

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS

INQUIRY INTO MUSEUMS AND GALLERIES

UNCORRECTED PROOF

At Macquarie Room, Parliament House, Sydney, on Friday, 1 June 2018

The Committee met at 10:00 am

PRESENT

The Hon. Robert Borsak (Chair)

The Hon. Scott Farlow

The Hon. Trevor Khan

The Hon. Shaoquett Moselmane

The Hon. Walt Secord

Mr David Shoebridge

The Hon. Natalie Ward

The CHAIR: Welcome to the tenth hearing of the Portfolio Committee No. 4 – Legal Affairs inquiry into museums and galleries in New South Wales. The inquiry was established to examine New South Wales Government policy, funding and support for the State's cultural institutions, including museum and gallery buildings and heritage collections. It will also consider the proposed sale of the Powerhouse Museum site in Ultimo and whether there are alternative strategies to support museum development. I acknowledge the Gadigal people, who are the traditional custodians of this land. I also pay respect to the elders past and present of the Eora nation and extend that respect to other Aboriginals present.

Today we will hear from Mr Bay Warburton, former Chief of Staff of Mr Mike Baird. Before we commence, I will make some brief comments about the procedure of today's hearing. Today's hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing. I urge witnesses to be careful about any comments they may make to the media or to others after they complete their evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness would only answer if they had more time or with certain documents to hand. In these circumstances, witnesses are advised they can take a question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to the Committee members through the Committee staff. To aid audibility of this hearing, I remind Committee members and witnesses to speak into the microphones. Several seats have been reserved near the loud speakers in the public gallery for persons who have hearing difficulties. Could everyone please turn their mobile phones to silent for the duration of the hearing. At the conclusion of the hearing, I please ask the public gallery to leave as promptly as possible as there is another Committee hearing in this room straight afterwards.

BAY WARBURTON, former Chief of Staff to Mr Mike Baird, former Premier, sworn and examined

The CHAIR: Would you like to commence by making a short statement?

Mr WARBURTON: I would. Thank you for the opportunity to appear today. I am appearing voluntarily to answer questions in my former capacity as Chief of Staff to Premier Mike Baird in relation to the matters contained in the terms of reference for this inquiry. I was a Chief of Staff for Treasurer Baird and then Premier Baird from November 2011 until his resignation in January 2017. I am currently the head of stakeholder relations at Mirvac, reporting to the managing director Susan Lloyd-Hurwitz. I have been employed in that role since August 2017. I make the comment that I am unable to answer any questions about Mirvac prior to August 2017 for the simple reason that I have no insight, nor have I sought it, into Mirvac prior to that time. With respect to my time employed by the Government and of most relevance to this inquiry, I make the following two comments. First, I am not employed by the Government anymore, so I have no access to documents from that time neither do I have access to my diaries from that time. Secondly, I have made no attempt to try to gain access to those documents and, as such, my recollections today will be to the best of my memory.

With respect to the announcement about the relocation of the Powerhouse Museum that the Government made in 2015, to the best of my recollection and public documents, I note the following: In 2015, Premier Baird announced the decision to transform New South Wales by leasing 49 per cent of the New South Wales poles and wires businesses. That decision would enable \$20 billion to be spent on much-needed infrastructure that would benefit the entire State. As part of that process, the Government commissioned Infrastructure NSW [INSW] to undertake an update of the State Infrastructure Strategy so as to prioritise where \$20 billion would be spent. The update was released in late 2014. In that review, INSW made a number of recommendations about the arts and culture sector. One of the recommendations made by INSW was for the Government to urgently consider moving the Powerhouse Museum to Western Sydney as part of a new Parramatta Cultural Precinct. INSW noted the Ultimo site was relatively remote and constrained and would require significant reconfiguration to remain at its current location. I quote:

Given the growing deficit of cultural infrastructure in Sydney's western suburbs, there is a strong case for relocating the Museum to a new cultural precinct serving the west.

This was not a new idea. I note that Mr Borger has been keen on it for many years, a point that Mr Secord noted in earlier Committee inquiries. The Government accepted all INSW recommendations on 24 November 2014 and announced rebuilding New South Wales \$20 billion strategy to turbocharge the New South Wales economy in the New South Wales Government's revised State Infrastructure Strategy. As part of that, the Government reserved \$600 million for cultural infrastructure. This included the Powerhouse recommendation. In Feb 2015, as part of the election campaign, the Government announced that it intended to relocate the Powerhouse to Parramatta and \$10 million was allocated to fund a business case to understand how much such a relocation would cost and how much it might be funded. This decision was made by the Cabinet, by the Cabinet Standing Committee on Expenditure Review [ERC], costed by NSW Treasury and confirmed by the New South Wales Parliamentary Budget Office in that process.

This commitment demonstrated that the Government recognised, as have many witnesses of this inquiry, the growth and importance of Western Sydney and the lack of cultural facilities there. Relocating the Powerhouse in line with INSW's recommendations was one way to address this and recognise the importance of Western Sydney. There will be three million people living there in 20 years time; it is the third largest economy in the country and accounts for 20 per cent of the economy, but only 5 per cent of cultural investment had been made there. As the Government stated, relocating the Powerhouse Museum would enable greater participation and access to the arts and culture for the people of Western Sydney. It would be the first time that one of the State's five major cultural institutions would be located outside the central business district and it would support the appropriate Government focus on Parramatta as our second city, including, for example, the stadia, light rail, schools and the Westmead Hospital rebuild. Furthermore, moving the Powerhouse Museum would also benefit the institution itself. It would allow a purpose built facility to be created to show off more of its wonderful collection to three million people who we believe would absolutely embrace it as their Western Sydney museum.

As Chief of Staff to the Premier, I was not directly involved in the detail of the policy or the announcement, although of course I was aware of the policy, as I oversaw the office and all advice that went to the Premier. My role was to oversee the process in the Premier's office and to ensure that Cabinet was completely informed of the policy, and that the required processes had been properly undertaken. I ensured that the policies reflected the Premier's intentions. My role was also to work with the Government and the election team to coordinate the announcement during the campaign.

As I noted, the announcement was made as part of the 2015 election campaign, and is often the case in election campaigns, parties will announce a policy with the intention of working through that policy if they win the election—the allocation of \$10 million to fund a business case to do exactly that with respect to the relocation of the Powerhouse Museum. It would have been nonsensical to make an announcement about the total cost of the Powerhouse Museum relocation when technical experts had not done their work to establish exactly what would move, where it would move to, how much it would cost and how it would be done. Any such figure would have been misleading to the New South Wales public.

A business case was the obvious next step for a responsible government to plan how to deliver its intention to make a great Sydney institution an even greater Western Sydney institution. As the Committee would be aware, the Government won the election in 2015 with 54 per cent, two-party preferred. The Government was given a mandate by the people of New South Wales to transform this State and deliver its election commitments, including moving the Powerhouse Museum to Parramatta.

I am proud that I worked for a Government that not only delivered the economic infrastructure for Australia's third-largest city but took concrete steps to improve and deliver a world-class institution that recognised Western Sydney's deserved place in the Australian cultural landscape. Thank you for the opportunity to make a statement.

The CHAIR: Thank you.

The Hon. WALT SECORD: Mr Warburton, thank you for attending today's hearing. Did you read or watch online the evidence of Premier Mike Baird?

Mr WARBURTON: I read the evidence.

The Hon. WALT SECORD: Did you prepare your opening statement yourself?

Mr WARBURTON: I did.

The Hon. WALT SECORD: Entirely yourself?

Mr WARBURTON: Entirely myself.

The Hon. WALT SECORD: Did you take advice from anyone on the preparation of that statement?

Mr WARBURTON: No, I prepared it myself.

The Hon. WALT SECORD: Entirely yourself?

Mr WARBURTON: Entirely myself.

The Hon. WALT SECORD: When did you do your first draft of your opening statement?

Mr WARBURTON: I guess three or four weeks ago.

The Hon. NATALIE WARD: I am sorry, Mr Chair. I am not sure how this is relevant.

The CHAIR: You need to take a point of order; you cannot just interject.

The Hon. NATALIE WARD: Point of order: I am not sure how the preparation of a statement is relevant to the terms of the Committee's inquiry.

