reporting and risk analysis both upwards and outwards in the organisations concerned.

'No surprises' is the basic mantra.

12. Australia's large cultural projects:

The excellent 1975 report into museums chaired by Peter Pigott demonstrated just how underfunded Australia's museum sector was in all jurisdictions. In the subsequent forty five years the investment has been extraordinary with billions of dollars spent in this domain. However, especially in the case of regional museums, we still have a long way to go. Almost all 'successful'

projects have been subject to delays, back tracking decisions, false starts, suspensions and reduced and/or increased funding. Perhaps only the National Portrait Gallery escaped most of that discontinuity primarily because the project's control and guidance was tightly held within the institution and communications were undertaken at the highest political level. [See statement on leadership above].

So in Australia, both in broader cultural projects and with museums, we have a somewhat strange track record for how these projects occur. The creation stories of the MAAS/Powerhouse Museum in the 1980s, Melbourne Museum in the 80s and 90s, National Museum of Australia [ditto], Museum of Sydney, Canberra War Memorial, West Australian Museum and smaller projects like the Newcastle Museum are all tales of political intrigue, clamorous public debate, anger at or support for contemporary architecture, commercial competition, and initiatives which span decades as they are proposed, debated, approved, cancelled, suspended, redesigned, cancelled, reconstituted, and occasionally, very occasionally, successfully completed.

The Powerhouse Museum project was no different then, and isn't so different now.

[I know because I have been intimately involved with both]. Except that for most of the recent project's life Government was running a museum destruction project against enormous opposition while presiding over a shapeshifting Parramatta project which careered from one PR disaster to another, as it progressively reduced in scope, without solid vocal support from communities in the west and no effective *raison d'être* or Business Case.

Thank goodness this Government has wisely taken stock and has now decided to create a family of museums within MAAS and the Powerhouse Museum's nomenclature. This presents a remarkable opportunity embedded in what was a rolling and toxic crisis.

13. A creative synthesis; a potential future

I feel in my bones- with 40 years at least of big cultural project development experience- that there is a planning process and suite of outcomes which, if the Master Brief is correctly crystallised, can provide a powerful win-win result for all interested parties, including communities in Western Sydney, Treasury, Government, MAAS and supporters of our irreplaceable heritage in Parramatta and in Ultimo.

My London Science Group experience in the noughties included planning five much larger sites around the UK including marrying the worlds of media, photography, art, design, engineering, railways, and so on across the full range of STEAM subjects including the rapidly impacting power of the internet. Integrated operational planning is crucial as has been pointed out.

Given the Post COVID 19 world which is emerging heroic assumptions made in Business Cases need to be analysed very carefully which takes us full circle back to community consultation and effective market research.

In the context of the critical age group 16–28, familiarity with Science Gallery, Dublin, whose model Rose Hiscock is now developing in Melbourne to meet our own Australian conditions, is exceptionally useful. Some very interesting options begin thereby to suggest themselves of new creative syntheses in Ultimo and in Parramatta.

Equally, the phenomenal, unique world heritage values embodied in Parramatta's Female Factory/Cumberland Hospital site- encompassing up to 30 hectares and more- are potentially part of a complex yet highly creative solution. The Parramatta riverside site could do exactly what you suggest, saving Willowgrove [boutique hotel of great elegance?] and St George's Terrace [expanded retail?], providing a scaled back but still wonderful version of Carriageworks West in a complex which fits into Parramatta Council's original 2016 riverwalk cultural precinct vision.

And in Ultimo the aspiration for a reasonably scaled white box/ fashion/design/sci-art installation set of spaces [part of a pre, present and post digital experience which is majestically larger than just fashion and design] can be seamlessly delivered without destroying the unique, very large object displays which themselves could be wondrously reinterpreted utilising modern experiential techniques and family-friendly interaction.

And let us not forget that fashion tells both social and human stories in which design, style, technology, sustainability, equity, colour, bravura and so much more are commingled across the millennia. Nor that perhaps the only museum in the world that can fully tell that STEAM story is the Museum of Applied Arts and Sciences, familiarly known as the Powerhouse Museum.

