

**REPORT ON PROCEEDINGS BEFORE**

**PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS**

**INQUIRY INTO MUSEUMS AND GALLERIES**

**UNCORRECTED**

**At Macquarie Room, Parliament House, Sydney on Wednesday, 12 September 2018**

**The Committee met at 9:30 am**

**PRESENT**

The Hon. Robert Borsak (Chair)  
The Hon. Scott Farlow  
The Hon. Ben Franklin  
The Hon. Shayne Mallard  
The Hon. Shaoquett Moselmane  
The Hon. Walt Secord  
Mr David Shoebridge (Deputy Chair)



**The CHAIR:** Welcome to the eleventh hearing of the inquiry by Portfolio Committee No. 4 - Legal Affairs 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 also will consider the proposed sale of the Powerhouse Museum site in Ultimo and whether there are alternative strategies to support museum development.

Before I commence 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 representatives from the Powerhouse Museum Alliance and the Transport Heritage consultant. We will finish with the Minister for the Arts, and Department of Planning and Environment representatives.

Before we commence I will make some brief comments on procedures for today's hearing. Today's hearing is open to the public and is being broadcast live by 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 should not be the primary focus of any filming or photography. I also remind media representatives that you must take responsibility for what you 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. So I urge witnesses to be careful about any comments you may make to the media or to others after you complete your 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 be able to answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid in the audibility of this hearing, I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near loudspeakers for persons in the public gallery who have hearing difficulties. Finally, I ask everyone to please turn their mobile phones to silent for the duration of the hearing.

**KYLIE WINKWORTH**, Member, Powerhouse Museum Alliance, on former oath

**LINDSAY SHARP**, Member, Powerhouse Museum Alliance, on former oath

**ANDREW RUTHERFORD GRANT**, Consultant, Transport Heritage, sworn and examined

**The CHAIR:** Dr Sharp, would you like to make a short opening statement?

**Dr SHARP:** Would it be acceptable if Ms Winkworth kicked it off?

**The CHAIR:** Yes, no problem.

**Dr SHARP:** I will come last. I think Mr Grant has something to say as well.

**The CHAIR:** Keep in mind that the longer you talk in the opening statements the less time there is for questions.

**Dr SHARP:** Yes.

**The Hon. BEN FRANKLIN:** If I may just make a quick point; this is not particularly relevant to the capacity in which the witnesses appear today. I make it clear that I have met with Ms Winkworth on a number of occasions about regional museums and particularly community museum issues. I just want to put that officially on the record. She is an expert in that regard

**Mr DAVID SHOEBRIDGE:** I do not think it is standard practice to announce all your meetings and discussions. But it is interesting.

**The Hon. BEN FRANKLIN:** I understand, but I just want to make it clear.

**Ms WINKWORTH:** Thank you, Chair. Dr Sharp and I and my colleague Andrew Grant would like to make a short introductory statement to help set the context for your questions today. I did want to start by thanking the Committee for their work. It has already delivered for the museum sector with the \$100 million cultural fund. That is making a huge difference in regional New South Wales. I think everybody who has worked together on this Committee and interrogated so carefully the witnesses should take credit for that, along with the Minister, of course, to whom I have written to thank him for that move.

My comments today are particularly about the Powerhouse Museum in the light of the release of the business case papers. The fate of a 135-year-old museum hangs in the balance in the lap of this Committee and of the Government. The release of the secret business case papers exposes the flimsy scaffolding of the case for moving the Powerhouse. This is a project based on no demonstrated infrastructure demand. It is contrary to the stated cultural priorities of the Parramatta community. It is not grounded in reality. It is poor value for money and it involves no less than the demolition of a major State museum and its moving to demonstrably smaller, less accessible and inferior facilities.

This project and the process that the Government has put in place puts the Powerhouse Museum's internationally significant collections at risk at every step from now into the future. From the museum's current state-of-the-art collections storage and workshops, co-located with the Powerhouse at Ultimo, the Castle Hill store will be jam-packed, more expensive to operate, and less accessible for researchers and people from regional New South Wales. Every object movement between Castle Hill and Parramatta and the remnant display space at Ultimo will expose the collection to increased and unnecessary risks. Already the museum's collection has been damaged from government neglect and the deliberate run-down of the museum and its staff, as seen in the damage to objects from the recent flood from a broken pipe overflowing into the textile store.

Both Parramatta and Ultimo projects entail significant heritage losses. More than 13,000 people signed the Save Willow Grove petition at Parramatta. On the Powerhouse Museum site, most of the site will be covered in high-rise apartments. The interior of the turbine and boiler halls with their in situ relics will disappear under cladding for a lyric theatre. The Harwood Building with its great saw-toothed roof is the developer's prize. It is up for massive development after the State's collections have been evicted. Also on the demolition list is the Sulman Award-winning Wran Building which is one of the most significant and distinguished buildings from the 1980s.

It is a travesty to conceive a building, a new museum, on the rubble of demolished cultural heritage—whether that is Willow Grove or the Powerhouse Museum—because if a museum stands for anything it is respect for and a commitment to the conservation of cultural heritage. Values matter in museums. This is a project that breaks every core belief and value that underpins museums: caring for our culture and heritage, the trust of the

community, the safe custodianship of the collection and the obligation to preserve the legacy of previous generations.

The business case papers reveal a disdain for the basic principles and practice of museum planning. The result is an absurdly complicated set of interlocking projects of which any one of them would be a challenge for a well-resourced museum, let alone the workforce of the Museum of Applied Arts and Sciences [MAAS], which is at less than half what it was in 2005. The business case papers also reveal that this is essentially a property play masquerading as a museum project. Most of the papers are about property development. There is scant material on what the new museum of Western Sydney is about. It does not even have a name or a compelling concept. The project has been advanced at every step by business and property interests with the support of Liz Ann Macgregor, David Borger and the business chambers.

In my nearly 40 years of museum experience, this is the only museum project that has not arisen from demonstrated community need and grassroots passion. That is a very poor foundation for the future. As we have shown, it would be cheaper to keep the Powerhouse Museum and build a new museum at Parramatta. This is only one of many options that, sadly, have been ignored in the confected business case. The basic principle for any investment decision is to think critically about the optimum way to use the money for maximum benefit and impact, and that includes the concept of opportunity cost. What else could be done with the money, we must ask. That is embedded in the outline for Infrastructure NSW's business case.

Unfortunately for New South Wales taxpayers, the Government does not have a museum plan for New South Wales. There has been no cultural mapping or museum needs analysis. Create NSW's own guidelines for the Regional Cultural Infrastructure Fund requires applicants to detail alternative options for achieving the project objectives, along with costings. Nothing like that has happened in the new museum of Western Sydney planning. From Baird's November 2014 announcement that the Powerhouse would be moving to Parramatta, opportunity costs were ignored and prudence and sound planning went out the window. No other options were considered at any stage of the business plan or the extended business case. Despite the Minister stating to this inquiry in June 2017 that all options were on the table, we now know from the business case papers that at the time this statement was made a team of consultants were working away on only one option. The business case and the extended business case only considered Baird's captain's pick. That was the starting and end point of every expensive document in all 13 folders.

It is unfortunate for New South Wales taxpayers that the new museum in Western Sydney is not going through the regional cultural infrastructure grant assessment process because it would surely be knocked on the head as an absurd waste of money. In the last 3½ years, while this confected business scheme has lurched through what passes for the business case process—otherwise known as "cooking the books", as Walt Secord memorably observed in Parliament—there was no consultation of alternate ways of investing the funds to expand museum opportunities for communities across Western Sydney and regional New South Wales. There was no thought about equity and access for the rest of New South Wales and people living in Wollongong, the Hunter and Gosford.

There was no analysis of the gaps in strategic opportunities for museum development; no assessment of a museum for New South Wales in Parramatta or an Aboriginal cultural centre close to the largest population of Indigenous people in Australia; no thought about the opportunities to leverage the vibrant culture and diversity of contemporary Parramatta in a new museum that interprets the city's Asian and Indian cultures and projects this to Australia and the world. There was no consideration of Sydney Modern for Parramatta, despite the alignment of this project with Parramatta's stated vision to brand itself as a creative city. Any of these museum options would better meet the identified needs of the communities of Parramatta and be cheaper and more sustainable than the shrunken STEM or STEAM [science, technology, engineering, art and mathematics] museum, which itself bears no relationship to the Powerhouse Museum's historic mission as a museum of applied arts and sciences.

Less than 10 per cent of the cost of the new museum in Western Sydney would build a network of 10 regional museums across Western Sydney and regional New South Wales. The more than \$10 million wasted on consultants on the confected business case alone would have built a new regional museum. We did offer to write a museum plan for the Minister but, sadly, that offer was not taken up; it still stands. The Powerhouse belongs to the people of New South Wales, not the Government. It was built and endowed by generations of families and taxpayers from across New South Wales. Their interests and the interests of regional communities in the museum have been ignored by a government that is treating the Powerhouse Museum as a trophy. The museum's benefactors, sponsors and donors—some of them here today—life fellows and former trustees are not even listed as stakeholders in this project, nor have they been consulted.

As a substantial donor to the museum's foundation and a former trustee and life fellow, I have not received a single communication from the museum or the Minister explaining how demolishing a great public museum is justified, nor have my views as a donor be specifically sought. And yet the business case, with its flimsy benefit

cost ratio hovering just above 1.02, is depending on the Museum of Applied Arts and Sciences [MAAS] to raise significant amounts of money from donations and sponsorships. To paraphrase Michael Caton from the Australian classic *The Castle*, "Tell 'em they're dreamin'". The MAAS trust has been sidelined so the Government can implement its scheme, which is demonstrably not in the museum's or community's interest.

The New South Wales Government is appropriating the museum's assets, its land and property and handing that to developers. It is doing this by changing longstanding governance arrangements that give the trust control and management of the museum's property and collections—no longer. The new chief executive officer will report directly to the Minister in arrangements more often seen in a one-party State. The museum's legislation will be changed; the museum's historic mission is being abandoned. The trust will be left on the side with no responsibility for planning the new museum. MAAS is not even the client in its own development project. A once great museum, with its collections held in trust for current and future generations, is now the powerless plaything of the Government, which has taken all the power out of the Powerhouse. What is unfolding in the divestment and demolition of the Powerhouse Museum is a slow-burn museum bonfire. This is no less than the destruction of our 135-year-old museum, Australia's only museum of applied arts and sciences.

Museum people around the world are mourning the destruction of the National Museum of Brazil by fire and government neglect. They are also looking on with incredulity at the attempts of the New South Wales Government to demolish the Powerhouse, to abandon its mission as a museum of applied arts and sciences, and to evict the museum from its landmark site and its home since 1893 and move it to a less accessible location with demonstrably inferior facilities. How does this happen in a civilised society, we are asked by museum colleagues across the country and overseas. I wish I had an answer.

The crying shame of this is that, unlike Brazil, the New South Wales Government is not broke; it is sitting on a \$3.8 billion surplus. It has projected an annual surplus of \$1.6 billion for the next four years. It has money to splash on three stadiums within 25 kilometres of the city at a cost of \$2.4 billion and yet it says it cannot afford to keep a treasured State museum, which is the Powerhouse Museum, and build a new museum in Parramatta when that would actually be cheaper and not require monstrous blocks of flats on both sides.

**Mr GRANT:** I thank the committee for the opportunity to offer my comments to the inquiry. My remarks relate to terms of reference 1 (d) and 1 (e). In December 2012 I retired after 33 years as a curator, mostly as Senior Curator, Transport, at the Museum of Applied Arts and Sciences, and for eight of those 33 years I was Curator of Engineering. Between 1980 and 1988 I was engaged full-time in project management and exhibition development of both stage one and stage two of the Powerhouse Museum.

Since 2013 I have been a consultant in transport heritage specialising in significant assessments and have undertaken commissions from clients in local, State and Federal government in Australia and from private organisations in Australia and overseas. I have experience in curating transport and engineering objects of up to 200 tonnes, including how they are identified, acquired, researched, handled, managed, interpreted, preserved, operated and promoted, what resources they require and how to manage the associated risks of all the above.

I find it hard to express to the Committee the frustration, distress and disappointment I feel both professionally and personally that this beleaguered project has, astonishingly, reached such an advanced stage of planning. I profoundly regret that it has been necessary to prepare this statement. However, a great deal is at stake. I fully support the proposal for a new museum at Parramatta but not at the unconscionable cost of destroying the Powerhouse Museum, nor on the present bizarrely inappropriate site which, according to Australia's leading river hydrologist expert, Dr John Macintosh, poses potentially life-threatening risks.