Mr DAVID SHOEBRIDGE: To the point of order: The statement is clearly relevant to the evidence.

The Hon. NATALIE WARD: Indeed.

Mr DAVID SHOEBRIDGE: Working out how the statement was compiled is clearly relevant.

The Hon. NATALIE WARD: I do not see how.

The CHAIR: There is no point of order.

The Hon. WALT SECORD: To please the honourable member, my question is: Did you prepare a draft of the statement before the Premier gave evidence?

Mr WARBURTON: I have been working on it for a number of weeks.

The Hon. WALT SECORD: Did you alter it or change it in light of his evidence?

Mr WARBURTON: His evidence, of course, informed what I had to say today. Did it change it? No, because there is nothing to substantially change. But of course I was informed by it.

The Hon. WALT SECORD: Did you talk to the Premier or collude in any way with him involving your opening statement?

Mr WARBURTON: No.

The Hon. WALT SECORD: Do you think it is a coincidence that there are glaring similarities between your statement and his opening statement?

The Hon. TREVOR KHAN: It might be true.

The Hon. WALT SECORD: Are you a witness before the Committee?

The Hon. TREVOR KHAN: No, but it is self-evident that it might be true and that is why there is a similarity between the statements.

The CHAIR: Order!

The Hon. WALT SECORD: Maybe you should take a point of order next time, Trevor.

The CHAIR: Members should take a point of order.

The Hon. NATALIE WARD: Point of order: The question has been sufficiently answered. A statement has been given. It has been prepared and the witness has answered the question. So move on.

The CHAIR: With due respect, Mr Warburton will decide when has answered enough of the question.

The Hon. WALT SECORD: Is there anything you would like to add to my question?

Mr WARBURTON: No.

The Hon. WALT SECORD: When you were Chief of Staff and moving the Powerhouse Museum proposal appeared, did you ever express any reservations to the Premier about moving it to Parramatta?

Mr WARBURTON: No.

The Hon. WALT SECORD: None whatsoever?

Mr WARBURTON: Not that I recall.

The Hon. WALT SECORD: You said that you were not involved in the detail of the policy but you were involved in overseeing the process in the office.

Mr WARBURTON: That is correct.

The Hon. WALT SECORD: What was your advice on the Powerhouse Museum? Did you just rubberstamp it? Were you just the mail box?

Mr WARBURTON: No. As you would well know from your time in the Premier's office, I had a number of advisers who do the work on the policy. It gets worked through the team and is then presented to the Premier.

The Hon. WALT SECORD: Would you characterise it as a captain's call?

Mr WARBURTON: Absolutely not.

The Hon. WALT SECORD: How would you characterise it?

Mr DAVID SHOEBRIDGE: A lieutenant's call?

Mr WARBURTON: I have heard this statement made by you. I have heard other phrases used as well. This was a detailed, thorough and substantial process. This was an idea that was around for at least five years before this Government presented it. It was a bipartisan idea, I suggest. There was a recommendation from INSW. It went through a government process which included Cabinet minutes, which of course included consultation with ministerial officers and departments. It went through the Expenditure Review Committee [ERC], so it was costed and assessed by Treasury. In an election campaign it was costed by the Parliamentary Budget Office. There was an election announcement a month before the election; an election was held; a mandate was given; and a business case was launched. This is a long process thought out by a government.

Mr DAVID SHOEBRIDGE: What was costed by Treasury?

Mr WARBURTON: The election commitment was costed by Treasury.

Mr DAVID SHOEBRIDGE: What? The relocation of the Powerhouse Museum?

Mr WARBURTON: No, because that is why you do a business case.

Mr DAVID SHOEBRIDGE: I had a simple question. A straightforward answer would be good. What was costed by Treasury?

Mr WARBURTON: The \$10 million for the business case.

Mr DAVID SHOEBRIDGE: Do you see that there is a substantial difference between costing a business case and costing the relocation of a treasured cultural institution?

Mr WARBURTON: What we costed was what the election commitment was.

Mr DAVID SHOEBRIDGE: Did I understand your evidence earlier to be that you believe that the decision that was made in February to relocate to Powerhouse Museum was granted a mandate by the election? Was that your evidence?

Mr WARBURTON: I said that we won a mandate to deliver on our election commitments. The Government did.

Mr DAVID SHOEBRIDGE: I do not want to quibble with you. One of the things you said in your opening statement about your election commitments was about the decision to move the Powerhouse Museum. I am asking you whether or not your statement about being granted a mandate included the decision that had been made to move the Powerhouse Museum. After all, we are here to discuss the Powerhouse Museum.

Mr WARBURTON: I understand that. The Government won the election in 2015. The Government made a number of election commitments, which it then went through to fulfil. That is the process that it has taken, including the election commitment to fund a business case to look at the relocation of the Powerhouse Museum, with the full expectation and intention, as the former Premier said, that it would indeed be relocated.

Mr DAVID SHOEBRIDGE: I have looked and I have not found anywhere an announcement being made by the Premier about a commitment to get a business case to determine whether or not to move the Powerhouse Museum. I just cannot find that on the public record, anywhere. Where do you say evidence of that decision is found on the public record, if anywhere?

Mr WARBURTON: I know you went a few rounds with the former Premier on this on Monday, David, but the fact of the matter is that a business case is used to determine how you go through it. Of course, the Government always reserved the right if a business case did not turn out correctly to reassess the decision or reconfigure it in some way. That is what a business case is for: to determine whether you proceed or not. That is what a responsible government does.

Mr DAVID SHOEBRIDGE: I listened carefully to your opening statement. You said that the \$10 million to fund a business case was to determine—I think I have got the quote right—"how much relocation would cost and how it would be funded". Is that still your evidence?

Mr WARBURTON: That is what I said.

Mr DAVID SHOEBRIDGE: Is it still your evidence?

Mr WARBURTON: It is still my evidence.

Mr DAVID SHOEBRIDGE: In your role as Chief of Staff do you have a role in looking at the media releases that go out from the office?

Mr WARBURTON: I saw most of the media releases but not all of them.

Mr DAVID SHOEBRIDGE: You would have seen something as important as the Powerhouse release—that would not have gone out without going past your desk, would it?

Mr WARBURTON: I would have seen it, correct.

Mr DAVID SHOEBRIDGE: And you would have ensured it was accurate?

Mr WARBURTON: Yes.

Mr DAVID SHOEBRIDGE: Because you would not want to lie in a media release.

Mr WARBURTON: No, I would not want to rely on a media release.

Mr DAVID SHOEBRIDGE: You would want to make sure it was 100 per cent accurate, would you not?

Mr WARBURTON: Media releases put out by our office were accurate.

Mr DAVID SHOEBRIDGE: Were they 100 per cent accurate?

Mr WARBURTON: They were accurate.

Mr DAVID SHOEBRIDGE: Were they 100 per cent accurate or just a bit accurate?

Mr WARBURTON: They were 100 per cent accurate.

The Hon. NATALIE WARD: Point of order: That is a very general question—every single media release. He might like to confine the question to specific media releases as opposed to every single media release.

Mr DAVID SHOEBRIDGE: He has already answered it. I am happy to say there is a bunch of your media releases that were not 100 per cent accurate, to give you that opportunity that Ms Natalie Ward wants.

The Hon. NATALIE WARD: Point of order, Mr Chair.

Mr WARBURTON: We were entirely comfortable with the Powerhouse media release, if that is the question you are seeking, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Your evidence to this Committee is that the \$10 million to fund a business case was to determine how much a relocation would cost and how it would be funded. So why did the media release say, "The \$10 million will be used to develop a business case for the museum's relocation to ensure it remains the interactive and vibrant place enjoyed by children and families"? Why the difference between what you say here on oath and what you say in a media release?

Mr WARBURTON: I am not sure there is that much difference between the two.

Mr DAVID SHOEBRIDGE: I am happy to read the two statements next to each other and see if you can determine a difference. The media release was, "The \$10 million will be used to develop a business case for the museum's relocation to ensure it remains the interactive and vibrant place enjoyed by children and families". That is one statement. You said, "The \$10 million to fund a business case will be to determine how much relocation would cost and how it would be funded." Is your evidence on oath that you cannot see a difference between those two statements?

Mr WARBURTON: They are not mutually exclusive.

