

REPORT ON PROCEEDINGS BEFORE

PORTFOLIO COMMITTEE NO. 4 – LEGAL AFFAIRS

INQUIRY INTO MUSEUMS AND GALLERIES

At Jubilee Room, Parliament House, Sydney on Monday, 28 May 2018

The Committee met at 10:00 am

PRESENT

The Hon. Robert Borsak (Chair)
The Hon. Scott Farlow
The Hon. Trevor Khan
The Hon. Shayne Mallard
The Hon. Shaoquett Moselmane
The Hon. Walt Secord
Mr David Shoebridge

The CHAIR: Welcome to the ninth hearing of the Portfolio Committee No. 4 Legal Affairs, Inquiry into Museums and Galleries in New South Wales. The inquiry is established to examine New South Wales Government policy, funding and support for the State's cultural institutions, including museum and gallery buildings and heritage collections. It will also consider the proposed sale of the Powerhouse Museum site in Ultimo and whether there are alternative strategies to support museum development. 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 Aborigines present. Today we will hear from former employees of the City of Parramatta Council, followed by the former Premier Mr Mike Baird.

I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. In accordance with broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the gallery 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. 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 action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide an answer within 21 days. Witnesses are advised that any messages should be delivered to the Committee members through the Committee's staff. To aid the audibility of this hearing may I remind both Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing. I now welcome our first witnesses, formerly from the City of Parramatta Council.

GREG DYER, Former Chief Executive Officer, City of Parramatta Council, affirmed and examined

CRAIG BEECROFT, Former Chief Financial Officer, City of Parramatta Council, sworn and examined

The CHAIR: Would either or both of you like to give a short opening statement?

Mr DYER: We do not have formal opening statements to be tabled, but I do remind Committee members that neither of us are current employees of the City of Parramatta Council. To the extent that there might be some details that we do not have in front of us, we do not have direct access to all of the materials relating to this matter immediately prior to this hearing.

Mr DAVID SHOEBRIDGE: When did you both cease your employment with the City of Parramatta Council?

Mr BECROFT: I ceased with the council on 23 March.

Mr DAVID SHOEBRIDGE: This year?

Mr BECROFT: This year.

Mr DYER: Me, on 31 January this year, 2018.

Mr DAVID SHOEBRIDGE: Were you both employed at Parramatta council from 1 January 2015?

Mr DYER: Yes.

Mr BECROFT: Yes.

Mr DAVID SHOEBRIDGE: Prior to that? When did you commence with Parramatta City Council?

Mr BECROFT: I think mine was October 2014.

Mr DYER: And I was February 2014.

Mr DAVID SHOEBRIDGE: Do you remember when a State Government representative first approached Parramatta City Council with the idea to relocate the Powerhouse Museum?

Mr DYER: There was a long process which started early in 2014—early in my time at the then Parramatta City Council—when the idea was floated. I am not sure where the idea first came from. I am not sure who should get the credit for the first idea, but we at Parramatta were very supportive of the concept, and reached out through ongoing and existing relationships at the museum with directorial staff and others to talk about the concept, if you like. But I do not recall anybody from the State Government talking to us in more detail about the concept until, probably, well into 2015 and potentially 2016.

Mr DAVID SHOEBRIDGE: Sorry, you said "ongoing and existing relationships at the museum". Who were those relationships with?

Mr DYER: I had a good knowledge and relationship with Rose—I have a mental blank—the director at the time.

Mr DAVID SHOEBRIDGE: Hiscock?

Mr DYER: Rose Hiscock, thank you. And then with Dolla Merrillees, subsequent to that, and other members of staff at Parramatta just in the normal course of our activities and relationships of that sort, as well.

Mr DAVID SHOEBRIDGE: Relationships of what sort?

Mr DYER: Professional relationships which talk to cultural activities and so forth—the relationship between ourselves and the museum.

Mr DAVID SHOEBRIDGE: You are the chief executive officer of Parramatta City Council. What is this work relationship you have with the director of a museum in Ultimo?