The Premier is my local member of Parliament. I have written to her and have been to see her three times to express my views about this project, but to no avail. During my most recent visit last September, I put it to her that it made no sense to retain the name "Powerhouse Museum" in Parramatta. She glibly responded that only people like me knew of the significance of the name and anyway, and I quote, "It's just a branding exercise". In other words, it is not about heritage and culture; it is about marketing and spin.

Please allow me to place the Powerhouse development in some context. The Powerhouse Museum was designed for a 100-year economic life, yet it ludicrously is described in the final business case summary document as "no longer fit for purpose", presumably to justify its dismemberment. The Powerhouse Museum readily achieved international profile. Some of the requirements for the new museum had never been attempted before, such as suspending an eight tonne aircraft on a single stainless steel cable, interpreting collections spanning science and technology, social history and decorative arts or building the world's only permanent steam-powered exhibition gallery inside an air-conditioned heritage building.

The Powerhouse reset the bar internationally and represented a generational shift in the museum industry in Australia. The Powerhouse was and is a triumph of architecture and exhibitory in harmony. The cavernous

Powerhouse spaces enhance the overall effect. There is a resonance between the building's impressive internal volume, its architectural features and the exhibits. The large transport, engineering and space technology exhibits are top of mind for most visitors to the Powerhouse and in almost any reference in the media. They are the wow factor. The 50,000 cubic metre space of the boiler house is still, arguably, the world's most impressive single space for showcasing transport and space exhibits. There is an obvious synergy between the historical function of the former Ultimo Powerhouse as Sydney's first tramway power station and many of the power generation and transport exhibits displayed in this former industrial cathedral.

The museum is complemented by a unique purpose-built workshop, now the Harwood Building, which once housed the city's first fleet of electric tram cars. These propelled Sydney's growth as a modern industrial city. Critical features of the Powerhouse for handling and installing large exhibits were level at grade access and clear heights of up to 21 metres—which is notably absent in the proposed building and site at Parramatta. Budget cuts since the early 2000s at the museum have led to an alarming depletion of specialist staff at the museum, notably in curatorial, conservation workshop and maintenance positions engaged in the science and technology-related fields at professional and trade levels. I request permission to table a document which lists those positions of which I am aware in the those categories.

#### **Document tabled.**

This de-skilling has directly led to lapses in the basic maintenance of the buildings of the Powerhouse, and also weakens the capacity of the museum to fulfil its role by placing under threat the in-house knowledge, experience and authority needed to protect the collections from unnecessary or unacceptable risk, which is plainly evident to me in the proposal to relocate the museum. The fate of 35 so-called "very large objects" [VLOs] referred to in the extended final business case documents is uncertain, despite their centrality to the Powerhouse identity. Many so-called VLOs apparently cannot or will not be accommodated in the new Powerhouse Museum, also referred to as the "new museum in Western Sydney".

What is planned for the 1785 Boulton and Watt beam engine, the centrepiece of the engineering collection? It is in its ideal context where it is. It is critical to appreciate that the Boulton and Watt is a so-called house engine; its integrity relies on the structure supporting it. The former directors reported comment that "It was moved once so it can be moved again" reveals a failure to appreciate the extraordinary significance and vulnerability of this technological marvel. One of the principles about moving museum objects is simple common sense—you don't unless you have to. It is also vital to know what you are dealing with before deciding on a course of action.

The museum's Catalina flying boat is the largest and heaviest object suspended in any museum in the world. Very few museums could accommodate its 33 metre wingspan. Moving it is a highly complex exercise that entails considerable risk of damage. When I explained these issues to the Premier in the context of relocating an entire collection, she responded with "But it's just one plane". The final business case summary falsely asserts that the Powerhouse buildings and facilities constrain the collection. The museum is well configured for handling and displaying large exhibits, but at the proposed new site reduced levels [RLs], gradients and access points appear to be extremely compromised. A very large object store is suggested as a staging point, but will this be permanent? How is this preferable for the public to the status quo?

The language of the glossy press release issued at the time of the extended final business case was brimming with anticipation and hubris: the new Powerhouse Museum in Parramatta "will be bigger and better than anything NSW has ever seen and will rival global cultural icons such as the London Science Museum and the Smithsonian Air and Space Museum." It is absurd and naive to claim any comparison with the present Powerhouse Museum let alone two of the world's leading museums. It is apparent, well before a brick has been laid on its flood-prone site, that the new museum will be much smaller and cannot even accommodate the Powerhouse Museum's most defining objects.

So what is the current prospect for the Powerhouse Museum's largest and most visually impressive exhibits caught up in this lamentable project? They will be removed from their current spectacular site and context only to be scattered to various locations, perhaps on indefinite loan, while being exposed to substantial unnecessary risk of permanent or even irreparable damage or loss. Some will be placed in a "very large object store" of indeterminate specification or location, perhaps never to appear at Parramatta where the public has been led to believe they will all be featured in the new museum, whose brief is demonstrably unachievable.

As if this were not enough, the sites of the current museum's unique facilities building, the Harwood Building and the award-winning Wran Building, both with decades of useful life remaining in them, will be sold as development sites for more unsightly residential tower blocks. And then the plan is to demolish parts of the remaining Ultimo Powerhouse buildings and consign the grand boiler house space to a footnote in history as a lyric theatre for which there is no identified need, and, lastly, to pay lip service to a continuing cultural presence

on the site by cobbling together a fashion and design museum—an intellectually vapid concept that would demean the long and proud traditions of integrated disciplines at the current museum. This is an utterly avoidable lose-lose scenario. To quote from the Committee's interim report, spending up to \$1.5 billion to destroy a cultural icon is an act of vandalism by this Government. Thank you.

**The CHAIR:** Thank you. Dr Sharp?

**Dr SHARP:** Thank you Mr Chairman and the Committee members for your patience today and for the work you have done so far. I think you have achieved a great deal despite every possible obfuscation by this Government. I am going to focus today on two prime issues: one is the flood issue, which is paramount in terms of safety in the new site; and the second is fiscal discipline, or lack thereof, in planning. I have been a professional museologist involved in worldwide experience of large-scale museum developments since 1976. I was, for the record, Director of the Science Museum, so I can tell you factually that that comparison is just utter rubbish that my colleague Mr Grant has just mentioned.

I completely support the concept of a new cultural hub and museum at the Cumberland Hospital Female Factory site in Parramatta so long as it is developed in deep consultation with the communities of Parramatta and west of Sydney. I also revere the role of the Parliament and of upper House inquiries; you are the bull works of democracy. I respect the Westminster structure of government, including the position of Minister—I have had about nine or 10 in my life—while having learned through nearly four years' experience that this Minister for the Arts and the previous incumbent deserve no personal respect, based on their behaviour and veracity or otherwise. As for the two Premiers concerned, I leave that to your discretion.

I am not driven by political ideology but by a pragmatic yet extensive experience of museums and, more broadly, of cultural planning in multicultural environments like Toronto, Canada, London, Los Angeles and Sydney. I am by nature fairly commercial in my views of cultural sustainability but profoundly supportive of the role of museums in engaging their communities and telling their infinitely varied stories with them and not to them, utilising the deep cultural meaning embodied in their collections. I have imparted more than five additional submissions analysing the inadequate and misleading Extended Final Business Case [EFBC] the Government was forced to release to this inquiry—congratulations, thank you.

These submissions forensically examine the keystone documents presented to Cabinet, which were so flaccid, inconsistent, mendacious and incompetent no bank or commercial institution would accept them as a basis for funding consideration. I did a lot of those proposals when I was working for a developer, and they would not pass muster as undergraduate first-year exercises. Another intriguing question is how much this steaming mass of documentation cost—probably enough to restore 10 local museums. On one ground alone, this project should not proceed: the reasonable prospect is that the riverbank site may well be subject to floods and a sea level, tidal, east coast, low-affected rise which tops 12 metres above current river levels and may possibly exceed 14 metres by 2100 in extreme conditions.

Government spruikers may roll their eyes but the report on which they base their ill-founded belief by Taylor Thompson Whiffing [TTW] from December 2016 was already outdated and unreliable by that time. The document, as my detailed submission shows, is inconsistent in itself, noting in one place that a 15 per cent additional flood height was included to reach its own predicted maximum height of nearly seven metres above normal levels by 2100 while saying elsewhere that this allowance should be increased to 30 per cent in more accurate analyses later. Neither figure was given any justified basis for inclusion. TTW themselves note that no allowance had been made for the sea level rise. Even in earlier authoritative studies of the Parramatta River from 2008 by Cardno Lawson Treloar, this potential rise by 2100 is stated to be 1.5 metres. So that would take the maximum potential figure to 8.5 metres above normal levels on TTW's report and on another scientific survey's unchallenged stated potential rise alone.

Neither of these two takes into account the potential global sea level rise of up to five metres by 2120 now postulated in Jim Hansen's much-expanded research and projections, as published in the Royal Society Transactions this July. Controversial it may be, but the science is solid and chilling, so much so that the *New York Times* in early August of this year devoted an entire magazine to the coastal flooding effects of that in the USA—most of Florida and much of New York City will be underwater apparently. This Government appears to be in denial about the effects of such a rise on the Parramatta River estuary and coast areas elsewhere. It is the height of folly to build a new museum in a place where such predictable risks are even possible, indeed likely.

I use this single issue to flag just how inadequate and misleading these extended final business case documents have proved to be. There is insufficient time available now to analyse or note the financial, computative, estimational and fiscal ineptitude running through the EFBC documents. Especially notable in that regard is the Johnstaff-authored EFBC supplement, which was obviously handed to Cabinet members as a kind of crib sheet, helping them avoid reading any of the other mounds of flaccid documentation. If they relied on the

first four or five pages without getting their staff to do a forensic analysis of all the figures contained in the document, they would have been deeply misled. For example, in early pages it says, "No consolidated revenue increase to the museum will be sought". Later it requests a review be undertaken of the new museum's consolidated revenue.

Remember, this was the project Mr Baird said would cost less than \$200 million in his original November 2014 announcement. In reality, a project which Cabinet were recently asked to approve at a cost of \$855 million was actually worth, if you read the papers carefully, at least \$1.25 billion on the Minister's own figures, which were carefully deconstructed to be effectively hidden from view. For example, the site acquisition cost at \$140 million does not appear front and centre, nor does the Ultimo cultural presence—whatever that might mean—of a museum devoted to architecture, design and frocks and a lyric theatre with shonky commercial underpinnings, which are nominally costed at \$385 million in entirely rubbery figures. Added to this are completely inadequate cost inflation contingency figures for museum construction and exhibition development and a host of cost headings either understated or just missing.

Taking all this into account means that there is no way this project can meet Treasury's benefit-cost ratio [BCR], the key criterion for approval which has to exceed 1.0. Even with so many costs missing or underestimated or estimates simply reduced at the stroke of a pen, this runt of a project barely scraped home. Add in the real total project cost and it cannot get within a bull's roar of passing the BCR. Please read my detailed analysis in submission two if you doubt this statement. I also suggest you ask the Minister about this. Talking of whom, we are all aware that after this session with the Powerhouse Museum Alliance and colleague, the Minister Mr Harwin is appearing, supported by his departmental and planning staff. It seems Mr Harwin does not dare appear by himself.

**Mr DAVID SHOEBRIDGE:** I do not think that is fair. Ministers normally appear with staff.

**Dr SHARP:** I take it back. Mr Harwin is responsible to the Cabinet, to the Parliament and to the people of New South Wales for this misleading, inaccurate and incompetent mess of a project which no professional museologist of any depth of experience or honesty would support. My colleagues have already sketched out many reasons as to why this is the case. This project will deliver a misshapen, flood-prone, submarine kind of shrunken monster—more miniature pantomime horse than even that famous camel designed by a committee. It will lack most of the great iconic objects of the existing Powerhouse Museum. It will be hyper expensive in every conceivable way. It will have a planetarium fiscal black hole which very few local citizens or potential visitors want or will repeat visit to. It will be run by a museum board and senior management team who increasingly appear irrelevant and, I am sad to say, incompetent.

This half-sized project is supposed to be a first-rate international quality museum instead of the vast Powerhouse Museum, whose heritage and potential will be destroyed unnecessarily. If it were not so tragic, wasteful and destructive we could treat it as farce—a kind of theoretical dystopian folly, a high school exercise 101 in what not to do when planning museums. Expect nothing more from this Minister and his staff than further evasive, misleading or, in my opinion, outright incompetent responses. Their economy with the truth is now legendary within our profession. Some even in the party room and in Cabinet may describe the extended final business case as being filled with lies and misdirection. Again, I leave that to your judgement.

The few consulting museum and cultural folk who have supported this fourth-rate folly are mainly those who wish to be given even more funding in the unbalanced round of personally dictated allocations. For example, think of the new gallery at Bundanoon—itsself a national, not State institution close to Mr Harwin's home turf. I live down there, by the way, so I know it. Or think of those who seek lucrative consulting contracts or who are rent-seeking impresarios who want massive capital funding for yet another lyric theatre, this time to be funded by the State.