Mr DAVID SHOEBRIDGE: That is quite different to not being able to see a difference between the two, is it not?

Mr WARBURTON: I am not sure about that.

Mr DAVID SHOEBRIDGE: One thing is about ensuring that it remains interactive and vibrant, namely, the decision has been made and you just want to work out how it is going to be implemented, and that is what you said to the public; and the other is your evidence here that you were seriously considering how much relocation would cost and how it will be funded.

Mr WARBURTON: As I said, the two are not mutually exclusive, because if you want the Powerhouse to succeed you want to make sure it is vibrant and you want to make sure that you can do it in a responsible manner, which is what the Government was doing.

Mr DAVID SHOEBRIDGE: Mr Warburton, you had no idea at all how much it would cost to relocate the museum and now you are retrospectively trying to pretend that you were concerned about that, are you not?

Mr WARBURTON: This was a proper process undertaken by a government. It was not unusual for a party to announce a policy and say a business case would follow. It is a common practice in elections that parties will do that. So I do not see what your issue is.

Mr DAVID SHOEBRIDGE: This was a thought bubble—

Mr WARBURTON: It was not a thought bubble.

Mr DAVID SHOEBRIDGE: —with no evidence, no understanding, and you made a commitment to move the Powerhouse without talking to the people at the Powerhouse, without having a first idea of how much it would cost, and now you have got a \$1 billion problem that you are trying to wind back, is that not the case?

Mr WARBURTON: That is not the case. Let me take you through the process again, Mr Shoebridge, because you obviously did not hear me before. This was a bipartisan idea that had been around for at least five years, considered by multiple sides of politics. There was a recommendation from New South Wales' very respected infrastructure body Infrastructure NSW. They made the recommendation to us after a considered reconsideration—

Mr DAVID SHOEBRIDGE: To consider, not to relocate.

The Hon. TREVOR KHAN: Let him answer.

Mr DAVID SHOEBRIDGE: You keep trying to conflate the two and it is untruthful evidence.

The Hon. TREVOR KHAN: Point of order: My point of order is, as on previous occasions, the witness is answering a question. He is directly relevant and should be entitled to answer it without Mr Shoebridge jumping all over the top of him.

The CHAIR: I accept the point of order.

Mr WARBURTON: I will return to where I was in the process where I think it was stage two. INSW said that there was a strong case for relocating the Powerhouse Museum in their update; there was then a government process whereby Cabinet minutes were prepared that involved consultation between ministerial officers and departments; Expenditure Review Committee [ERC] minutes were then prepared, which involved a costing by Treasury and assessment of the commitment was made; it was costed by the Parliamentary Budget Office [PBO], it was taken to an election, a mandate was received, and the Government has implemented a business case. That is a responsible government approach to government policies.

Mr DAVID SHOEBRIDGE: You could not possibly think about moving something as important as the Powerhouse without talking to the trustees and the senior staff and seeing what their views are. You would not have surely gone on all that process without talking to the trustees and the senior staff of the Powerhouse, would you?

Mr WARBURTON: I did not speak to them, no, not myself.

Mr DAVID SHOEBRIDGE: Did anyone in government? Was there a formal approach to the trustees and the senior staff of the Powerhouse before you decided to make such a radical change to the institution?

Mr WARBURTON: I cannot speak for all of government, but I know that when a policy is allocated then the relevant Minister will undertake relevant consultations, and I expected that the arts Minister at the time, the Deputy Premier, his department, and, of course, INSW had done an extraordinary amount of work by November 2014 to make the recommendation that they have made. Consultations clearly occurred in some format. I cannot speak to what they were because I was not informed of all of them.

Mr DAVID SHOEBRIDGE: Would it surprise you that in evidence given at other hearings no such formal approach had been made?

Mr WARBURTON: I cannot comment on that.

Mr DAVID SHOEBRIDGE: Surely you should be able to comment on the idea of a government deciding to move a premier cultural institution without actually having a formal discussion with them about the impact upon it. Surely you are in a position to say either that is terrible practice or it was standard practice in your government.

Mr WARBURTON: I do not think it is for me to opine on that statement.

Mr DAVID SHOEBRIDGE: You were the Chief of Staff.

Mr WARBURTON: That is a true fact.

Mr DAVID SHOEBRIDGE: You were part of the process of signing off on moving the Powerhouse.

Mr WARBURTON: I coordinated a process for Cabinet to make that decision.

Mr DAVID SHOEBRIDGE: I am putting to you that you did it, your government did it, without talking to the institution itself. What do you say to that?

Mr WARBURTON: I reject that assertion.

Mr DAVID SHOEBRIDGE: But you said earlier that you had no evidence, that it was something done by another Minister. Are you now saying you know that the Minister did it?

Mr WARBURTON: No, I am not. I said I do not know what actually happened but I know that a lot of work was done before we got to the Cabinet process.

Mr DAVID SHOEBRIDGE: You rejected the assertion that I just put to you that it had happened without formal consultation with the institution. On what basis did you reject that assertion, on oath?

Mr WARBURTON: Maybe you could restate it for me, please?

Mr DAVID SHOEBRIDGE: I am putting to you the proposition that your government made no formal approach to the institution itself before you decided to relocate it and that is appalling practice. What do you say?

The Hon. NATALIE WARD: Point of order: The witness has indicated that there is a process. He is not a Minister of the Crown and was not at the time. There was a process undertaken and the consultation he has indicated would have been undertaken by the relevant Minister. I understand this Committee has the opportunity to call that Minister or former Ministers as witnesses, and if that is the question it should be directed to the relevant Minister.

Mr DAVID SHOEBRIDGE: You are wrong.

The CHAIR: That is not a point of order. You cannot answer the question for him. He can answer the question as he sees fit. The Committee cannot compel a Minister of the Government to come to the Committee.

The Hon. NATALIE WARD: A former Minister.

The CHAIR: Yes, we can compel a former Minister.

The Hon. NATALIE WARD: He referred to the arts Minister at the time.

Mr DAVID SHOEBRIDGE: He is still a current Minister. Mr Warburton, you have heard the question twice now.

Mr WARBURTON: And I think I have answered it.

Mr DAVID SHOEBRIDGE: I will put it very simply to you. The proposition that many members of the community have raised is that this decision was made without any understanding what the cost would be, without any consultation with the institution itself, and it was a thought bubble designed for the election as opposed to a considered response to such a treasured cultural institution. What do you say to that?

Mr WARBURTON: I think I have answered that question already. There was a disciplined and thoughtful and sustained government process to come to the election commitment that it made.

Mr DAVID SHOEBRIDGE: This is the costing of a business case—

Mr WARBURTON: No, no.

Mr DAVID SHOEBRIDGE: —as opposed to any understanding about the relocation costs, the flooding costs, what it would cost to move such a fragile set of exhibitions, let alone the damage it would do to the Powerhouse.

Mr WARBURTON: I have answered the question.

The Hon. WALT SECORD: Mr Warburton, earlier in response to a question from Mr Shoebridge you said that the Powerhouse was costed by the PBO as part of the election process.

Mr WARBURTON: Correct.

The Hon. WALT SECORD: I recall when I was chief of staff to a Premier that I was responsible for signing off on costings and what would go to Treasury and what would go to the PBO for examination. What was actually sent to the PBO involving the Powerhouse for costing?

Mr WARBURTON: The election announcement of February 2015.

The Hon. WALT SECORD: The election announcement—this press release that Mr Shoebridge is referring to?

Mr WARBURTON: Yes, that is correct, and there is a document on the PBO website which detailed that outcome of 23 March 2015.

The Hon. WALT SECORD: And that is that the move of the Powerhouse—

Mr WARBURTON: It includes the \$10 million for the business case for the Powerhouse, that is right.

The Hon. WALT SECORD: So it was only \$10 million for the business case?

Mr WARBURTON: Which was in the announcement, yes.

Mr DAVID SHOEBRIDGE: And that is what was considered by the Expenditure Review Committee, the costing of the business case?

Mr WARBURTON: That is correct. That was the election commitment.

Mr DAVID SHOEBRIDGE: We can argue about that. We have had the discussion. The message you gave to the people of New South Wales was the relocation of the museum, not the costing of the business case.