The MAAS collections could fill three museums alone, yet access to all the other great NSW State collections would help create a phenomenal Museum of NSW in the Cumberland Hospital/Female Factory

cultural precinct along with a recrafted Parramatta Riverside/Carriageworks West site and a rejuvenated Ultimo museum precinct. And all within a budget which the State can afford spaced over six to eight years, but starting soon in the Cumberland Hospital precinct.

In Ultimo, then, real objects, not digital, for real people engaging with brains and hands-on in a three-dimensional world within magnificent, historic, variegated spaces we cannot afford to create now.

As was the case in 1980.

The equation though, the stories, the engagement technologies, the exploration of the full STEAM spectrum is now much enhanced by new, reprogrammable exhibition and learning techniques.

14. A much larger context, cultural motivation and purpose than before: *the raison d'etre*

Since 1988 our compelling, overarching narratives have evolved and changed, deepening in the last decade with global challenges unlike any we have seen before. Yet that thread of human innovation stretches right back to the Boulton and Watt 1785 beam engine: fossil-fuelled machinery in a world of 1.5 billion people helping create the major industrial revolution has quixotically led to the climate crisis we now confront in a world with nearly 8 billion people and climbing.

Yet, paradoxically, it is that very human creativity in design, engineering and evidence-based societal and political change which may lead us back from the abyss of a world warmed by 4 C and more.

Time thus for the Ultimo and Parramatta complexes to become core engagement centres for all communities and publics- especially for shared intergenerational experiences between the mature and the young. To prompt engagement, learning and creativity in all visitors. So let's truly help make this the clever -for that read creative- country.

With that said we should all remember that 38 years of museum experience in these reinterpreted buildings [Stage I opened in 1982] and about twenty million visitors+ cumulatively [2.4 million in the first 18 to 20 months from a much smaller Sydney population], are now an incredibly deep part of Sydney's recent and earlier, yet rejuvenated cultural heritage.

Anyway, let's start a dialogue between the stakeholders right now, with open minds and an overarching desire to help solve these complex issues in a sophisticated and creative fashion.

Note 1. Ultimo Basic Services provision:

The Ultimo museum complex requires a new life support system:

It is undeniable that the core infrastructure of HVAC, fire, power and other building systems is 30+ years old, and is close to its end of life.

This is not untypical; Governments generally have an asset management policy of 'operate until end of acceptable function'. This is not an inexpensive exercise, but is essential to the long-term viability of the site, and the ability to maintain appropriate conditions for MAAS collections.

While not high profile and usually difficult to obtain funding in present circumstances this could very rapidly- about 9 months- a 'shovel ready programme' which Government could announce making a virtue of necessity.

A rough estimate of the cost is in the region of \$30 million while a rough estimate of the cost of rejuvenation is in the region of \$150 million- unlike the Hiscock, gilt-edged proposal at around \$350 million

Note 2. Market, community and visitor research:

It is claimed that MAAS has undertaken widespread community consultation, focus groups and a breadth of the work in respect of the project in Parramatta. If the MAAS regime was wisely flexible and agile in this suite of issues they would release all this data including all the questionnaires, focus group videos and so on.

It would also behove the planning team to undertake further widespread community and market research now that there are to be two major Powerhouse projects. It is undeniable that any Business Case, in a post COVID 19 world, where one iconic locus has been replaced by two with significantly different characters and functions must be revisited from the ground up. It is essential to ask the various publics, age cohorts, ethnic and socially variegated communities what they want to engage with in an honest and transparent way. Especially since intergenerational families and the critical 'missing' age cohort 16 to 26/28 are part of the key to 'lost' Ultimo visitation and future Parramatta visitation. A reservoir market in the entire Sydney basin of 5.5 million approximately and inbound regional visitors, plus international visitors look to explore

different experiences at the edges quite often yet there should be a set of core characteristics which appeal to almost all of them all in every campus.

Failure to do this work will mean the BCA and entire Business Case for each campus will fail before planning departure. This will negate both the bricks and mortar and experiential engagement planning and hundreds of millions of dollars.

This author acknowledges the contributions of many commentators whose work is synthesised in this submission but also acknowledges this reflects only his personal views and experience, while all errors are his alone. It does not represent the views of any group or organisation.

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