And remember the Government's own documents demonstrate that along with these snouts in the trough, Mr Harwin as the Minister is personally responsible for this travesty, whose only reason for continuation is the favours this Government does to developers. Remember Wagga Wagga. Imagine what eight or nine 75-storey tower blocks in Ultimo and Parramatta are really worth to these greedy, corrupt developers or to the rent-seeking so-called business leaders at the big end of either city, aided and abetted by one newspaper which should be called Australia's *Pravda*. But then I leave all that to your judgement also. Thank you.

**The Hon. WALT SECORD:** Dr Sharp, you indicated that you have been working in this sector since 1976. That would mean you have more than 42 years experience.

**Dr SHARP:** Yes.

**The Hon. WALT SECORD:** What is your calculation of the real cost? Are you familiar with the Rider Levett Bucknall report?

**Dr SHARP:** I have read it but there was so much.

**The Hon. WALT SECORD:** It says that this will be the cost of the project, however, you must exclude artwork costs, exhibition, sculpture content, the GST, financing costs, legal costs, additional land costs, loose furniture, fittings, promotional marketing, public utilities charges, asbestos removal, site decontamination—it just goes on with all the exemptions to meet the BCR. With your experience of 42 years, what is the real cost of this project?

**Dr SHARP:** Obviously we are dealing with redacted documents where they have carefully taken out the summary of all of that. I have done this calculation in paper two. I believe that the minimum cost that one can foresee if it is a six-year to eight-year project—and it is more likely eight years, if not longer—would be in the region of no less than \$1.6 billion and quite possibly up to \$1.92 billion. I would have to see all of the detailed documentation and spend two or three weeks going through it, but in my submission on the supplementary document I added another 10 headings that are not in the headings you have outlined. We are dealing with a fantasy in terms of cost. I am told that within the museum there is discussion of a \$900 million cost for the construction alone and that this figure probably does not take into account some of the flooding risks that we have been discussing.

**The Hon. WALT SECORD:** I have been to the site and seen previous flood levels there. How are they actually going to overcome the flooding problems according to their estimation? I have been told informally but what have you been told, or how are they going to do that?

**Dr SHARP:** We are lucky that one of the people assisting this sort of examination was trained earlier in life as a hydrological engineer. He has said in writing—it is part of the submission I think I gave—that basically you have to build a box which is entirely waterproof up to a certain height. For a start, that loses the value of the site overlooking this river. It is one of the reasons for having it there. If it has to deal with a flood of let us say 11 metres by 2021—and that is relatively conservative, debatable but relatively conservative—then you are looking in the old imperial of 45 to 50 feet before you start doing anything. Remember, as my colleague Mr Grant has said, getting the big objects or almost anything in there is going to be very difficult. You have to cantilever it. There is a report submission by Lionel Glendenning which looks at this too. I would say it is an incredibly difficult site and very expensive and you would have to create almost a submarine.

**The Hon. WALT SECORD:** On something completely different, why do you think in the documentation they refer to it as the "new museum in Western Sydney"? Why is there a specific use of that terminology? Do you have any insight into why they are insisting on that? Maybe Ms Winkworth can help out. Why are they insisting on calling it the new museum in Western Sydney?

**Ms WINKWORTH:** I think that is an admission that Parramatta is not getting the Powerhouse. It is not the Powerhouse. It is not going to be anything like the Powerhouse. The concept documents show how far from the Powerhouse the vision, such as it is, of the new museum of Western Sydney is. It is not called the Powerhouse in Western Sydney because it is not the Powerhouse. There is already actually a Powerhouse at Casula. What the "new museum in Western Sydney" acronym portrays is that this is not the Powerhouse. That is something that they have not fessed up.

**The Hon. WALT SECORD:** Dr Sharp, have you had discussions with the trustees about what is happening?

**Dr SHARP:** I have not but I know that some of our colleagues have. I think it would be better if they were able to answer those questions, but I can tell you that there is a degree of consternation amongst some trustees. We did, in fact, have a meeting well over a year ago, I think, with the president and some of the trustees. They at that time told us that from their perspective they were completely set against the concept of having commercial development on the Parramatta site. I think they were overruled in that regard. If you look at the reports, there are or there were three towers proposed. They also expressed, quite rightly I think, the concerns we had voiced with them about the heritage buildings. Willow Grove is one obviously—a very important one—and the St George's Terrace is important. I think it is fair to say in the last few months no, but I know that there is consternation. I believe that one trustee resigned though I do not know fully what the reasons were.

**The Hon. WALT SECORD:** Are they being ignored or are they rubberstamping the decisions?

**Dr SHARP:** They have been removed from the process, in effect. If you look at the organisational structure, the management responsibility, quite apart from the Act, is that the Minister is in charge, as I said. He has got the Cultural Infrastructure Program Management Office [CIPMO] who are doing the planning with the senior planner there and the trustees are put to one side. They may be told what is happening but with the new director who is coming in—who reports, apparently, directly to the Minister, according to the advertisement—

that whole Westminster structure of how you run your cultural bodies is completely gone; the Act is virtually meaningless now.

**Mr DAVID SHOEBRIDGE:** To any one of the three of you: Have you ever seen a major museum redevelopment or contract where the museum itself is not the client and in the driving seat for the contracts for the construction of the museum? Are there examples in other parts of the world where a politician has been making the decision and is the client?

**Dr SHARP:** Can I take that first? I have run museums in four different jurisdictions and I can tell you in Canada, which is not dissimilar, in London, which is very, very similar in terms of structure, this would simply not happen. It is rather like asking a person who is an expert in highways to build an abattoir. It is the most ridiculous thing.

**The CHAIR:** Probably the other way around.

**Dr SHARP:** You are quite right, Mr Chairman. The reality is that the board is entrusted with the responsibility for property development and ownership of property. They should be responsible for the contractual development, particularly in respect of the displays but also in terms of the building. So it really is unheard of—unless my colleagues disagree, I do not know.

**Ms WINKWORTH:** I think it is a very good question. Certainly I have never heard of a project structure like this, which to my mind seems to be designed to facilitate the emasculation of the board and the removal of their capacity to have control and management of the museum's property, which is embedded in the MAAS legislation. That is what this is about. The project structure has already been in place for the development of the business case documents to date whereby there is only one MAAS trustee on the project steering committee. I have seen a copy of the trust minutes from May 2017 where the trust is asking the senior public servants from the Department of Planning and Environment and Create NSW whether they might be consulted on the governance arrangements for the new museum Western Sydney, and we know now that those governance arrangements were already set in place way back in early 2017.

Clearly they had not been discussed with the board, nor had the board's representative on the project steering committee obviously been apprised of those Government arrangements. I correct myself; those trust minutes were from May 2018. Earlier this year the trust was asking to be consulted about the governance arrangements, which had been locked in in 2017 and presumably had already been signed off on by Cabinet. This is a very unusual and remarkable governance arrangement whereby the museum is not the client in its own development project. I would ask the Committee, if you want to look at a comparison to look at the arrangements for the development of Sydney Modern where the director and the board of the Art Gallery NSW were in total control of the design and development of the Sydney Modern project. They are not reporting directly to the Minister. The director does not report to the Minister; he reports to the board of trustees. They are in control of the business plan and the design development of Sydney Modern.

**Mr DAVID SHOEBRIDGE:** But that structure, whereby the Minister is in control of the contract for construction and the trustees and the museum themselves are a ginger group at best, potentially has real practical outcomes as the design work is done and the implementation, the construction starts to happen. I assume that is where you want somebody who knows about museums and has the long-term responsibility for museums making some key decisions about construction?

**Dr SHARP:** Absolutely. There are always issues where you have to decide on a particular quality or finish or structural issue that should be finessed or cannot be finessed and that should not be taken by somebody who does not understand museums.

**Mr DAVID SHOEBRIDGE:** Mr Grant, something as simple as the roof height and the space needed for the very large objects, if you are not responsible for the objects, if you are a politician and you are trying to get a project finished, you are not the board responsible for the objects, some of those things may be compromised?

**Mr GRANT:** Indeed. If I could answer the first part of your question first. In my 38 years of working in the museum industry I have become aware of many projects, apart from the Powerhouse Museum, both in Australia and overseas, and none has featured or contained any semblance of the arrangements that are evidenced in this project. To answer your question about critical issues where trustees need to be involved and museum people need to be the client, you are absolutely right, there are critical issues to be considered for the planning, installation and then the operational phase of the life of a museum.

The operational phase is often the most telling in terms of unrecognised costs and difficulties, functional difficulties, risks to the collection in its handling—and I speak particularly here of objects whose size and complexity requires the building design to be second to the requirements of the objects. In the case of the

Powerhouse, there was much planning and development between the Department of Public Works and Services, led by Lionel Glendenning the architect, and the museum as client in lock step to ensure that the planning that was going into the building made it possible to respect the requirements for the objects.

**Dr SHARP:** Can I add to that just to give you one example of how this project currently does not meet the requirements of sound management? If you have most of your objects and most of your visitors and most of your back-of-house facilities on one site—which is why we developed the Powerhouse Museum where it is and in the way that it was developed—you inevitably reduce risk to objects, risk to visitors, risk to staff, and costs are reduced and the ability for curators to access their collections, which is critical, is much enhanced. If you take a museum such as the Powerhouse Museum with this almost perfect management set-up and split it into three different places, inevitably logistics, risks, costs, management oversight, quality control, just simple safety, travelling backwards and forwards—imagine if somebody is spending their life going between Parramatta, Castle Hill and now Ultimo and they are a driver—you increase the amount of risk all the time. Basically, the people who build it and control the building should be experts from the field.

**Mr DAVID SHOEBRIDGE:** Dr Sharp, since you last appeared and since we last had hearings, we have now had the final business case and the extended final business case, and no doubt there is a further extended additional final business case that is currently being worked on. One of the criticisms you make—and I think many people make—is the failure of the business case to comply with the guidelines for capital business case set out by the Treasury and Finance. Those guidelines say:

The first option to be considered is the Base Case. That is what happens if the status quo is maintained.

It says further:

The description of the base case is important as it may be the preferred option adopted by Government because of investment priorities in other areas of service delivery.

Do you have any views about the three options that were developed and whether or not that complies with the guidelines for capital business case?

**Dr SHARP:** I do but I might ask Ms Winkworth to answer that, if she is willing to do so?

**Ms WINKWORTH:** It obviously does not comply because the option of staying at Ultimo was never seriously considered or costed, nor was the option of keeping Ultimo and developing a new museum at Parramatta considered. So, no, those guidelines appear to have been breached.

**Mr DAVID SHOEBRIDGE:** What do you make of the problem description where the final business case says:

For some years, MAAS has argued that its existing premises at Ultimo include infrastructure which is reaching the end of its useful life and is no longer fit for purpose.

Has there been any genuine consideration of that issue?

**Dr SHARP:** I can say categorically, because I have actually seen the report for only 20 minutes, that the 2014 MAAS proposal to Government, which nearly got through Treasury, hugely overstates the issues with the infrastructure and the equipment at Ultimo. Lionel Glendenning put a submission in recently—he cannot be here today—that looks at that issue. We were trying to get hold of, through the Government Information (Public Access) Act [GIPA], that 2014 report, which frankly was a totally opportunistic piece of work. There is very strong evidence from the Infrastructure NSW report that dates from mid-2012 about cultural facilities in New South Wales, the big ones, where it said that maybe a few million dollars at that stage needed to be spent. Let us be generous in terms of things going wrong and say not a few million but maybe \$20 million or \$30 million—maybe, who knows—but we are not talking \$300 million, as the Government has been saying, and we are not talking about buildings that are any more than requiring maintenance; that is it.

**Mr DAVID SHOEBRIDGE:** Mr Grant, you are very familiar with the building and whether it is fit for purpose, particularly for the very large objects and others. What is your view?

**Mr GRANT:** My view, to add to what Dr Sharp has commented on and surmised, is that I think that it is likely that that document, which I have not seen but I have read the figures that are quoted in it in terms of what the Powerhouse buildings require to be made fit for purpose, is grossly exaggerated. I think it is quite possible that what went into that document was a sense of an ambit claim to make up for years of a failure to secure money adequate for the maintenance of the building purely for its ongoing maintenance and the replacement of exhibition galleries.

I do not know that there was an exhibition component, because I am not familiar with the document, within it, implicit or explicit. But what I do know is that in 1988 the original plan for capital development of the

exhibition spaces was that \$2 million would be applied for annually to replace each of 10 galleries and after 20 years they would all be replaced. That was the aim, but from that time I know that it was difficult for the museum to secure that kind of funding. It was certainly not secured, and I sense that this document that is referred to in 2014 was a catch-up claim. My own opinion is that the buildings and their fitness for purpose are very close to what they were in 1988 and they would need nothing like the investment that is quoted in that document.