Mr WARBURTON: The announcement was about a relocation of the museum, and the first step in that, which is what a responsible government does, is to fund a business case to determine how and where and all those questions that need to be done by a responsible government.

The Hon. WALT SECORD: I put to you that you and the Premier, and whoever drafted the release, wanted to give the impression that it would only cost \$10 million to move the Powerhouse. I quote directly: "We want to extend Sydney's cultural ribbon to Western Sydney, so we will invest \$10 million to relocate the Powerhouse Museum to Parramatta", Mr Baird said."

I put to you that you were part of a con to make it look like the move of the Powerhouse Museum would cost \$10 million. This is from your own statement.

The Hon. NATALIE WARD: That is a Labor tactic, we do not do that.

The Hon. WALT SECORD: Mr Warburton?

Mr WARBURTON: Sorry, I thought there might have been a point of order or something.

The Hon. WALT SECORD: No, just a random muttering from a new member of the Legislative Council.

The Hon. NATALIE WARD: I am a newbie, I do not know how it works.

Mr WARBURTON: Clearly it was going to cost more than \$10 million.

The Hon. WALT SECORD: The Premier in his utterances at the time said it would be \$10 million to move the Powerhouse Museum.

Mr WARBURTON: I do not think that is correct, no.

The Hon. WALT SECORD: When you were Chief of Staff to the Premier, do you recall any discussions with Parramatta council?

Mr WARBURTON: I did not have any conversation with Parramatta council, no.

The Hon. WALT SECORD: When did your office or the Premier or anyone in your vicinity communicate to Parramatta council that you were planning to move the Powerhouse Museum to Parramatta?

Mr WARBURTON: I am not aware of that detail.

The Hon. WALT SECORD: Who would have been responsible for contacting Parramatta council?

Mr WARBURTON: I am speculating; I presume the arts Minister or his department, but I am only speculating.

The Hon. WALT SECORD: In your opening statement you made it very clear that you were Chief of Staff to the Treasurer and then the Premier from November 2011 to January 2017.

Mr WARBURTON: Yes.

The Hon. WALT SECORD: Then you joined Mirvac in August 2017. What happened in the period between January 2017 and August 2017?

The Hon. NATALIE WARD: Point of order: How is that relevant to the terms?

The Hon. WALT SECORD: It relates directly to his opening statement.

The CHAIR: We will find out.

Mr WARBURTON: I took a break.

The Hon. WALT SECORD: When did your discussions to join Mirvac begin?

Mr WARBURTON: I had a first meeting with Susan Lloyd-Hurwitz in February 2017.

The Hon. WALT SECORD: That is four weeks after you left?

Mr WARBURTON: That is correct. We had conversations for a number of months, while at the same time I also had discussions with dozens of other people and companies about what I was going to do after government.

The Hon. WALT SECORD: In those discussions, did the Powerhouse Museum move come up at any point?

Mr WARBURTON: At no stage during my meetings with Sue was the Powerhouse Museum or Pymont or Ultimo or Parramatta ever mentioned.

The Hon. WALT SECORD: You are being very specific.

Mr WARBURTON: I am being absolute about this.

The Hon. WALT SECORD: You are being very specific. What about discussions with other companies, property developers?

Mr WARBURTON: I had no other discussions with any other property developers.

The Hon. WALT SECORD: There was no question, no-one had ever raised with you the Powerhouse Museum after your resignation in January 2017?

The CHAIR: What about during your tenure as Chief of Staff?

Mr WARBURTON: There was interest after we made the announcement, of course.

The CHAIR: What did those discussions entail that you were involved with?

Mr WARBURTON: Nothing of substance but general interest with what could go into Ultimo and the Premier outlined a range of options that were available there and also discussions obviously around the Powerhouse Museum itself.

Mr DAVID SHOEBRIDGE: Who showed interest?

Mr WARBURTON: A range of start-up groups, educational groups, University of Technology I think was interested. The course of discussions that I had were across a range of stakeholders. People were very interested in what would happen at Ultimo, of course they were.

Mr DAVID SHOEBRIDGE: You have named one actual entity, the University of Technology.

Mr WARBURTON: Yes.

Mr DAVID SHOEBRIDGE: What other specific entities showed interest?

Mr WARBURTON: Education, start-up hubs around the city, cultural institutions said, "What are you going to do with the site?" It was more what are you going to do with the site and how do we get involved with that?

The CHAIR: No developer actually said anything to you, it was all cultural?

Mr WARBURTON: No developer spoke to me about it, no.

Mr DAVID SHOEBRIDGE: That seems very strange, that the only people that approached you about the development opportunities for the Ultimo site were cultural and education institutions and no developer approached you. That seems passing strange.

Mr WARBURTON: The Government had not determined what would be done with the site. The Government has still not determined what will be done with the site. Until something is actually there to be done with the site, it is hard to speculate on what that might be.

Mr DAVID SHOEBRIDGE: Do you not see how your evidence seems unusual, given we are in Sydney, when you are talking about a highly valuable site in the middle of the city, that the only organisations that approach you about redevelopment options are cultural, education and start-up facilities, and you do not get approached by a developer? Do you not see that as somewhat strange?

The Hon. NATALIE WARD: Point of order: The question calls for an opinion of the witness. The witness, as I understand it, is here to give evidence about facts during his time as Chief of Staff. He is being asked a very broad opinion. I am not sure that that is able to be called upon.

Mr DAVID SHOEBRIDGE: I press the question. I am testing an earlier answer.

The CHAIR: Mr Warburton will answer the question.

Mr WARBURTON: It might appear strange to you, David. I was not in the habit of talking to developers when I was in the Premier's office, to be honest. I was speaking to universities and start-ups. My focus was economic growth and development, so I talked to those sorts of institutions.

Mr DAVID SHOEBRIDGE: I will put it in absolute terms. I put it to you it is highly unlikely, your evidence is highly unlikely that the only people that approached the Government were cultural and education—

Mr WARBURTON: That is a different question entirely.

Mr DAVID SHOEBRIDGE: I will put it to you very clearly. It is highly unlikely—

The Hon. SCOTT FARLOW: It is just not meeting your conspiracy theory, Mr Shoebridge.

The Hon. NATALIE WARD: It is just conjecture.

Mr DAVID SHOEBRIDGE: —that the only organisations that approached the Government following the announcement were cultural, educational and start-ups.

Mr WARBURTON: I did not say that. I said who I spoke to.

Mr DAVID SHOEBRIDGE: I thought you said earlier you were talking about what interest was shown and who showed interest.

Mr WARBURTON: To me, yes.

Mr DAVID SHOEBRIDGE: What about to the Government generally.

Mr WARBURTON: I cannot speculate on that.

Mr DAVID SHOEBRIDGE: I am sure not every cultural institution picked up the phone and spoke to you directly.

Mr WARBURTON: No.

Mr DAVID SHOEBRIDGE: You became aware through the structure in your office, I assume.

Mr WARBURTON: Or I would go out and meet people in my role supporting the Premier. I met lots of people at various events and various other things.

Mr DAVID SHOEBRIDGE: Were you aware at any point of a developer showing interest in the Ultimo site while you were Chief of Staff?

Mr WARBURTON: I was not.

The Hon. WALT SECORD: I will go further than Mr Shoebridge. I think you have just made an untrue statement to this Committee?

The Hon. SCOTT FARLOW: Point of order: What evidence do you have—

The Hon. WALT SECORD: He said that he spoke with no property developers. It is mind-boggling—

The Hon. SCOTT FARLOW: That is not what he said. He did not say that.

The CHAIR: Order! Mr Farlow, we can understand English and we can listen to what he is saying. You do not have to explain it to us. That is not a point of order and you know it. You are just debating it. If you have a true point of order take it. You want to break the conversation, I understand your motivation. But we are speaking English here and if the question is rephrased, if he is wrong, it will show that way.

The Hon. WALT SECORD: Mr Warburton, you are telling the Committee that on 26 February 2015 when the Premier made the announcement you were Chief of Staff to the Premier, you were the most senior political staff member in the State, that not a single property developer made an inquiry to you about what was going to happen at Ultimo or Parramatta?

Mr WARBURTON: Correct.

The Hon. WALT SECORD: You are saying that only education—

Mr WARBURTON: No, I did not say that they approached me. I said during the course of discussions, I would have discussions with these people and they indicated interest in the site.