Mr DYER: It was to do with the prospect of movement of the museum from Ultimo to Parramatta and so forth. It commenced only after that had been mooted as a possibility.

Mr DAVID SHOEBRIDGE: I thought in your earlier answer you said that you had ongoing and existing relationships, and that the approach came to you in the context of ongoing and existing relationships. But now your answer seems to be that those relationships developed after first contact. Is that right, or not? I am confused.

Mr DYER: My relationship with Rose, for instance, commenced after the discussion of this as a prospect, not before.

Mr DAVID SHOEBRIDGE: What about with Dolla?

Mr DYER: Dolla came subsequent to that into the role and my relationship with her commenced in more, I guess, detailed discussion after Rose left the organisation.

Mr DAVID SHOEBRIDGE: Do you want to clarify your earlier answer that the approach came to you in the context of your ongoing and existing relationships with people at the museum. The approach happened before those relationships—is that now your evidence?

Mr DYER: My apologies. To clarify, my relationships with the museum really commenced after the mooting of the move to Parramatta.

Mr DAVID SHOEBRIDGE: Okay, now we have got rid of some of the muddiness.

The Hon. TREVOR KHAN: Come on, David.

Mr DAVID SHOEBRIDGE: You said you were not sure who it was approached you—or Parramatta—with the proposal. Is that your evidence?

Mr DYER: I believe the first time I saw a discussion of it was potentially in the press—in the media, in fact.

Mr DAVID SHOEBRIDGE: Can you remember, was it in the *Parramatta Sun*? Was it in the *Australian*? Was in the *Herald*? Where did you see this approach?

Mr DYER: I think it may well have been in the *Daily Telegraph*. I am not certain.

Mr DAVID SHOEBRIDGE: So the *Government Gazette*.

Mr DYER: Your description.

The Hon. WALT SECORD: Just so that I have this correct, the first you had heard about it was in February 2015, when the then Premier announced it?

Mr DYER: I am not clear about the timing of that event.

Mr DAVID SHOEBRIDGE: I think your earlier evidence was early 2014. That is what I have noted here. Is that still your evidence?

Mr DYER: I am hazy as to the first date on which this thing was talked about.

Mr DAVID SHOEBRIDGE: I will just stop you there, Mr Dyer. I do not want you to be guessing in your evidence or speculating.

Mr DYER: All right.

Mr DAVID SHOEBRIDGE: You are giving evidence on oath. Your evidence on oath earlier was that it was in early 2014. Do you stand by that evidence or do you wish to change it?

Mr DYER: I had probably better say then, on oath, that I do not recall the date of the first mention of the proposal.

The Hon. WALT SECORD: To assist the Committee, can you take us through a bit of a timeline? Which was the first organisation to formally approach Parramatta City Council, which I understand was under administration at the time. Is that right?

Mr DYER: No, administration started in— Mr Becroft might be able to help me there.

Mr BECROFT: I should know—2016.

Mr DYER: On 12 May, 2016.

The Hon. WALT SECORD: When was the first official contact from the New South Wales Government, whether it was the Powerhouse Museum or Infrastructure NSW or Ministry of the Arts? When was the first contact?

Mr DYER: I do not recall the exact date.

Mr DAVID SHOEBRIDGE: Mr Becroft, you have heard Mr Dyer trying to identify when the first approach was. He said early 2014. Do you adopt his evidence in that regard?

Mr BECROFT: I was not involved at that sort of level, so I could not tell you what date it was. So, no, I was part of that.

Mr DAVID SHOEBRIDGE: When were you personally first aware that an approach had been made to Parramatta council about the relocation of the Powerhouse Museum?

Mr BECROFT: I did not know there was an approach made at all. I was just the same as Greg. It was in the media. We heard that they were looking at more than one site, and one of those sites was in Parramatta.

The Hon. SHAYNE MALLARD: I would like to ask a question that might assist the inquiry.

The CHAIR: Please.