**Mr DAVID SHOEBRIDGE:** This whole debacle has started with a secret overcooked report that the Government still will not release?

**Dr SHARP:** Correct.

**Mr GRANT:** Yes, I believe so.

**Ms WINKWORTH:** I think my colleagues have drawn your attention, in their submissions, to the PricewaterhouseCooper's baseline report, which rated the condition of the museum buildings in 2012, I think, when this Government came into office, as moderate to good. Between then and Premier Baird's announcement the museum went through something like a \$300 million deterioration in the state of its facilities. They must have been having wild parties every night.

**Mr DAVID SHOEBRIDGE:** We know that has been happening.

**The CHAIR:** Let us go to that particular part of the discussion.

**Ms WINKWORTH:** Mr Chairman, may I go back to the question that was asked about the project structure?

**The CHAIR:** Can I follow a line of questioning because I am conscious of time. Dr Sharp, please give us your view of the performance of the MAAS board and senior management over the last few years, especially in light of the things that you and your colleagues have been talking about.

**Dr SHARP:** One wants to be fair and balanced but, with that said, in the last five years at least we have seen a deterioration in the quality of oversight by the board. Actually, I think the current president is wildly conflicted, since he is based in Western Sydney and he has been trying to get a facility there on a scientific basis for a long time. That would not have been allowed to continue in London, for example, where I was director of the Science Museum. The sidelining of the board represents the kind of situation that the board I reported to in the 1980s and through that board to the head of the Premier's department and the Premier himself, the board, which included people like Trevor Kennedy and Leo Schofield and so forth, would not have stood for this.

**The Hon. WALT SECORD:** Definitely would not have.

**Dr SHARP:** The Government would have fallen, believe me; they were very powerful. This bunch of trustees really are wannabes. They are not doing the job they need to do. In terms of the senior staff, you just have to look at the actual experience that those who are now running the place have—the scale of what they have done before, the nature of the collections and so on. I must say that I feel that it must have been the Minister who threw the previous director—the last director—under the bus conveniently, because that kind of behaviour, whatever it might have been, sheets home right to the top. We were told that right from the start.

In London, as the accounting officer, if anything like that had happened while I was running the Science Museum I would have been fired, straight off, it does not matter. In terms of the capacity, which is the most important thing, of the museum to undertake one of the most complicated, large-scale, multi-site—we are looking at five, if not six sites in the future instead of three now—it is not fair to them. It is crazy; in terms of sheer management and control, it is the wrong thing to do. It is equally wrong to have a bunch of bureaucrats running a project which is focused on the core cultural heritage of our State. It is just insane; it is a form of folly.

**The CHAIR:** You talk about the directors being fired, and I suppose that subsequently happened, or at least that is the way it appears to me. Please talk for a couple of minutes about the fashion ball and what happened after it.

**Dr SHARP:** Obviously I was not there and I can only go on reports from within. What I can say is as follows. Someone put forward a project of that sort which was fundamentally about fundraising and managed to waste \$240,000—I am not quite sure of the amounts—and sort of misrepresented it knowing that all of these matters should be at least addressed by the board before they happen and oversighted by the board. So someone on the board is responsible for that, again, folly. If I had put forward that kind of proposal and had that kind of performance in Toronto or London or here I would have expected to be fired.

Indeed, I think no responsible museum director would permit the kind of activity at the after-events, whatever happened—and I would love to know more—in her or his office going on throughout the night; we

know that factually. It is public property and it is just bad, bad management. It is appalling, and I would have expected, if I had allowed that to happen, to be fired instantly, not debatable. If you take the fashion ball as an example of commercial ability of the museum presently and you apply that to the business case papers where they say, "We do not have to give more consolidated revenue" but later they asked for this review because the museum is going to make so much more money out of the new facilities, what are they smoking? Gee, I would like some.

**Mr DAVID SHOEBRIDGE:** They may not have been smoking.

**The CHAIR:** We were not there; it might not have been smoke but something else.

**Dr SHARP:** Crikey, really?

**Mr DAVID SHOEBRIDGE:** Maybe they thought blowing a quarter of a million dollars was nothing because the Government was blowing \$1.5 billion on the entire project. I think they have lost perspective, utterly lost perspective.

**Dr SHARP:** I would say that a quarter of a million dollars for a regional museum whose roof is leaking and whose toilet does not work—

**Mr DAVID SHOEBRIDGE:** It would make it weak, would it not?

**Dr SHARP:** Many regional museum people are really angry, and they have a right to be too.

**The CHAIR:** They have every reason to be from what we are seeing with this utter unadulterated scam. It is unbelievable.

**The Hon. SHAYNE MALLARD:** Good to see you are objective, Mr Chair.

**The CHAIR:** I do not claim to be objective on this issue.

**The Hon. SHAYNE MALLARD:** Fair enough. We could take a couple of hours to refute all of the conversations that I have heard.

**The CHAIR:** I am sure we could.

**Dr SHARP:** Mr Chair, can I say something to Mr Mallard? Thank you for attending all of the sessions that I have attended; I appreciate the time you have spent. Sometimes your calm questions are very helpful, but can I say that I really have no politics. This is not driven by personal politics or a desire to make money. My goodness, if I had been paid for the work I have done I would be a millionaire by now.

**The Hon. SHAYNE MALLARD:** Let me respond. I speak on behalf of myself and probably on behalf of Government members. We understand the passion that you have on this issue but we do not agree.

**Dr SHARP:** Of course we do not agree.

**The Hon. SHAYNE MALLARD:** We could probably spend two hours picking apart all of your evidence and saying there is a counter argument.

**The CHAIR:** We can come back.

**The Hon. SHAYNE MALLARD:** No, I am not suggesting that.

**Mr DAVID SHOEBRIDGE:** We are happy to come back if you have questions to put to witnesses.

**The Hon. SHAYNE MALLARD:** No, this is sawing a piece of wood repeatedly. Since I have the call, I want to make one observation to Mr Grant. I appreciate his passionate evidence and his contribution. I will make one observation in terms of Mr Grant's submission. In regards to a proposal for a lyric theatre on the existing site, he said there was no identified need. I do not have an argument but there is a clear identified need, quite an urgent need, in Sydney for at least one—and I think the Hon. Walt Secord might support me on this—lyric theatre of that size. I am not saying it is either/or. I accept that argument. But we do need another one in Sydney at least because that sector of the arts sector is crying out for one. We have another inquiry going on parallel to this into the arts and music economy. There has been clear evidence given to us that there is desperate need for at least one more. I just wanted to put that counterpoint to you. I am not saying it is one or the other though; you can have both.

**Dr SHARP:** Chair, may I respond to that because this is the kind of discussion that actually is valuable?

**The CHAIR:** Yes.

**Dr SHARP:** Two things: firstly, the prime reason put forward or one of them that in 2014 the museum where it currently is could not continue there was that it was actually remote. That was very clearly stated. If it is remote for that kind of cultural activity, why is it not remote for a lyric theatre? The second thing to say is that I

believe that this Government, your Government, is in fact moderately centrist but a somewhat right-wing financial government. It is not being pejorative. It is just the facts. How can you possibly justify spending \$380 million or, say, \$320 million, on a lyric theatre, which in any other city would be funded either by philanthropy, like in Los Angeles, or by private money?

**The Hon. SHAYNE MALLARD:** I do not think the Government has arrived at the actual model for that theatre, but I am not the Minister so you might like to put that on notice.

**Dr SHARP:** I will not have that chance.

**The Hon. SHAYNE MALLARD:** I am not the Minister, nor do I intend to be.

**Dr SHARP:** But it is a genuine question because I am probably, in that sense, as dry as you are in many ways. Museums you cannot do it with but I think you can with lyric theatres. I like lyric theatres too, by the way.

**The Hon. SHAOQUETT MOSELMANE:** You paint a damning picture of negligence and incompetence, failure to undertake sound planning analysis and transparency. Do you have an answer as to why this Government, given the risks, the costs and all the issues that you and the public have raised, would insist on moving the museum to Parramatta?

**Dr SHARP:** I can give you three possible answers. I am not inside Cabinet so I do not know. In reverse order I think the first thing is that pork-barrelling is a very powerful thing. I think this is a very good example of the wrong kind of pork-barrelling. For example, if they had decided to look at a new museum, and not destroy the Powerhouse, on the Female Factory and Cumberland Hospital site, I think they would have won fantastic plaudits for a whole raft of reasons, and if they also had consulted the local population they would have loved it. That is number one. Number two is that, frankly, I think they have miscalculated the politics. They were, frankly, wedged by the Labor Party. Anyone who decides projects of this type and of this scale based on those relatively tactical politics is not perhaps the best governance model we have seen and certainly not the best planning model.

Finally, I have to say that the Minister when he became the Minister asked us to put forward proposals. We all put forward various proposals mainly focused on the Female Factory and Cumberland Hospital site, but not only. We had other proposals that were far less costly, far more effective and far more efficient and planned in principle. We genuinely believed that he really wanted to consider them. I can only say that the fact that you then see in these documents multiple unit towers to be sold and given special dispensation for height and density—I was a developer for a couple of years for my sins—I can tell you that the windfall gains from those towers could be huge. I ultimately have to come back to that one core reason. This is about the big end of town, about development and about money. It is not about culture. It is about money and politics.

**The Hon. SHAOQUETT MOSELMANE:** My second question is in relation to your petition of approximately 359 signatures. Did you get a response to that petition from the Government or the Minister?

**Dr SHARP:** Sir, if I may, I think we—when I say "we" the Powerhouse Museum—received 10,000-plus responses that were positive in terms of, "Let's stop this thing." There was a debate, I think, which was a charade for about 25 minutes in the lower House. I think some of us turned up and just listened agog, amazed. Let us be clear, none of us here and none of the people behind me are against the idea of Parramatta and the west having at least one great new museum. Please do not ever misunderstand that. Indeed, several or more. But the point is that it could be done so much more profitably in the cultural sense. Let me say that there is a great deal of passion out there but passion does not rule out reason, Mr Mallard. The two can go hand-in-hand.

**The Hon. SHAYNE MALLARD:** I was not suggesting otherwise.

**Dr SHARP:** I am sure you were not but out there there is a real desire to celebrate the communities who live there and work there and their own collections, their own lives and their own creativity. But this is a top-down exercise. It has nothing. The consultation, so-called, took place in one month. To do the job properly you have to spend literally years and you talk to dozens and dozens of community organisations and different groups and different ethnic groups. It is self-evident that if you want the people to own the museum they have to be, right from the beginning, part of the planning.

**The CHAIR:** Yes.

**Dr SHARP:** That is what makes this such a disaster.

**The Hon. WALT SECORD:** Dr Sharp and Ms Winkworth, I would just like one final comment. With the March State election coming up I want to get your view. There is no way that construction could legally begin before the March election; is that right? Anything that could occur before would have to thwart planning processes to occur; is that correct?

**Mr DAVID SHOEBRIDGE:** They have done that before.

**The Hon. WALT SECORD:** I am just asking for your view.

**Ms WINKWORTH:** I believe there was a commitment to start pouring the foundations before even the final design from the international design competition was resolved because the Government obviously is keen to demonstrate that this project is a goer. But we should remember that it has been 3½ years since this was first announced and we are still faffing about with the business plan and whether it is actually affordable. So the idea that this project could start in March—and certainly, from memory, I think they promised it would start last year—let alone open in 2023 is a complete fantasy, like so much of what is in the business case.

**Mr GRANT:** May I add something, Chair, to what has just been said about the program?

**The CHAIR:** Yes.

**Mr GRANT:** The Powerhouse Museum project was announced in 1979 by the then Labor Government. Its original target for opening was 1984. That fell back to 1984 and 1986 and then again to 1988. That was a project that enjoyed broad media and public support and full support from government and opposition. The only criticisms were, rather naïvely, that the Government might spend between \$25 million and \$28 million or \$29 million on building a new museum, which is what the current project budget was. With a project as hamstrung as this one has been demonstrated to be, the opening of the proposed new museum in 2023, I would suggest, and the costs associated with that are only likely to escalate, with inevitable delays. I would think that you would be lucky to get away with a two-year delay, on current projections.

**Mr DAVID SHOEBRIDGE:** One of the other problems is that they are going to have trouble finding a partner for the residential developments because much of that interest has softened.

**Ms WINKWORTH:** And, if I may say—

**Mr DAVID SHOEBRIDGE:** It is not really a museum. It is a museum under a whole series of residential towers.

**Ms WINKWORTH:** Absolutely, yes.

**Dr SHARP:** Absolutely.

**Ms WINKWORTH:** But if I may say, I think one of the biggest risks is that the museum is struggling to attract expert people to build this project because in the museum industry this is a toxic project that has no credibility. They have to remember that the museums—

**Mr DAVID SHOEBRIDGE:** It is a dead cat project. In the global museum community, this is a big dead cat and nobody wants to be associated with it.