The Hon. WALT SECORD: Let me approach this another way. Did you have someone in the Premier's office, your ministerial office, who was in charge of talking to property developers?

Mr WARBURTON: There was no-one who had a specific title of talking to property developers, no.

The Hon. NATALIE WARD: It is not Labor.

The Hon. WALT SECORD: You are telling me that after the announcement, there was not a single property developer or large commercial operator who expressed any interest in the Powerhouse Museum site at Ultimo?

Mr WARBURTON: I am not saying that, no.

The Hon. WALT SECORD: How did they express interest, if you just said you were not saying that? Did you have a situation where you would stand next to someone at a buffet and you would have a conversation but not really talk about the Powerhouse Museum? I am trying to get to what you are saying. It seems that you are resorting to semantics here.

Mr WARBURTON: I must say, I am mildly confused by your question at the moment.

The Hon. SCOTT FARLOW: As are we all.

The Hon. NATALIE WARD: As am I.

The Hon. WALT SECORD: I think it is unbelievable that not a single property developer in New South Wales, after the Premier—

The Hon. NATALIE WARD: He has answered the question.

The Hon. WALT SECORD: —made this announcement about relocating the Powerhouse Museum to Parramatta, that not a single property developer—

The Hon. NATALIE WARD: He has answered the question, move on.

The Hon. WALT SECORD: —or commercial residential developer did not make a single inquiry to the Premier's Chief of Staff about that. That is just not believable.

The Hon. NATALIE WARD: Truth is stranger than fiction. I think we should move on.

The Hon. WALT SECORD: Are you chairing this Committee?

The Hon. NATALIE WARD: It is just a suggestion.

The Hon. WALT SECORD: Do you stand by your evidence that no property developers made inquiries to you about what would happen at Parramatta or Ultimo?

Mr WARBURTON: No property developers made an approach to me to talk about Ultimo or Parramatta.

The Hon. WALT SECORD: What is your definition of a property developer, maybe we are getting caught up in semantics here?

Mr WARBURTON: I have answered the question.

The Hon. WALT SECORD: You have not.

Mr WARBURTON: I have.

The Hon. WALT SECORD: It is not believable that you would make a significant announcement—

Mr WARBURTON: I do not know of your experience, Mr Secord, but it is entirely believable given what my role was in the Premier's office.

The Hon. WALT SECORD: I think your evidence is unbelievable, Mr Warburton.

Mr DAVID SHOEBRIDGE: Mr Warburton, had there been any discussion in the office, of which you are aware, about what the potential options would be for the Ultimo site?

Mr WARBURTON: I was not aware of any discussions, but obviously that was informing options for the site going forward. But I was not aware of those discussions, no, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Do you know if the Government had valued the site?

Mr WARBURTON: There were numbers thrown around in the article on 26 February in the *Sydney Morning Herald* of \$100 million to \$200 million. Obviously we had been informed of various valuations but part of the role of a business case was to determine what would go on the site and then what value would be attributed to the site.

Mr DAVID SHOEBRIDGE: Were those figures of \$160 million to \$200 million being discussed in the office in the context of the business case?

Mr WARBURTON: They obviously had because the Premier referred to them.

Mr DAVID SHOEBRIDGE: Was there a discussion about selling the site in order to pay for the relocation? Was that part of the discussion in the office?

Mr WARBURTON: Infrastructure NSW [INSW] had recommended it, so it was obviously one option that was open to the Government.

Mr DAVID SHOEBRIDGE: As you read the Infrastructure NSW report, the basic recommendation was to sell the Ultimo site to fund the relocation?

Mr WARBURTON: No, that is not correct. They said that the site was valuable and that if you were to relocate the museum, because Infrastructure NSW was extraordinarily concerned, as it should be, for funding its infrastructure recommendations, and they said one of the sources of funds for such a move would have been to perhaps utilise the property value of the site. That was not a definition that the Government had taken up because, as the former Premier made clear on Monday, there were numerous options we were considering for the site.

Mr DAVID SHOEBRIDGE: But Infrastructure NSW's paper, you said, was one of the seminal documents relied upon?

Mr WARBURTON: Absolutely.

Mr DAVID SHOEBRIDGE: Your understanding was their proposition was you sell the Ultimo site to help fund it?

Mr WARBURTON: They noted the site was valuable.

Mr DAVID SHOEBRIDGE: "Highly valuable", I think is what they said.

Mr WARBURTON: If you say so; I think that is right, yes.

Mr DAVID SHOEBRIDGE: Do you recall in the media release or in any other public commentary the Premier saying that one of the options was to sell the site?

Mr WARBURTON: I think he talked about development as an option.

Mr DAVID SHOEBRIDGE: What about selling the site?

Mr WARBURTON: I do not know about the precision of that, but we certainly talked about developing the site and unlocking the value in that way, yes.

Mr DAVID SHOEBRIDGE: You are saying despite having that discussion there was no engagement with any property developer or the property development industry, is that your evidence?

Mr WARBURTON: I said to Mr Secord's question that I did not have any discussions and that was the answer to the question I gave.

Mr DAVID SHOEBRIDGE: To the best of your knowledge, did anybody in government have those discussions?

Mr WARBURTON: I suspect that people did but I cannot speak to that.

Mr DAVID SHOEBRIDGE: Who do you suspect had those discussions?

Mr WARBURTON: UrbanGrowth, Property NSW, those sorts of bodies that were tasked with the job of working out the inputs to the business case that then proceeded.

Mr DAVID SHOEBRIDGE: Did you know at the time in 2016 that the relocation of the museum to Parramatta would come with a 55-storey residential tower on top of it?

The Hon. SCOTT FARLOW: Point of order: Can I ask Mr Shoebridge to clarify if he meant 2016 or 2017?

Mr DAVID SHOEBRIDGE: That is a good point of order because I meant neither. Did you know as at 2015 that the relocation of the museum would come with a 55-storey residential tower on top of it?

Mr WARBURTON: I did not.

Mr DAVID SHOEBRIDGE: Did you understand that there would be residential development as part of the relocation?

Mr WARBURTON: Can you clarify the question?

Mr DAVID SHOEBRIDGE: Did you understand at the time of the announcement in 2015 that there would or very likely would be residential development associated with the move?

Mr WARBURTON: In Ultimo or Parramatta?

Mr DAVID SHOEBRIDGE: In Parramatta.

Mr WARBURTON: I do not believe so. I do not recall knowing that at the time.

Mr DAVID SHOEBRIDGE: Was there even the most basic sketching out of what would actually happen or what would be likely to happen at the time the announcement was made or was it 52 card pick-up—just throw it out and see where it all falls?

Mr WARBURTON: Is that different to a thought bubble?

Mr DAVID SHOEBRIDGE: You are the one who is doing this, Mr Warburton, so you tell me.

Mr WARBURTON: It is your interpretation. I can go through the process again if you like.

Mr DAVID SHOEBRIDGE: They are both, to use your words, "nonsensical".

Mr WARBURTON: We had a bipartisan idea that had been floating around for more than five years, engaged by the Labor Government prior to us, we took a recommendation from INSW—

Mr DAVID SHOEBRIDGE: Mr Warburton, this is not my question.

Mr WARBURTON: You asserted a 52 card pick-up. I thought I should go through the process again to illustrate the fact that this was a detailed and thorough process that the Government undertook.

Mr DAVID SHOEBRIDGE: You can keep the rhetoric, Mr Warburton, I am actually more interested in the detail. Was there any sketching out at all of what the likely options would be associated with your announcement in February 2015? Had you sketched out whether it would involve residential development or sale or any of those elements?

Mr WARBURTON: We sketched out there would be a business case to work out what would occur.

Mr DAVID SHOEBRIDGE: You had no idea what the announcement would entail?

Mr WARBURTON: That is why you do a business case.

Mr DAVID SHOEBRIDGE: No, that is why it is called a thought bubble, Mr Warburton.

Mr WARBURTON: I thought you were interested in the detail here.

Mr DAVID SHOEBRIDGE: I am. I am interested in the detail you had in 2015.

Mr WARBURTON: Can I take you through the process we went through?

Mr DAVID SHOEBRIDGE: From what I can tell, the detail is that you thought you would get a business case at some point and work it out as it goes along.

Mr WARBURTON: This was standard election policy practice made by both parties, that you would announce a policy, you would then test it through a business case and then take it through.

The Hon. WALT SECORD: I disagree with you. It might have been the standard practice in your government. We see it now with light rail, WestConnex—

The Hon. SCOTT FARLOW: You did not even come up with projects.

The Hon. NATALIE WARD: Is there a question?

The Hon. WALT SECORD: —the Powerhouse Museum.

Mr DAVID SHOEBRIDGE: The stadiums.

The Hon. SCOTT FARLOW: You just did press releases.

The Hon. NATALIE WARD: Point of order. Is there a question?

The Hon. WALT SECORD: It might have been standard practice with your Government.

The Hon. NATALIE WARD: Is there a question for the witness?

Mr DAVID SHOEBRIDGE: New South Wales, the thought bubble State.

The Hon. NATALIE WARD: Point of order. Is there a question for the witness?

The Hon. WALT SECORD: He was inviting comments from us and we were responding.

Mr WARBURTON: Could I make a further comment, Mr Chair? I made the assertion that responsible parties announce policy subject to business cases. That is a common practice on both sides of politics. As part of this I noted that on 19 February 2015 NSW Labor, as part of its infrastructure policies for the last election, said, "Labor will also ensure that the significant funds required for the second harbour rail crossing will only be allocated after rigorous cost benefit analysis and a business case is completed." It is a common policy practice.

Mr DAVID SHOEBRIDGE: The difference, Mr Warburton, is that they said that in their media release saying that the project would be contingent on a business case and you did not. That is what we have been exploring with you.

Mr WARBURTON: We said we would have a business case.

Mr DAVID SHOEBRIDGE: You illustrated the problem in your announcement in February 2015 very clearly.

Mr WARBURTON: There is no problem with the announcement. We said we would do a business case to assess how we would move the Powerhouse to Parramatta. Just as the Labor Party announced a business case—

Mr DAVID SHOEBRIDGE: For the record, you did not say that, and I have read it onto the record repeatedly. You know that is false evidence.

The CHAIR: We have heard a lot of discussion and answers from Minister Harwin, we have heard a lot of evidence from the former Premier, Mr Baird, and now you are saying it today, that the business case is the be-all and end-all and it will answer all our questions. As an old accountant from way back, business cases do not just materialise out of thin air. Someone sits down and lays down the criteria, the assumptions, for a business case. I know full well, as you do, that if I play around with the assumptions of a business case I can come up with different answers, rubbish in, rubbish out. Who laid down the criteria? That is where the line of this questioning is going to. Who laid the rules for the preparation of the detail of the numbers, the basic assumptions, if you like, of a business case to be prepared by this Government? Keep in mind it has taken this Government the best part of three years to come up with a business case that we are not allowed to look at.

The Hon. NATALIE WARD: The entire inquiry.

The CHAIR: The question is simple: Were you or was anyone to your knowledge in the Government involved in the preparation of assumptions for the business case after the announcement was made?

Mr WARBURTON: Obviously the Government was involved in the preparation of the business case.

The CHAIR: And who instructed from Cabinet?

Mr WARBURTON: That is part of the Cabinet process and Cabinet in confidence, and obviously, as you can understand, I cannot breach Cabinet confidentiality.

The CHAIR: You were not involved in instructing anybody in relation to preparing the assumptions for a business case?

Mr WARBURTON: As I have said, I will not breach Cabinet confidentiality on that.

The CHAIR: That is not the question I asked you.

Mr WARBURTON: That is part of the Cabinet consideration.

The CHAIR: Were you involved or not?

Mr WARBURTON: I am not going to answer that question.

The CHAIR: You are not going to answer that question?

Mr WARBURTON: No, I am not, because I would be breaching Cabinet confidentiality.

The CHAIR: No, you would not be breaching it, you would be telling us what your role was. That is what we are asking you.

Mr WARBURTON: You are asking about a briefing to Cabinet.

The CHAIR: And you are dodging and weaving avoiding what your role is and reading from prepared statements that have been geed up for you by the Government.

The Hon. TREVOR KHAN: Point of order: That is, with respect, against the evidence, purely speculative, and the witness has explained how his answers came about.

The CHAIR: I will take the point of order. I will go back to what I said, hiding behind Cabinet in confidence. I did not ask you to tell us what Cabinet and confidence discussions were had. I asked whether you were involved in the preparation of the criteria for a business case and you said that is part of Cabinet in confidence and therefore you are not going to answer the question.

Mr WARBURTON: Correct.

The CHAIR: It is not part of Cabinet in confidence. You were either involved or you were not. I am not asking you what the machinations or decisions of Cabinet were—that is Cabinet in confidence.

Mr WARBURTON: I was involved in those processes. It is Cabinet in confidence so I will not comment further.

The CHAIR: You were involved in those processes?

Mr WARBURTON: I was involved in a lot of processes that involved Cabinet because that was my job.

The CHAIR: In the preparation of the business case assumptions?

Mr WARBURTON: I am not commenting on whether or not I was involved in that specific role, but I did lots of roles with respect to Cabinet.

Mr DAVID SHOEBRIDGE: Mr Warburton, in your evidence you said that the purpose of preparing the business case was to decide whether or not to go ahead with the project—is that right?

Mr WARBURTON: And to assess the vibrancy, which was your earlier point.

Mr DAVID SHOEBRIDGE: To assess the vibrancy?

Mr WARBURTON: I think that is what you referred to in the original media release. You made some point about that earlier.

Mr DAVID SHOEBRIDGE: I am asking you what the purpose of the business case was. Was it, as you say, to test the financial viability of going ahead with the project or not?

Mr WARBURTON: It was, as well as a number of other purposes around how to make it successful and how to make it all work. Of course, business cases assess a range of options for these sorts of things.

Mr DAVID SHOEBRIDGE: But you are not ambiguous about it. Earlier, you said that no government would go ahead having made the decision and then not have a business case to test whether or not the decision was right if you were talking about expenditure of about \$1 billion or more. Do you want to recant from that evidence?

Mr WARBURTON: You are setting up a false dichotomy because you can do both things in a business case.

Mr DAVID SHOEBRIDGE: Alright, but one of the key things in a business case—the key decision, really—should be to decide whether or not to go ahead with the project given how much it will cost.

Mr WARBURTON: Correct.

Mr DAVID SHOEBRIDGE: Would it surprise you that in the summary that has been provided it says—

Mr WARBURTON: Sorry, which summary?

Mr DAVID SHOEBRIDGE: The summary of the business case.

Mr WARBURTON: The one that has been recently released?

Mr DAVID SHOEBRIDGE: Yes. Is there another summary?

Mr WARBURTON: I do not know. I have not read the summary.

Mr DAVID SHOEBRIDGE: Alright. I will read some of it onto the record for you so you can hear it. The summary described the purpose by saying:

The decision before Government, therefore, can be characterised as a choice between two worthwhile investment options, trading off the superior customer experiences of Option 3 against the lower capital cost offered by the smaller Option 1.

Was that your understanding of what the business case was designed to test?

Mr WARBURTON: I cannot speak to the summary. I have been out of government for 15 months, so I cannot assess that on a moment's notice. But the business case, as I said before, was designed to test a range of issues, which we put forward in the February 2015 election commitment.

Mr DAVID SHOEBRIDGE: The one thing it does not test is the primary decision to relocate the Powerhouse Museum. It is testing different options, all of which contain the a priori assumption of relocating the Powerhouse Museum.

The Hon. NATALIE WARD: Point of order: The witness did not prepare the business case. The business case was prepared by Infrastructure NSW. I am unclear what question is being posed that this witness can attest to.

Mr DAVID SHOEBRIDGE: To be very clear, this witness has given evidence about what he believed the purpose of the business case was. I am now reading to him about what the business case produced.

The Hon. NATALIE WARD: From the business case itself, which he did not prepare.

Mr DAVID SHOEBRIDGE: I would say the questions are relevant.

The CHAIR: The questions are relevant but Mr Warburton can answer them in the way he chooses to.

Mr DAVID SHOEBRIDGE: Mr Warburton, the summary of the business case that is on the public record does not challenge or test the a priori decision to move the Powerhouse Museum. However, your evidence was that the business case that you envisaged happening in February 2015 would do just that. Can you explain what went wrong between February 2015 and the outcome of the business case?