**Ms WINKWORTH:** It is the subject of incredulity.

**Dr SHARP:** Yes.

**Ms WINKWORTH:** Now remember that the museum is now about to interview for, I think, its fourth director in just six years. That director does not even have to have any museum development experience.

**Mr DAVID SHOEBRIDGE:** There is a former Prime Minister who applied, I understand.

**Ms WINKWORTH:** Well, indeed, yes, a former Minister. Who knows? They have had to readvertise for the head of conservation and that job has been rescheduled so that person does not even need to be a conservator. The person in charge of the collection's logistics project does not need any museum experience. The whole idea that the collection is going to be safe and that this museum is going to be planned with any kind of integrity is just absolutely laughable. I would want to draw your attention again to the governance outline that is in the governance paper, which shows that the controlling group in the museum project is largely a group of public servants, none of whom have any museum experience. The MAAS director probably will not have any museum experience. The likelihood that this is going to be a successful project is, I think, absolutely nil.

**Dr SHARP:** Mr Chair, could I very quickly go back to Mr Secord's question: can something happen before March? As you know, very often people can start letters of agreement [LOA]. This is a particularly tasty piece of land in Ultimo. It would not surprise me in the slightest if there was some kind of handshake hanging around that might lead to an LOA which is—

**Mr DAVID SHOEBRIDGE:** An option.

**Dr SHARP:** —an option. It would also not surprise me if people—even if the market for units is declining and will decline for quite a while, this is land banked by a very large property developer. I know how they think; I was one for two years for my sins.

**The Hon. SHAOQUETT MOSELMANE:** It is in the city so the value is high.

**Dr SHARP:** It is so valuable that the idea of a windfall gains is almost a joke because the potential is enormous.

**Mr DAVID SHOEBRIDGE:** If there is any piratical developer out there aiming to get an option, thinking that they can seal it and it will not be reversed, I can tell you now on behalf of The Greens we would legislate to kill that option after the March election.

**Dr SHARP:** All I can say is that that would be—if the worst should happen. Remember also that they have started taking objects out of the Powerhouse Museum already, several aircraft, whatever, to really start things rolling to make it irreversible. I guess they could consider taking out the *Catalina*, something that Mr Grant has alluded to, which would require the destruction of pretty much the whole of the southern end of the boiler hall, just for the record. We have no way of knowing. They are not necessarily bounded by evidence or reason in my regard.

**The CHAIR:** Thank you very much for coming today and attending the hearing.

**Dr SHARP:** Thank you.

**Mr GRANT:** Thank you.

**(The witnesses withdrew)**

**(Short adjournment)**

**DONALD HARWIN**, Minister for Resources, Minister for Energy and Utilities, Minister for the Arts, and Vice-President of the Executive Council, before the Committee

**ALEX O'MARA**, Deputy Secretary, Department of Planning and Environment, on former oath

**CRAIG LIMKIN**, Executive-Director, Cultural Infrastructure Program Management Office, Arts, Screen and Culture Division, Department of Planning and Environment, on former oath

**The CHAIR:** Minister, do you want to make a short opening statement?

**The Hon. DON HARWIN:** Thank you for the opportunity to appear again before the Committee and expand on the many ways the Government is supporting our rich and diverse arts and cultural sector. Our State has never enjoyed such growth within our cultural spheres. Cultural infrastructure plays a fundamental role in creating great places to bring people together, great places to live, work, visit and do business. That is why the New South Wales Government is contributing an unprecedented amount to the development of cultural infrastructure in the State, with more than \$1.5 billion committed to cultural infrastructure right across the State since we took office.

The Sydney Opera House is a testament to the power of cultural infrastructure in shaping our identity, making us feel that we belong and reflecting our stories. Its ongoing legacy is of the value of cultural infrastructure for imaging our futures and pursuing our aspirations. This is the legacy that we will continue so that in New South Wales all creativity has a place. We believe investing in the cultural life of New South Wales is a priority, not just for the enjoyment and intellectual enrichment of our communities but as a solid source of economic benefit, employment, new enterprise, new partnerships and a thriving visitor economy.

Our plans for a new museum in Parramatta are testament to the commitment of the New South Wales Government to accelerate investment and improvement in the arts and cultural sector outside the Sydney central business district. High-quality cultural facilities attract visitors to New South Wales, improve educational outcomes and help drive urban renewal and regional development. They can improve the quality of the lives of people, their education and the character of the communities and neighbourhoods in which they live. These factors informed the Government's strategic decision in 2015 to relocate the Powerhouse Museum to Parramatta.

The transformation of Parramatta into Sydney's second central business district is central to the Government's vision for a metropolis of three cities and that vision depends significantly for its success on the provision of high-quality social and cultural infrastructure. The relocated Powerhouse Museum is intended to be the anchor for arts and culture for greater Parramatta and the central city district more broadly. Almost three years of planning underpins this major project. In conjunction with the redevelopment of the much-loved Riverside Theatres, the relocated museum, with a spectacular new planetarium, will provide Parramatta with a truly inspiring cultural precinct.

The business case makes the case that a relocated Powerhouse will help to reshape the economic and social landscape of Western Sydney and Parramatta and will further the Government's priority of enabling all communities in New South Wales to receive a fair share of the benefits and opportunities the State has to offer. The Government released the final business case to demonstrate the rigour that underpinned the whole process to achieve the best possible outcomes for the people of New South Wales. The final business case also reveals that this decision is the most fiscally and responsible way to proceed. It was critical that the Government investigate the costs and benefits of all options before it made a final decision on such an important investment for our State.

The option selected by Government out of that process will deliver a significant cultural facility for Australia's fastest growing and most diverse population. World-class opportunities for education and research will boost economic growth for the region, creating new jobs and partnership opportunities. It returns a positive cost-benefit ratio, delivering value for the community as well as a better museum with more exhibition and experience space and a new planetarium, responding to community feedback about the features they most wanted to see in the new museum.

Much progress has been made since the Government announced that the Powerhouse Museum would relocate in April this year. We are working closely with the City of Parramatta council to ensure the new museum will be the anchor of a new and vibrant Parramatta arts and cultural precinct on the banks of the beautiful Parramatta River, linking through the new Civic link to the Parramatta central business district and up the river to the site of Government House, the gardens and the North Parramatta Heritage Precinct. This is why the selected site on the banks of the Parramatta River is the ideal location for the new museum. An international design competition for the new museum and master planning for the precinct will respond to the location and to Parramatta's identity. This is currently underway.

I am proud to announce that international design competition organiser Malcolm Reading Consultants, an expert consultancy specialising in achieving outstanding design, has recently been appointed. Mr Reading has been involved with other transformational cultural infrastructure projects such as the move of part of the Victoria and Albert Museum to East London. I know a lot of people in this inquiry have expressed concern about what will happen to Ultimo. I am proud that once the museum relocates a new creative industries precinct will be established, continuing a strong cultural presence in that location.

The Government plans to nurture a creative industries precinct in Ultimo, including plans for a new design and fashion museum and a 1,500-seat Broadway-style lyric theatre. A creative industries precinct is critical to cementing Sydney's reputation as Australia's cultural capital while investing in one of the fastest growing economic sectors for the State. It responds to the existing character of the Ultimo area with UTS, TAFE and start-ups during a culture of creative innovation. It is clear from the expert advice received from Infrastructure NSW in the Cultural Infrastructure Strategy that we need a new theatre so that we can get first-run musicals. This is a great outcome for the arts and cultural sector for growing arts and cultural audiences and for visitors to New South Wales.

Further work is being undertaken to complete a final business case for Ultimo which will enable financial investment decisions about the site to be taken by the Government later in the year. On top of this we are providing \$245 million towards the redevelopment of the Walsh Bay Arts and Cultural Precinct; \$344 million towards the Sydney Modern project, of which \$100 million is private philanthropy; \$228 million for the Sydney Opera House Stage 1 Renewal; and just over \$50 million to the Australian Museum to ensure it can attract large scale international exhibitions, including the largest King Tut exhibition to travel outside of Egypt ever. The New South Wales Government is investing in arts and culture across all of New South Wales.

In 2017 we created the Regional Cultural Fund to directly address the diverse needs of medium and smaller museums, galleries and cultural ventures across our State. As a result of the first round of the Regional Cultural Fund, 68 projects in regional communities are sharing in \$47 million, with an additional \$48 million still to be invested. A further 11 projects received funds for projects to digitise precious collections held in cultural organisations in regional New South Wales. This funding will bring significant benefits right across the State as we look to upgrade facilities at regional galleries, theatres, museums and performance spaces, and we have increased funding for public libraries. We have increased funding through our Arts and Cultural Development Program to \$54.8 million for 2018-2019, and we have committed \$23.7 million to support our film industry, including up to \$10 million for the production of local high-end drama and to attract large-scale international productions.

In closing, the Government is supporting a rich and diverse cultural life, a sense of place and belonging; establishing social networks; taking part in collective activities; enriching the lives of all segments of the community; and embracing new technologies for how we interact and connect with our past, present and future. Supporting a culture of creativity is essential for New South Wales to succeed in a global innovation economy, but for culture to truly flourish it needs a home, places where it can be created, shared and enjoyed. Thank you for the opportunity to make an opening statement.

**The Hon. WALT SECORD:** Minister, why are you persisting with the move? The community's views are clear. Would it not be better just to push the pause button and let the community decide in March?

**The Hon. DON HARWIN:** It is my view that the community is strongly behind this move. I have absolutely no doubt that certainly within greater Western Sydney there is a lot of support for this project.

**The Hon. BEN FRANKLIN:** Point of order: I understand that this issue is obviously one that is significantly emotive, but I would ask if those in the gallery could be asked to refrain from making their verbal views known.

**The CHAIR:** I uphold the point of order. I ask the gallery to not make any noise at all while the Minister is speaking or, indeed, at all so we have a nice, clean and decent discussion; otherwise time will be wasted. The Minister's and our time is limited and we will not be able to get through it all.

**The Hon. DON HARWIN:** There is absolutely no doubt that the project has the strong support of the City of Parramatta. There is also support from other local government authorities and their residents throughout Western Sydney. Important leaders of opinion in Western Sydney, people from your side of politics, Mr Secord, people like Chris Brown and David Borger, who speak for Western Sydney on so many issues, are supporting this project and believe that the Government is doing the right thing. What is absolutely clear is that despite what is being said by some, the vast majority of those working in arts and culture in this State think we are doing the right thing too. Let me just name a few.

For example, I could name Robert Love, the General Manager of the Riverside Theatre, who thinks we are doing the right thing; or I could name Craig Donarski, the head of the Powerhouse Arts Centre in Casula, who thinks we are doing the right thing; or Michael D'Agostino, the head of the Campbelltown Art Gallery, who believes we are doing the right thing; or the Manager of Arts and Culture with responsibility for the Penrith Regional Art Gallery and the Lewers bequest and the Joan, she thinks we are doing the right thing; and Jenny Bisset, the head of Arts and Culture in Blacktown, she thinks we are doing the right thing; or Rosie Dennis, the head of Urban Theatre Projects, who thinks we are doing the right thing; or Joanne Kee, the head of the National Theatre of Parramatta, who thinks we are doing the right thing. They are all just the Western Sydney people. There are plenty of people beyond that who are excited about what we are doing. They think finally there is a government that gets cultural equity in this State and is doing something about it and they want us to keep going.

**The Hon. WALT SECORD:** So it is full steam ahead.

**The Hon. DON HARWIN:** Absolutely.

**The Hon. WALT SECORD:** We heard evidence earlier today that concrete would be poured before the State election; is that correct?

**The Hon. DON HARWIN:** No, it is not necessarily correct. I think I mentioned in my opening statement that the design competition chair has been appointed and that work is starting. But until that is completed and we go to the next stage I do not think it would be correct to say that that is absolutely going to happen.

**The Hon. WALT SECORD:** So the community will be able to stop the project if there is a different result, meaning your Government is not returned in March?

**The Hon. DON HARWIN:** I am not going to speculate on what might happen if this Government does not get re-elected in March. It is completely hypothetical.

**The Hon. WALT SECORD:** I should reword my question. Have you locked in future governments? That is not hypothetical.

**The Hon. DON HARWIN:** I would say two things first—and I do not apologise for seeking the advice of my officials. The heads of agreement in relation to the site limit the use of the site to a relocated museum.

**The Hon. WALT SECORD:** A museum?

**The Hon. DON HARWIN:** The relocated Powerhouse Museum, as the proposal stands and has been announced. If there was a change of government and if the project stopped, obviously that land would go back to Parramatta council. But my understanding is that by the commencement of the caretaker period there will not have been anything done that binds a future government. That is consistent with the answer I gave you a week ago at estimates, as you recall.

**The Hon. WALT SECORD:** Minister, are you familiar with Live Performance Australia?

**The Hon. DON HARWIN:** Yes.

**The Hon. WALT SECORD:** Being a person who enjoys musical theatre—both of us do—they have written in relation to the Powerhouse Museum and your proposal involving the lyric theatre. I understand that you have met with them and they have written to you, the Premier and the Lord Mayor about their concerns about the Theatre Royal and how the Powerhouse project will impact.

**The Hon. DON HARWIN:** Yes, I have met with them. Why do you not put the question to me? I have met with them.

**The Hon. WALT SECORD:** The question is in that context they have written to me about the Powerhouse Museum and the lyric theatre, but as part of that correspondence they referred to concerns about what is going to happen to the Theatre Royal. They have written to you, written to the Premier and written to the Lord Mayor and they have made a plea to you. They said that because of the dearth of musical theatre space in Sydney they want you to step on board and assist them with the Theatre Royal. I am asking you what is your response to their representations?

**The Hon. DON HARWIN:** I met with them and we discussed it and I agreed with them. We should keep the Theatre Royal and we are looking at it very closely and seeing what, if anything, the Government can and should do to progress that. May I say that having a desire to keep the Theatre Royal but supporting an additional 1,500 seat lyric theatre at Ultimo is in no way a mutually exclusive outcome. First of all, Infrastructure NSW in the Cultural Infrastructure Strategy made it quite clear that we as a government should be doing more to find lyric theatres for Sydney not only because of the value to the whole arts and cultural ecosystem but also the wider value to the economy. So we are working on that. Work done by my officials assessed the

optimum number of theatres for Sydney at between four and six. In terms of a city of our size and the creative capacity of the sector here, we could sustain four to six. I do not see support for a new lyric theatre at Ultimo as inconsistent with support for reopening the Theatre Royal and we are doing what we can to do both.

**Mr DAVID SHOEBRIDGE:** Not everyone loves Harry Seidler, but the Theatre Royal is an extraordinary piece of architecture and an extraordinary part of our history. Do you support heritage listing of the theatre and sufficient funding to go with that heritage listing so it can be sustainable? I am happy if you want to take it on notice. I think it is an important issue for the cultural heart of the city.

**The Hon. DON HARWIN:** I think I would take the issue of heritage listing on notice. I certainly agree that it is an outstanding building and an outstanding design but even heritage buildings need to be adaptively re-used even when the purpose is the same, if you know what I mean.

**Mr DAVID SHOEBRIDGE:** But heritage listing does not prevent adaptive re-use, as you know.

**The Hon. DON HARWIN:** Correct, but I will take it on notice. I certainly am not in principle against it but I just want to think. I have not actually considered that issue further. What I can say is that I am in favour of the Theatre Royal being kept as a working theatre that can support these sorts of productions. If that was consistent with heritage listing and ensuring that that theatre could be kept I might consider it. But I will take it on notice to give you a proper answer.

**The Hon. WALT SECORD:** How has the softening property market affected the costings in your proposals to move the Powerhouse?

**The Hon. DON HARWIN:** I think it has been referred to in the final business case summary. I refer you to page 9 and the actual quote at the second last paragraph of page 9:

Forecast property receipts at Parramatta and Ultimo were also independently tested, and appropriately conservative assumptions have been adopted.

The final business case, as this document makes clear, was finished towards the end of last year. I think I have told the House that before, so that is no secret. Then this document makes clear that there was a review by Infrastructure NSW. It further then notes that there was a review that recommended "a further 'deep dive' to examine the economic appraisal in detail". The deep dive review was completed in March 2018 and tested the assumptions which underpinned the assessment of costs and benefits in the Business Case. As I have just put to you, the final observation they make is that the property receipts were independently tested and appropriately conservative assumptions have been adopted.

**The Hon. WALT SECORD:** When was that written?

**The Hon. DON HARWIN:** When was what written?

**The Hon. WALT SECORD:** That statement.

**The Hon. DON HARWIN:** It is a public document. It is on the website. It was written in April.

**The Hon. SHAYNE MALLARD:** Minister, whilst you are on the issue of the business case, we heard some criticism of its financial rigour in some evidence earlier today. Do you want to assure the Committee of the rigour around the financials?

**The Hon. DON HARWIN:** Of the final business case?

**The Hon. SHAYNE MALLARD:** Indeed.

**The Hon. DON HARWIN:** I would refer you to the answer that I gave, and it is also something that I previously told the House would happen and foreshadowed would happen because it is standard procedure for these sorts of proposals. Once the final business case has been prepared by the agency that is the proponent that is when the assurance processes of the central agencies kick in, in particular the work of Infrastructure NSW supported by the other central agencies. All of the very detailed work that was done in the final business case was intensively reviewed by Infrastructure NSW and the other central agencies represented on the gateway panel and then there was even some more work done. So I think that there is every reason for the Committee and members of the public to be satisfied that the work has been done, that it was rigorous and it has arrived at the right place in terms of what is required to make a decision to allocate government money to the project.

**Mr DAVID SHOEBRIDGE:** Why did the business case not comply with the Government's own guidelines for a capital business case? I will read you the key part of the guidelines:

The first option to be considered is the Base Case. That is, what happens if the status quo is maintained.

It goes on:

The description of the base case is important as it may be the preferred option adopted by Government because of investment priorities in other areas of service delivery.

Neither option one, option two or option three complied with the guidelines or set out that base case. Why did you not comply with your own guidelines, Minister?

**The Hon. DON HARWIN:** Taking as its starting point the Government's decision to locate the Powerhouse Museum on the site at Parramatta was in fact compliant with the processes that are permitted and there was in fact no such departure in the terms that you have described.

**Mr DAVID SHOEBRIDGE:** I am reading from your Government's own guidelines. They say:

The first option to be considered is the Base Case. That is, what happens if the status quo is maintained.

You have flouted that. Now is your opportunity to explain why you have made the political decision and breached your own guidelines in developing the business case. This is your chance to explain it.

**The Hon. DON HARWIN:** The relocated museum project is classified under the Infrastructure Investor Assurance Framework [IIAF] as a tier one project and as such is subject to regular independent review and monitoring. Since February 2016 no fewer than six external reviews have been undertaken as work on the new museum has evolved. The gateway process managed by Infrastructure NSW involved extensive independent review by multiple experts in cultural infrastructure, urban planning, economic analysis, construction and operation. In addition, as part of the business case's development my officials sought advice from multiple experts in cultural infrastructure, museum logistics, urban planning, construction and operations through peer-reviewed processes and expert advisory panels. The work that has been done on this has been rigorous and intensive and people can be absolutely confident that we have got this right. In terms of your specific question, I will invite Mr Limkin to add some information in relation to the guidelines that you refer to.

**Mr LIMKIN:** The Treasury guidelines enable us to take as a base case the policy decision that Government has taken and, as you see in the Infrastructure NSW business case summary and also the business case, it does say that the base case takes as its assumption the Government's decision to relocate the Powerhouse Museum. That, as the Minister said, was approved by New South Wales Treasury and signed off by Infrastructure NSW through their six assurance processes.

**Mr DAVID SHOEBRIDGE:** Mr Limkin, I can see why the Minister wants you to give that answer. But the document itself, Treasury's own guidelines, says in black and white, the base case is the status quo. You have not done that as the first option and you have not complied with the guidelines. As much you want to call black white, point me to the passage from the Treasury's own guidelines that supports your argument, rather than your general assumptions about it?

**Mr LIMKIN:** As I said, Mr Shoebridge, my job is to give Government options and as part of that options analysis we consulted with our New South Wales Treasury colleagues and our Infrastructure NSW colleagues and they agreed that the base case should be the Government's decision to relocate the Powerhouse Museum, and given this central—

**Mr DAVID SHOEBRIDGE:** Treasury breached its own guidelines, is that what you are telling us?

**Mr LIMKIN:** I cannot speak for Treasury, I am sorry, Mr Shoebridge.

**Mr DAVID SHOEBRIDGE:** I am asking you about the guidelines. Minister, we waited years to get this base case, and now it turns out it is in breach of your Government's own guidelines.

**The Hon. DON HARWIN:** I think we have made it quite clear that the way we have done this, on at least six occasions, has been signed off by Treasury and Infrastructure NSW as an appropriate way to do it. If you wish to pursue those concerns you should probably pursue them with the people who said that we were proceeding correctly.

**Mr DAVID SHOEBRIDGE:** Minister, can you provide us with any correspondence, anything in writing from Treasury that said in this case it was okay not to comply with their own guidelines and not do as the base case says, maintaining the status quo?

**The Hon. DON HARWIN:** First of all, this business case summary prepared by Infrastructure NSW makes it quite clear that that was the basis we proceeded on—

**Mr DAVID SHOEBRIDGE:** But it never says—

**The Hon. SCOTT FARLOW:** Let the Minister answer.

**Mr DAVID SHOEBRIDGE:** —as it should, that it is in breach of its own guidelines.

**The Hon. SCOTT FARLOW:** David, let the Minister answer.

**The Hon. DON HARWIN:** —and Infrastructure NSW makes it quite clear that they are happy with the way we proceeded. That is a document straight away that makes it clear that they are happy.

**Mr DAVID SHOEBRIDGE:** Minister, you have nothing in writing from Treasury that says that you can ignore its own guidelines and not assess the status quo as the base case.

**The Hon. DON HARWIN:** Documents such as a final business case summary from Infrastructure NSW are not issued unless Treasury has signed off on them.

**Mr DAVID SHOEBRIDGE:** Minister, to support the policy decision there is apparently a secret 2014 report from the museum that is relied upon to establish the so-called problem.

**The Hon. DON HARWIN:** Yes.

**Mr DAVID SHOEBRIDGE:** Why will you not make the report public? Why will you not give it to the Committee now?

**The Hon. DON HARWIN:** I am very happy to make it public, and I will give it to the Committee. What it shows is indisputably why we are doing the right thing, because the Powerhouse Museum is just not fit for purpose at its current site at Ultimo.

**Mr DAVID SHOEBRIDGE:** Minister, who has reviewed that 2014 report? Which of the six independent expert reviews that you say have been done have reviewed that 2014 report? Which is the fundamental misconception that starts this?

**The Hon. DON HARWIN:** Infrastructure NSW has reviewed it.

**Mr DAVID SHOEBRIDGE:** What about the other five independent experts? Has any of them reviewed the 2014—

**The Hon. DON HARWIN:** Sorry, what five other independent experts?

**Mr DAVID SHOEBRIDGE:** You said there have been six external reviews. How many of those six external reviews considered this 2014 creative report?

**The Hon. DON HARWIN:** I will let Mr Limkin answer that.

**Mr LIMKIN:** The six external reviews were conducted by Infrastructure NSW. They include a number of independent experts that Infrastructure NSW selects. We do not select them. I can tell you I have been advised by Infrastructure NSW that it has reviewed it in the early stages. We have not provided it to them but they reviewed it back in 2014, is the advice I have been given.

**Mr DAVID SHOEBRIDGE:** The only review of the key document upon which this whole debacle has been founded was some kind of preliminary review by Infrastructure NSW in 2014? Is that the only one you can point to, Mr Limkin?

**Mr LIMKIN:** As I said, I cannot answer that because I was not around in this position. But the advice I have been provided from Infrastructure NSW is that they reviewed it, and from the museum, that they reviewed that document in 2014.

**Mr DAVID SHOEBRIDGE:** Minister, when you did the business case, which is the detailed consideration—

**The Hon. DON HARWIN:** Yes.

**Mr DAVID SHOEBRIDGE:** —did you deep dive into that 2014 report and say, "Well, is it \$400 million or is it"—as we have heard in evidence today—" \$20 million to get the museum up to standards"?

**The Hon. DON HARWIN:** I think, with great respect, that the \$20 million estimate is just nonsense. The work that was done—by the way, by the Museum of Applied Arts and Sciences under the auspices of the trust—in that document makes it quite clear that to make the museum fit for purpose and able to continue its mission into the twenty-first century as a museum would, I think in terms of 2014 dollars, my memory is approaching \$400 million would have been the cost.

**Mr DAVID SHOEBRIDGE:** We will see that document today, will we?

**The Hon. DON HARWIN:** Sorry?

**Mr DAVID SHOEBRIDGE:** Will we see that document today? You will table it today?

**The Hon. DON HARWIN:** I cannot see any reason why it cannot be tabled today.

**Mr LIMKIN:** As soon as I can lay my hands on it.

**The Hon. DON HARWIN:** I have no problem with it because it absolutely makes it clear why we are doing the right thing.