Mr WARBURTON: I do not think anything went wrong between those two points in time.

Mr DAVID SHOEBRIDGE: Yes, indeed, because at all times the a priori decision had been made and this business case was never to test it.

Mr WARBURTON: That is not what I said.

Mr DAVID SHOEBRIDGE: Then please explain.

Mr WARBURTON: In February 2015, the Government announced \$20 million towards a business case that would assess the relocation of the Powerhouse Museum to Parramatta. One of the options was always to assess how it would be done and if it would be done. As the former Premier said on Monday, it was always the intention and expectation of the Government that that would occur. After all, it was on the basis of an Infrastructure NSW [INSW] recommendation that this would occur. We had full confidence in the work that INSW had done, but if the business case had come back and said that this was not going to work, then clearly the Government would have reserved the right to reassess the decision.

Mr DAVID SHOEBRIDGE: But the business case never tested whether or not the decision to move the Powerhouse Museum was right or wrong. It only tested three different ways of moving the museum.

Mr WARBURTON: I cannot comment on the recent business case. I am 15 months out of government, I am sorry.

Mr DAVID SHOEBRIDGE: Was there another business case that you were involved in developing that I am not aware of?

Mr WARBURTON: I am a bit confused about where you going with this, Mr Shoebridge. This is a document that was written 15 months after I left government by a body that I was not involved in. For you to assert that I have responsibility for that document is somewhat bemusing.

Mr DAVID SHOEBRIDGE: No, I will stop you there. I am not asserting that you have responsibility for the document; I am asserting that the summary of the document that has been produced is not the document that you said was envisioned in February 2015.

The Hon. NATALIE WARD: He did not prepare it. He has nothing to do with that document.

Mr DAVID SHOEBRIDGE: That is what I am putting to you. What do you say?

Mr WARBURTON: I have already answered the question?

Mr DAVID SHOEBRIDGE: Are you simply saying that you came here without reading the summary and without knowing anything about the summary so you could avoid these kinds of difficult questions?

The Hon. NATALIE WARD: You should ask the authors of the report those questions.

Mr DAVID SHOEBRIDGE: Mr Warburton, not Ms Ward.

Mr WARBURTON: Believe it or not, since leaving government, I do not take it upon myself to read summaries of government reports.

Mr DAVID SHOEBRIDGE: You did not take it upon yourself to read the summary of the business case, knowing full well that it would be relevant to the evidence that you are giving today? You just thought you would take the mushroom approach, did you?

Mr WARBURTON: No—

The Hon. SCOTT FARLOW: Point of order: The witness is here to answer questions with respect to his time in government. It is not up to the witness to then avail himself of other and new information.

The CHAIR: I will stop you there because that is a good point of order. I accept the point of order.

The Hon. WALT SECORD: You are saying that you do not have knowledge of the summary of the business case that was released earlier this year. What work occurred under you when you were Chief of Staff on the business case.

Mr WARBURTON: A range of work would have been done with other offices, but, as I have indicated, that is part of the Cabinet process so I cannot go further into any detail, as you can understand.

The Hon. WALT SECORD: Was it in your office? Was it outsourced to Treasury? Was it outsourced to Infrastructure NSW? Who was given the task of doing it?

Mr WARBURTON: That is—

The Hon. WALT SECORD: That is not Cabinet in confidence.

Mr WARBURTON: That would inform enough of the process and I think that is Cabinet in confidence so I will not answer that question.

The Hon. WALT SECORD: Who prepared the business case?

Mr WARBURTON: Government did.

The Hon. WALT SECORD: But what agency or department?

Mr WARBURTON: You can ask the Government that.

The Hon. WALT SECORD: I am referring to your time as chief of staff. I can tell you that when I was chief of staff, I would have given an instruction to say, "Okay, Minister, that is your carriage. Come back to us with a proposal, a plan or a way forward for what we will do." That is not Cabinet in confidence.

Mr WARBURTON: I have answered the question.

Mr DAVID SHOEBRIDGE: In your opening statement you said that the decision in 2015 to move the Powerhouse Museum would "benefit the institution itself."

Mr WARBURTON: Correct.

Mr DAVID SHOEBRIDGE: On what basis did you form that belief in February 2015?

Mr WARBURTON: It was clear from the INSW recommendation—and, in fact, I think I recall the Powerhouse itself saying—that a substantial amount of investment was required to make it fit for purpose. It clearly needed work done. This was an opportunity. What we had was an institution with real challenges, which the Powerhouse had recognised, other parties had recognised and INSW had recognised. It was a constrained site. The museum was not up to the standard that it wanted to be as an international institution. INSW said that significant refurbishment would be required for the museum. We had this institution that we needed to invest in, which INSW recognised. We also had a region of Sydney that was going to have three million people that was under-serviced by cultural investment. We thought it was a fantastic solution in a fiscally challenging environment to take a great institution, take the opportunity to invest in it, make it even greater, and put it in Western Sydney where it would be embraced as a Western Sydney world-class institution.

Mr DAVID SHOEBRIDGE: Who in the Powerhouse said that it would benefit the institution? Name a single person you were aware of in February 2015 from the Powerhouse who said that this would benefit the institution.

Mr WARBURTON: I do not recall the specifics but I do recall the Powerhouse saying it needed investment. That was my answer before.

Mr DAVID SHOEBRIDGE: Sorry, but the question was: Who, if anybody—a security guard, a director or staff member—in the Powerhouse said that moving it to Parramatta was going to benefit the institution at the time you made the decision in 2015?

Mr WARBURTON: That was not what I said before.

Mr DAVID SHOEBRIDGE: But I am asking if you were aware of anybody. Was there a security guard, director, senior staff member, trustee, a chair of the trust who in February 2015 said that this move would benefit the institution?

Mr WARBURTON: I recall that there were news reports—I do not know the specifics of those—which the Powerhouse was indicating it needed substantial investment and INSW asserted that as well. If you want a senior body, it would be INSW that asserted that investment was required into the Powerhouse.

Mr DAVID SHOEBRIDGE: There were some media reports. Are you saying—

Mr WARBURTON: And an INSW report in November 2014, correct.

Mr DAVID SHOEBRIDGE: I have read the INSW report in detail. It mentions nobody from the Powerhouse who recommends it, so we can ignore that.

Mr WARBURTON: No, it recommended—

Mr DAVID SHOEBRIDGE: What about the media reports?

Mr WARBURTON: Can I be clear: It recommended investment in the Powerhouse because that was required. The site and the museum needed to be refurbished to international standards. The INSW report clearly recommended that, which has then led that a strong case could be made for it to be relocated to Western Sydney, which is what we endorsed.

Mr DAVID SHOEBRIDGE: You would agree with me, would you not, that at no point in the Infrastructure NSW report does it reference a single person from the institution itself that supported the relocation? You would agree with that statement, surely?

Mr WARBURTON: I do not recall in the INSW report any people being referenced. You should probably speak to INSW about that, who they spoke to.

Mr DAVID SHOEBRIDGE: You told me the information you relied upon to inform the decision in February 2015, so I am exploring that with you, Mr Warburton. Do you understand?

Mr WARBURTON: Yes.

Mr DAVID SHOEBRIDGE: We can put to one side the Infrastructure NSW report; that had no reference to anybody from the institution supporting the relocation?

Mr WARBURTON: Except for the fact that INSW had been tasked with the job of asserting where \$600 million of cultural investment should be made and so we relied very heavily on the INSW report.

Mr DAVID SHOEBRIDGE: Simply saying fish to my questions does not answer them. You have to give an answer that is relevant to the question that I put to you, Mr Warburton. Do you understand that?

Mr WARBURTON: You asked who we relied upon and I said INSW. I am not sure whether fish has anything do with that.

Mr DAVID SHOEBRIDGE: Nor am I and I am not sure your answer had anything to do with my question. You said there may be media reports that referenced people from the Powerhouse supporting the relocation.

Mr WARBURTON: That is not what I said.

The Hon. TREVOR KHAN: That is not what he said, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: When I asked you whether a single person from the Powerhouse, either trustees, directors, staff, security guards—anybody—supported the move, you then said, "Well, there were media reports." What were you talking about?