**Mr DAVID SHOEBRIDGE:** Minister, what went so horribly wrong at the institution that between 2012, when there was an analysis done of the condition of the buildings by your own Government and they were described as moderate to good, and two years later when suddenly it all needs to be knocked over because it is not fit for purpose and there is \$400 million to be spent? What kind of partying happened in the institution between the 2012 review and the 2014 assessment?

**The Hon. DON HARWIN:** You are just not worthy of silly comments like that, David.

**Mr DAVID SHOEBRIDGE:** What went on in the building?

**The Hon. DON HARWIN:** That just invites ridicule when you do things like that.

**Mr DAVID SHOEBRIDGE:** Parties like that at the museum do invite ridicule, particularly when they come at a quarter of a million dollar loss to the public.

**The Hon. DON HARWIN:** I am happy to talk about that separately, but for you to try to say that the serious problems that they have with circulation at the museum, the fact that the building has not been properly upgraded since it was built, the fact that there are inadequate education spaces because of partying, just makes you look a bit superficial, frankly.

**Mr DAVID SHOEBRIDGE:** Minister, answer the question: What went on, what happened between the 2012 review by your own Government that found the facility to be moderate to good and 2014 where you determined you need to bulldoze it and move it to Parramatta?

**The Hon. DON HARWIN:** As you know—

**Mr DAVID SHOEBRIDGE:** What changed between 2012 and 2014?

**The Hon. SCOTT FARLOW:** Let the Minister answer.

**The Hon. DON HARWIN:** As you know, David, I was sitting in the Chair and was President of the Legislative Council at the time. I will take that question on notice and provide you with a response.

**The Hon. WALT SECORD:** Earlier we heard evidence, are you having difficulty attracting staff to the Powerhouse Museum because of the controversial move and also the departure of your director?

**The Hon. DON HARWIN:** Not at all. Obviously, the process of handling the replacement of the director is not being overseen by me, it is being overseen by the department. I think the deputy secretary can give you a brief comment on that.

**Ms O'MARA:** The position has been advertised. It was upgraded so that the level of seniority is commensurate with the grading of chief executive officer roles in other cultural institutions who are both leading a cultural infrastructure project and running day-to-day operations, for example, the Sydney Opera House, the Art Gallery NSW and the Australian Museum. The position was upgraded. It has been advertised. We had a competitive field, including international candidates. There will be interviews undertaken before the end of September. That panel includes a museum expert, the head of the Department of Premier and Cabinet, the secretary of our department and the chair of the trust.

**Mr DAVID SHOEBRIDGE:** Minister, we heard some evidence earlier today that the job advertisement says that the director will not be reporting to the board but in fact will be reporting to the Government.

**The Hon. DON HARWIN:** Yes.

**Mr DAVID SHOEBRIDGE:** Can you clarify if that was what the job advertisement says and the concerns that were raised?

**The Hon. DON HARWIN:** Yes. There is no change from the existing provisions in that respect. It is to do with the legislation, the Act relating to the trust. In that respect I will let the secretary go through those provisions. It is just a continuation of the current arrangements that I presume have applied for a very long time.

**Ms O'MARA:** Under the Government Sector Employment Act, the cultural institutions are executive agencies related to departments. That is not just the Museum of Applied Arts and Sciences; it is the same for other cultural intuitions. There is provision under the legislation around that.

**The Hon. DON HARWIN:** It is exactly the same with the director of the Art Gallery, with the general manager of the Opera House, with the Australian Museum CEO.

**Mr DAVID SHOEBRIDGE:** Can you advise whether the day-to-day oversight and the direction of that role will be guided by the trust or by your department?

**The Hon. DON HARWIN:** Obviously, the trust will have oversight, but the director always has to interact with the department and the Minister. That is just the way it has always been.

**Mr DAVID SHOEBRIDGE:** Minister, there is very real concern that the client for the rebuild of this museum is the department and not the trustees, and therefore that the museum itself will not have ownership and control over what is built. It is said that this is not replicated anywhere else, at any other significant cultural institution, and it is likely to lead to trouble.

**The Hon. DON HARWIN:** The concerns are unfounded, and let me explain why. Every one of these large projects is being dealt with the same. The Australian Museum refurbishment is being dealt with in the same way. Sydney Modern is being dealt with in the same way. The new museum proposal will be dealt with in the same way as well—that is, there will be a memorandum of understanding between the museum, the arts, screen and culture division of the department and Infrastructure NSW. The three jointly will manage all the processes to do with the project, just as they are with Sydney Modern and just as they are with the Australian Museum. Any suggestion to the contrary is just wrong.

**Mr DAVID SHOEBRIDGE:** Minister, thank you for that answer. Has the memorandum of understanding been completed? It does seem remarkable that we are at this advanced stage—

**The Hon. DON HARWIN:** Yes, if it has not been completed it is imminent.

**Mr DAVID SHOEBRIDGE:** Again, will you make that public?

**The Hon. DON HARWIN:** I will take that on notice. I will have to think about that a little while.

**Mr DAVID SHOEBRIDGE:** I am comfortable with that answer, Minister.

**The Hon. DON HARWIN:** We have not made any of the others public; it has not really been necessary.

**Mr DAVID SHOEBRIDGE:** I do not want you to take it on notice; a considered review is fine.

**The Hon. DON HARWIN:** It has not been considered an issue with the others, either.

**Mr DAVID SHOEBRIDGE:** Minister, I have the job advertisement for the director here from [iworkfor.nsw.gov.au](http://iworkfor.nsw.gov.au). The thing that troubles many people is the reference in the job advertisement to a reporting line saying "Minister for the Arts". Nobody has seen that kind of proposed reporting line for the head of the major cultural institution before. It appears deeply politicised. Can you explain how the job advertisement went out saying the new director will be reporting directly to the Minister?

**The Hon. DON HARWIN:** With respect, I can see why people think that but it is totally consistent with the Government Sector Employment Act. It is exactly the same as it is for the Art Gallery and for the other museums. It is simply wrong to suggest that it is something different to what applies to other cultural institutions.

**Mr DAVID SHOEBRIDGE:** Is it true that there is another director position that is out for recruitment at the moment?

**The Hon. DON HARWIN:** We will take that on notice. Which particular director's position are you told is vacant?

**Mr DAVID SHOEBRIDGE:** I think it was to do with collections and exhibitions, but I could be wrong. I am going off memory, but I will put that on notice to you.

**The Hon. DON HARWIN:** We will take that on notice, yes.

**The Hon. WALT SECORD:** Minister, I go back to the reporting arrangements. How currently do the reporting arrangements work in relation to the trustees and the board?

**The Hon. DON HARWIN:** The director and the chief executive report to the board and the trustees. As the deputy secretary described, they are an executive agency of the Government. Both the board and the staff of the museum also report to the department and me.

**The Hon. WALT SECORD:** What will the reporting arrangements and responsibilities of the board and trustees be under the new reporting arrangements?

**Mr DAVID SHOEBRIDGE:** As irrelevant as ever.

**The Hon. DON HARWIN:** There will be no change to the current arrangements.

**The Hon. WALT SECORD:** But the job advertisement says the director will report directly to you.

**The Hon. DON HARWIN:** That is not a change from the current arrangements.

**The Hon. WALT SECORD:** It is a change from the current arrangements.

**The Hon. DON HARWIN:** No, it is not. With respect, it is exactly the same as with every other cultural institution, and it is not going to change from the way it has always operated in the past. I cannot be more clear.

**The Hon. WALT SECORD:** Why was it specified in this advertisement as opposed to previous advertisements?

**The Hon. DON HARWIN:** I did not write the advertisement myself and I cannot tell you, but under the Government Sector Employment Act the employer of the director is the Minister by virtue of the legislation. That is all it reflects.

**Mr DAVID SHOEBRIDGE:** I can see that Ms O'Mara is super keen to tender a document. We will consider it tendered.

**The Hon. DON HARWIN:** That is actually—

**Mr DAVID SHOEBRIDGE:** It is the job advertisement.

**The Hon. DON HARWIN:** No, it is not the job advertisement. It is actually the Act.

**Mr DAVID SHOEBRIDGE:** That is the position at law, and I accept that. The director is an employee of the agency and, from memory of the Act, MAAS cannot directly employ staff; there is some issue.

**Ms O'MARA:** I am seeking to tender that document, because it specifies that the Minister has to exercise the employer functions.

**Mr DAVID SHOEBRIDGE:** Have you in the past exercised those well understood employer functions of directing the directors' work, directing their tasks, or has that direction in practice come from the trustees?

**The Hon. DON HARWIN:** My recollection is that in relation to the Museum of Applied Arts and Sciences I have never issued a direction under the Act.

**Mr DAVID SHOEBRIDGE:** The final business case says that revenue from donations and property is estimated at \$325 million. What was the estimate for donations?

**The Hon. DON HARWIN:** Where was the estimate?

**Mr DAVID SHOEBRIDGE:** The revenue benefits that come from the final business case summary, on page 7, says the revenue from donations and property is estimated at \$325 million. What is the figure for donations? Has it taken into account the damage being done to the brand—that damage includes the appalling fundraiser and the general concern about the future of the museum.

**The Hon. DON HARWIN:** I know my answer is not going to make you happy, but because it would then illuminate various matters that are commercial in confidence I am not going to give you that figure. It undermines the position of the State and the interests of the taxpayers in going to those sorts of matters.

**Mr DAVID SHOEBRIDGE:** What development is envisaged—

**The Hon. DON HARWIN:** It is in the unredacted version that you have, as you know.

**Mr DAVID SHOEBRIDGE:** I cannot say it. I would like to say it, but I cannot say

**The Hon. DON HARWIN:** Exactly, and I am not going to say it either. It is redacted for a particular purpose. We have done our best to be fair to you and give you the unredacted version.

**Mr DAVID SHOEBRIDGE:** I was given the opportunity to put it on the public record, but I am not going to breach my requirements by putting it on the public record.

**The Hon. DON HARWIN:** And I am not going to put it on the public record.

**Mr DAVID SHOEBRIDGE:** What development is envisaged above the museum on the Parramatta site? What are you looking at building? How many storeys of residential development and how many storeys of commercial development?

**The Hon. DON HARWIN:** I am going to invite Mr Limkin to give the answer to that.

**Mr LIMKIN:** There will be none above the museum. If you look at the master planning documents within the extended final business case for Western Sydney, you will see that the proposed development is to the right-hand side, near Meriton towers. As part of any standard process, once a decision is made, you look at the master planning work, because obviously at the business case you do block and stack enough work to get costings. We are currently doing more work, as required by good practice. I can assure you that work does not include any development over the museum. It is all as a separate starter that will not impact the museum.

**Mr DAVID SHOEBRIDGE:** Sorry, you are going to build a residential tower block on the western side of the site.

**Mr LIMKIN:** In the business case—do you know where the existing Meriton buildings are?

**The Hon. DON HARWIN:** Yes. That is the western side.

**Mr DAVID SHOEBRIDGE:** That enormous tower.

**The Hon. DON HARWIN:** That is on the western side.

**Mr LIMKIN:** It is on the western side of the site, yes.

**Mr DAVID SHOEBRIDGE:** It is not true that the whole site will be used for a museum. How much of the site is being proposed for the residential tower block?

**Mr LIMKIN:** I will have to take that on notice and give you the gross floor area [GFA]. I do not know off the top of my head, I am sorry.

**Mr DAVID SHOEBRIDGE:** Minister, you know, do you not, that the trustees wrote to the then Minister for the Arts on 1 September 2016—and that was not you—and said that planning for the new museum is a key priority and "this is a critical time to ensure that the trustees' expectations for the project are clear"—specifically that.

**The Hon. DON HARWIN:** Yes.

**Mr DAVID SHOEBRIDGE:** At the first dot point they say, "The whole site option is required unencumbered by other commercial developments in order to realise an architecturally iconic world-class flagship museum", and you have breached that fundamentally with your business case. How do you respond to that?

**The Hon. DON HARWIN:** With respect to the trustees, that is their opinion. But if you look around the world at iconic cultural facilities that have been built, it is possible to have precincts that are developed that are still iconic and have beautiful design but have elements other than just purely cultural in them. That is a matter that the design competition will address.

**Mr DAVID SHOEBRIDGE:** Minister, how do you think the people of London would respond to a redevelopment of the British Museum where they whacked a 50-storey residential tower on the back of it?

**The Hon. DON HARWIN:** I am sorry, I was briefly consulting with my official. Would you mind asking the question again, please, David?

**Mr DAVID SHOEBRIDGE:** I will ask the question again. Minister, how do you think the people of London would respond to a redevelopment of the British Museum that came with a 50-storey residential tower at the back of it, or a redevelopment of the Guggenheim that came with a 40-storey commercial tower at the back of it? You constantly say that this museum is comparable to those, but you have compromised it and commercialised it and sold it out at the outset.

**The Hon. DON HARWIN:** I actually have never compared them to any of the museums that you have just talked about.

**Mr DAVID SHOEBRIDGE:** For good reason, with this project.

**The Hon. DON HARWIN:** Let me compare it to what is taking place at Stratford with the new V&A Museum that is being built there, which is very much like what we are talking about. Frankly, that is in a precinct that is mixed.

**Mr DAVID SHOEBRIDGE:** Are you saying there is a 50-storey residential tower in Stratford? Is that actually what you are saying?

**The Hon. DON HARWIN:** There are very few 50-storey towers in London anywhere.

**Mr DAVID SHOEBRIDGE:** Absolutely.

**The Hon. DON HARWIN:** It is a very different city to Sydney.

**Mr DAVID SHOEBRIDGE:** Because it is not owned by property developers like Sydney.

**The Hon. DON HARWIN:** But, David, that is not the point.

**The Hon. SHAYNE MALLARD:** Allow the Minister to answer the question.

**The Hon. DON HARWIN:** The point is that there are plenty of new cultural precincts that are being developed around the world which are places that people want to visit, enjoy themselves, work and indeed live. In the view of many cultural planners and designers, it is in fact the preferable direction for the future. It is just simply an approach, with respect, that reflects past practice and not a trend of the future. Have a look, by the way, if you want to at the Hudson Yards redevelopment and all of the work that is going on in New York. David, with respect, it is just you who are not on top of this, not us.

**Mr DAVID SHOEBRIDGE:** Well, Minister, I give you this opportunity on the record to respond on notice with another example where a premier existing cultural facility is relocated and on the same site there is a proposal for a 50-storey residential tower block. You can cross the globe and put us on notice where it has happened.

**The Hon. DON HARWIN:** I am happy to take up your challenge and respond on notice.

**The CHAIR:** Minister, are you happy to take up the challenge and tell us who actually fired Dolla Merrillees?

**The Hon. DON HARWIN:** Dolla Merrillees was not fired. Mr Borsak, I know you did not serve on Portfolio Committee No. 6, so you were not at the estimates hearing, but this is a matter that Mr Secord asked me about and to which I gave a full response then.

**The Hon. WALT SECORD:** A golden handshake.

**The Hon. DON HARWIN:** I can either refer you to that response or, if you would like, I am happy to give it again.

**The CHAIR:** No, give it again.

**The Hon. DON HARWIN:** Okay. As we heard earlier from the deputy secretary, the director and chief executive of the Museum of Applied Arts and Sciences role was reviewed earlier this year and reclassified at a higher level, senior executive band three, in line with other equivalent roles in the cultural institutions. Ms Merrillees advised the Department of Planning and Environment in writing that she did not intend to apply for the position at the higher level. As a result, her contract of employment came to an end and Ms Merrillees left the department on 3 July 2018.

**The Hon. WALT SECORD:** May I ask a good question?

**The CHAIR:** Yes.

**The Hon. SHAYNE MALLARD:** A good question?

**The Hon. WALT SECORD:** A normal or customary departure is that when you do not renew your contract you do not get 38 weeks' pay. Why was she given 38 weeks' pay?

**The Hon. DON HARWIN:** Ms Merrillees was made redundant or was terminated. That is the way it is dealt with under the Government Sector Employment Act.

**Mr DAVID SHOEBRIDGE:** They have different meanings.

**The Hon. DON HARWIN:** Senior executive contracts come to an end through a statutory process set out in section 41 of the Government Sector Employment Act. That is the section under which it was dealt with.

**The Hon. WALT SECORD:** Minister, you have now made three different references to the termination of her employment. Was she made redundant? Was she terminated? Or did she not reapply for the higher position? Which one of the three is it?

**The Hon. DON HARWIN:** It is the statutory process set out in section 41. That is the process that was followed.

**The Hon. WALT SECORD:** But the amount of money she would receive would be dependent on being made redundant, terminated or not applying for a higher position.

**The CHAIR:** Which of the above?

**The Hon. WALT SECORD:** To get 38 weeks' pay under the old system, based on my days of being a chief of staff and from my recollection of senior bureaucrats, it would have been a person who was terminated. Who terminated her?

**The Hon. DON HARWIN:** This matter, as you know, was dealt with in some detail and you were given an answer at estimates last week. It has been dealt with under section 41.

**The Hon. WALT SECORD:** And you have added to the confusion today.

**The Hon. DON HARWIN:** No, I have not.

**The Hon. WALT SECORD:** Yes, you have.

**The Hon. DON HARWIN:** No, I have not.

**The CHAIR:** Minister, we just heard three different reasons about why she went. I was not at the last estimates committee.

**The Hon. WALT SECORD:** Was she terminated? Was she made redundant? Which one of the three?

**Mr DAVID SHOEBRIDGE:** Either with the effluxion of time on the contract—

**The Hon. DON HARWIN:** No—

**The Hon. SHAYNE MALLARD:** Let the Minister answer.

**Mr DAVID SHOEBRIDGE:** Minister, to be clear, the three options that you have been asked to choose among are either that the contract came to an end under its own terms, it was a contract for a certain period—

**The Hon. DON HARWIN:** No, it was not that.

**Mr DAVID SHOEBRIDGE:** —she was terminated, a decision was made to terminate her employment, or she became redundant. We have got rid of the contract ending under its own terms. The choice is between a termination or a redundancy. Which was it?

**The Hon. DON HARWIN:** The position is that her contract came to an end through a statutory process set out in section 41 of the Government Sector Employment Act because she chose not to apply for the other position. That is what I said last week and that is what I am saying again today.

**Mr DAVID SHOEBRIDGE:** But if you go to section 41, it states that the contract can be terminated "... at any time, for any or no stated reason and without notice". That hardly helps. Tell us why.

**The Hon. DON HARWIN:** I am going to take that question on notice and I will tell you why. It is necessary to do that to be in compliance with privacy obligations.

**The Hon. WALT SECORD:** Minister, were any letters of reference or farewell letters, or anything to that effect, provided as part of her departure?

**The Hon. DON HARWIN:** I do not recall. I will take that one on notice as well.

**The Hon. WALT SECORD:** You do not recall?

**The Hon. DON HARWIN:** No. I actually do not recall.

**The CHAIR:** Minister, were you at the MAAS Fashion Ball?

**The Hon. DON HARWIN:** Well, I think you know the answer to that because you have asked me before and I have confirmed it.

**The CHAIR:** I am asking you the question now.

**The Hon. DON HARWIN:** I have confirmed it.

**The CHAIR:** Thank you. Were you at the after party?

**The Hon. DON HARWIN:** No.

**The CHAIR:** You were not at the after party?

**The Hon. DON HARWIN:** Correct.

**The CHAIR:** So you do not condone what happened there?

**The Hon. DON HARWIN:** Again, this is something that I have previously said to the House.

**The CHAIR:** You did, and would you like to clarify your answer in relation to the fundraising capabilities of that party after the MAAS ball?

**The Hon. DON HARWIN:** Nothing I have said to the House was incorrect. I do not know what you are getting at in terms of clarification.

**The CHAIR:** What I am getting at is that the MAAS ball actually lost money. It did not raise money for the trust.

**The Hon. DON HARWIN:** Yes.

**Mr DAVID SHOEBRIDGE:** Minister, the concern is that your answer to the House at least implied that it was a successful fundraiser and it was not and absolute debacle.

**The CHAIR:** An absolute debacle and a waste of taxpayers' money.

**Mr DAVID SHOEBRIDGE:** How did you give an answer to the House that left the impression that it was a success when, if you had been properly advised, you would have realised it was a debacle?

**The Hon. DON HARWIN:** The museum advised me that the inaugural MAAS Ball in February raised over \$70,000 in seed funding through donations for the Australian Fashion Fund, which will be used to acquire Australian fashion for the museum. That is accurate and that is what I previously have informed the House. The museum advises that it invested approximately \$215,000 into the ball from their development and external affairs annual budget, which is used for strategic events and promotional and communication activities. The MAAS Ball was the biggest event of the fiscal year, both for the museum and its development team. The museum advises that its stakeholder events and strategic initiatives like the MAAS Ball are intended to build networks, long-term strategic relationships and partnerships with the aim of growing the donor base.

The museum advises that as a direct result of the MAAS Ball, MAAS secured a new sponsor to support their exhibition program. The museum is also negotiating with other new sponsors and donors who were associated with the event with the aim of securing up to an additional \$100,000. These negotiations are expected to be finalised in the next few months. After the ball Akira Isogawa donated his very significant archives to the museum. These archives are still being valued. The museum advises that these additional commitments will provide substantial benefit to the MAAS Centre for Fashion and its associated programs, exhibitions and events for the people of New South Wales, international visitors and interstate visitors as well, obviously.

**The Hon. WALT SECORD:** Minister, did Ms Merrillees' decision to depart the Powerhouse Museum directorship occur before or after you gave your answer to questions without notice in the Parliament?

**The Hon. DON HARWIN:** I would have to check all of the days that I was asked. I will also have to check what—

**Mr DAVID SHOEBRIDGE:** Minister, I think we understand if you take that on notice.

**The Hon. DON HARWIN:** I might take that on notice so that I can check all the dates that I was asked questions and check the date on which the decision was made to reclassify the position rather than—

**Mr DAVID SHOEBRIDGE:** Minister, we are running out of time and I appreciate your coming today. It is not required and, for the record, I appreciate your coming and answering the questions.

**The Hon. DON HARWIN:** This is the third time I have come. I know you just passed your second birthday. No doubt it will not be the last time I come.

**Mr DAVID SHOEBRIDGE:** It has not taken as long as your business case, though. You should take credit for that.

**The Hon. DON HARWIN:** I think, with respect, it has taken more time than my extended final business case.

**Mr DAVID SHOEBRIDGE:** We can argue about that, Minister. There is very real concern about the future of the Ultimo site. What development is your Government proposing for the Ultimo site and what is the modelling that you used to come up with the financial contribution that the redevelopment on the Ultimo site will make to the \$325 million in the business case?

**The Hon. DON HARWIN:** I am extraordinarily excited about what is going to happen at the Ultimo site. We are very serious about having a creative industries precinct there. My intention is that in terms of the heritage power station building, that will be cultural use. My department and their officials have been in the process of taking market soundings from other—how shall I say?—complimentary cultural users. A number of those I have talked about publicly before. There have also been discussions with the University of Technology in

terms of their interest in start-ups and their capacity to contribute to the creative industries precinct. I am immensely excited about the—

**Mr DAVID SHOEBRIDGE:** Minister, you know what I am asking about: the things that are driving money, the things that are chipping in money into the \$325 million, which is said to be the revenue benefits—

**The Hon. DON HARWIN:** Ask me a direct question, Mr Shoebridge. In the interest of time I think it is probably better you ask me a direct question.

**Mr DAVID SHOEBRIDGE:** How much of the \$325 million of so-called revenue benefits is derived from the Ultimo site? What development was envisaged on the site, including the part of the site or the proportion of the site that is going to be put aside for a commercial, residential or other profit-making development?

**The Hon. DON HARWIN:** Mr Shoebridge, you have asked me a question that is very similar to the question you asked me before about philanthropy. The answer is exactly the same. This is something that you know because it is in the unredacted business case that you have been supplied. You know about it. But for reasons—

**Mr DAVID SHOEBRIDGE:** No, I do not know the proportion of the site that is proposed for private development.

**The Hon. DON HARWIN:** Sorry?

**Mr DAVID SHOEBRIDGE:** I do not know the proportion of the site that is proposed for private development.

**The Hon. DON HARWIN:** That is different but you also asked me about dollars, and I am just telling you in relation to dollars that that is something that is commercial-in-confidence.

**Mr DAVID SHOEBRIDGE:** We are caught in that same bind.

**The Hon. DON HARWIN:** The Committee has been supplied with that material unredacted. You know that and you can take that into consideration in your deliberations. In terms of the site, we are in a market sounding phase, which includes master planning for the site, so it is not possible to give you a definitive answer on that. We are developing the options which will be looked at in the final business case that will be prepared before the end of the year.

**Mr DAVID SHOEBRIDGE:** But, Minister, there is a hard figure of \$325 million in revenue benefits. That must have had some assumptions under it, including the proportion of the site that is going to be handed over for private development. That is what I am asking you about. You can answer that. I would ask you to provide it.

**The Hon. DON HARWIN:** I think we will just take that on notice.

**The CHAIR:** Thank you very much. Minister, I note that you took a number of questions on notice. The Committee has resolved that answers to questions taken on notice be returned within 21 days. The secretariat will contact you in relation to the questions taken on notice. Thank you very much for coming.

**The Hon. DON HARWIN:** Thank you very much.

**(The witnesses withdrew)**

**(The Committee adjourned at 12:06)**