Mr WARBURTON: As I said before and as I will say again, there were media reports that the Powerhouse Museum needed investment. That is what I said.

Mr DAVID SHOEBRIDGE: The investment that was being requested for the Powerhouse was to invest in the Ultimo site, not to invest in blowing up the Ultimo site and flogging it off to a developer. Do you understand the difference?

The Hon. NATALIE WARD: Is there a question?

Mr DAVID SHOEBRIDGE: Do you understand the difference?

Mr WARBURTON: What difference are you asserting?

Mr DAVID SHOEBRIDGE: The difference between investing in the Ultimo site and chancing your arm at a billion-dollar relocation to Parramatta. Do you understand the difference between those two, Mr Warburton, because the community does?

Mr WARBURTON: What we did, we took the INSW's recommendation that said it did need investment, and there was a strong case to be made for it to be moved to Western Sydney to be embraced by the three million people who would live in Western Sydney. We think a world-class institution was required to be out there, and that is what we have done.

Mr DAVID SHOEBRIDGE: How on earth could your Government start developing a business case that did not test whether or not the investment in the current institution on site would provide better value for taxpayers than spending \$1 billion relocating it? How was that never part of the business case, Mr Warburton?

Mr WARBURTON: I cannot comment on what was in or out of the business case, as I said.

Mr DAVID SHOEBRIDGE: Why can you not comment?

Mr WARBURTON: I have already made that very clear. It is Cabinet-in-confidence and I will not go there.

Mr DAVID SHOEBRIDGE: Somewhere in the Cabinet process—

The Hon. NATALIE WARD: Point of order—

Mr DAVID SHOEBRIDGE: —you decided to just ignore the request from the Powerhouse—

Mr WARBURTON: Did not say that.

The Hon. NATALIE WARD: Point of order—

Mr DAVID SHOEBRIDGE: —to invest in the institution?

Mr WARBURTON: I did not say that.

The Hon. NATALIE WARD: Point of order: On a number of occasions I have attempted to hear the answer the witness is providing and it is difficult to do so when members of the public are commenting. I ask that you remind them that we are here to hear from the witness.

The Hon. WALT SECORD: You do not like protesters, do you? You want to clear them, do you not?

The Hon. NATALIE WARD: Not at all.

Mr DAVID SHOEBRIDGE: They do not like the community.

The Hon. NATALIE WARD: They are your words, not mine, Mr Secord. I have just asked that we do the courtesy of allowing the witness to answer.

The Hon. WALT SECORD: They feel strongly about this.

The CHAIR: Order!

The Hon. NATALIE WARD: It is important that if this Committee is interested in his answer that we do him the courtesy of hearing him in silence.

The Hon. WALT SECORD: Sadly, commercial-in-confidence is becoming this Committee's equivalent of, "I do not recall."

The Hon. NATALIE WARD: That was not my point of order, Mr Chair.

The CHAIR: Do you want to speak to the point of order?

The Hon. WALT SECORD: Sorry, Mr Chair.

The CHAIR: Would people in the gallery please keep the noise down so we can hear the responses from Mr Warburton. Proceed.

Mr DAVID SHOEBRIDGE: Mr Warburton, do you know where Ultimo is?

Mr WARBURTON: I do know where Ultimo is, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: How long does it take to walk from Ultimo to Central station, from the Powerhouse to Central station?

Mr WARBURTON: I do not know. It depends how fast you are walking, I guess.

Mr DAVID SHOEBRIDGE: You could do it in seven minutes?

Mr WARBURTON: I presume so, maybe faster.

Mr DAVID SHOEBRIDGE: Yes, maybe faster.

The Hon. SCOTT FARLOW: Maybe slower.

Mr WARBURTON: Maybe slower.

Mr DAVID SHOEBRIDGE: Maybe slower, but a good solid walk would get you there in seven minutes.

The Hon. SCOTT FARLOW: How about a bike?

Mr DAVID SHOEBRIDGE: How on earth is it that, under oath, you describe the site as remote?

Mr WARBURTON: I was using INSW's language.

Mr DAVID SHOEBRIDGE: You were adopting the language.

Mr WARBURTON: Correct.

Mr DAVID SHOEBRIDGE: It is a seven-minute walk from Central station. How on earth do you, with a straight face, tell us the site is remote?

Mr WARBURTON: Because INSW described it as remote in its report.

Mr DAVID SHOEBRIDGE: If INSW asked you to come in here wearing a zebra suit, would you do that?

Mr WARBURTON: That is not the point. That is a bit of a hypothetical, Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Well, it is as ridiculous as you asserting to this Committee, under oath, that the Ultimo site is remote when you accept it is a seven-minute walk from Central station. Do you understand how the community gets irate with that kind of bullshit presentation?

The Hon. TREVOR KHAN: I take a point of order.

The Hon. NATALIE WARD: Point of order: I take offence at that, Mr Chair.

The Hon. TREVOR KHAN: Just be quiet. That really demonstrates—

Mr DAVID SHOEBRIDGE: I withdraw "bullshit".

The Hon. TREVOR KHAN: It actually demonstrates a lack of control.

Mr DAVID SHOEBRIDGE: Oh, does it?

The Hon. TREVOR KHAN: Mr Shoebridge, if that is the way this is going to go—

Mr DAVID SHOEBRIDGE: What?

The CHAIR: Order!

The Hon. TREVOR KHAN: It really is quite inappropriate. That is the first time I have seen somebody do that. For a member of the bar to do that demeans you, Mr Shoebridge.

The CHAIR: Order! Mr Shoebridge has withdrawn the comment.

Mr DAVID SHOEBRIDGE: It is utterly fanciful, nonsensical and untrue to describe it as remote, Mr Warburton.

Mr WARBURTON: I adopted—we adopted the language of INSW.

Mr DAVID SHOEBRIDGE: But you know it is wrong.

Mr WARBURTON: We adopted the language of INSW.

Mr DAVID SHOEBRIDGE: Simply saying you adopt the language of a report when you know it is completely wrong is not an adequate response to the concerns raised by the community. You come here and, under oath, say the site is remote yet you accept it is a seven-minute walk from Central station and you refuse to acknowledge the problems in your evidence. Is that right?

Mr WARBURTON: I have answered the question.

Mr DAVID SHOEBRIDGE: Again, you have an answer like "fish". This bureaucratic response—

Mr WARBURTON: I answered the question previously.

Mr DAVID SHOEBRIDGE: —avoids the question. I put it to you that the Ultimo site is not remote and your giving evidence to say it is remote is giving false evidence.

Mr WARBURTON: You might assert that but we adopted the language of INSW, which said it was remote from the cultural ribbon of the city.

The Hon. NATALIE WARD: Point of order: Mr Shoebridge is asking for political input, opinion and judgement, which is not the purview of this witness. This witness is here to answer questions about the process and his role in that time.

Mr DAVID SHOEBRIDGE: To the point of order: The question has been asked and answered, so it is irrelevant.

The Hon. NATALIE WARD: Mr Shoebridge's issues about the policy implications should be directed to the relevant Minister.

The CHAIR: Thank you. Mr Warburton was in the process of or has already answered the question.

The Hon. WALT SECORD: Mr Chair, I have heard enough Cabinet-in-confidence answers. I understand Mr Shoebridge's frustration.

Mr DAVID SHOEBRIDGE: I think I have had enough. I think the community has had enough.

The CHAIR: Mr Warburton, are you aware of how the Government came to an original valuation of the Ultimo site of about \$200 million?

Mr WARBURTON: I am not aware of the specifics, but I presume it came up through the advice that we received.

The CHAIR: Are you aware of how that was derived?

Mr WARBURTON: No, I am not.

The CHAIR: You do not know anything about that?

Mr WARBURTON: No.

The CHAIR: Are there any more questions?

Mr DAVID SHOEBRIDGE: No.

The Hon. WALT SECORD: No.

The CHAIR: No questions from the Government?

The Hon. TREVOR KHAN: No.

The Hon. SCOTT FARLOW: No.

The Hon. NATALIE WARD: No, we are good with it. We love Western Sydney. We are very keen on Western Sydney.

The CHAIR: Thank you, Mr Warburton.

Mr WARBURTON: Thank you.

(The witness withdrew)

The committee adjourned at 11:08 a.m.