The Hon. SHAYNE MALLARD: Being cognisant of the dates that you both started—you may answer confirming that you are aware of it—Parramatta council in partnership with Penrith and Liverpool councils in 2014 commissioned a report from Deloitte to examine the Western Sydney arts economy. That was through David Borger from the Chamber of Commerce. Are you familiar with that? You would have inherited that report when you took your job.

Mr BECROFT: No, not me personally.

Mr DYER: I recall that report, yes.

The Hon. SHAYNE MALLARD: I am bringing this up because that was in the press. It was released in early 2015, and it was in the media in early 2015. Its recommendation was to move the Powerhouse Museum to Parramatta. So, I am bringing this to your attention to see if it sheds more light on when you were exposed to this discussion. Your council paid for a third of that report.

Mr DYER: I would not say that that was the first mention of it. The first concept would have been before then. That does help to clarify it. It was certainly before that report was finalised.

Mr DAVID SHOEBRIDGE: But your memory, as you are sitting there, Mr Dyer and Mr Becroft, is that the first time you became aware of a formal approach or any real approach from the State Government was when you read about it in the *Daily Telegraph*, is that right?

Mr DYER: These were two-way discussions which were going on. It was not an approach from Government. We were very keen to see a major institution moving into the city. We were obviously very supportive—

The Hon. TREVOR KHAN: That is the city of Parramatta.

Mr DYER: —to Parramatta, absolutely.

Mr DAVID SHOEBRIDGE: Mr Dyer, I am not trying to be tricky. I just want to understand when the first approach came to Parramatta council from the State Government about the relocation of the Powerhouse. It is a simple question and I am looking for a straight forward answer from one or both of you.

Mr DYER: I do not recall the exact date when we were approached by State formally in relation to this proposal. I do not recall that. But it must have been after the report.

Mr DAVID SHOEBRIDGE: Your earlier evidence was early 2014 and it was somehow associated with your ongoing and existing relationships are with the museum. We can reject ongoing and existing relationships with the museum as a basis for your knowledge. Is that right?

Mr DYER: Yes.

Mr DAVID SHOEBRIDGE: And can we reject early 2014?

Mr DYER: Yes.

The Hon. TREVOR KHAN: For what?

Mr DYER: I am sorry, which aspect?

Mr DAVID SHOEBRIDGE: In terms of when you were aware that the State Government was proposing to relocate the Powerhouse to Parramatta.

Mr DYER: It was certainly not in 2014.

Mr DAVID SHOEBRIDGE: So we can reject that earlier evidence of yours.

The Hon. TREVOR KHAN: No. That is unfair. That is not what the witness said. The witness was asked about when he became aware of it, not when the approaches were made.

The CHAIR: Order! Are you taking a point of order, or are going to argue across the table? You cannot do both.

The Hon. TREVOR KHAN: There has to be fairness to the witness.

The CHAIR: You cannot do both. You will have to take a point of order.

Mr DYER: There was discussion in 2014, I imagine, about the possibility, but that was a general discussion. It certainly was not in any formal communication between the Parramatta City Council as it then was and the State Government.

Mr DAVID SHOEBRIDGE: Was anybody from the State Government in that discussion, Mr Dyer?

Mr DYER: Not in 2014, no.

Mr DAVID SHOEBRIDGE: You know I am asking questions about the State Government's approach, the involvement of the State Government and relations between the State Government and Parramatta. That is what my questions are about. Do you understand that?

Mr DYER: Yes, I do.

Mr DAVID SHOEBRIDGE: Was there any approach from the State Government in 2014?

Mr DYER: No.

Mr DAVID SHOEBRIDGE: Had there been an approach prior to 2014, to the best of your knowledge?

Mr DYER: Not to my knowledge.

Mr DAVID SHOEBRIDGE: So the first time that you heard, in either an official or unofficial capacity, about the State Government having a proposal to relocate the Powerhouse to Parramatta was when you read it in the *Daily Telegraph*.

Mr DYER: No, I think the *Daily Telegraph* report was a speculative piece of journalism which talked about the possibility of that movement. It certainly did not have any official status behind it.

The Hon. SCOTT FARLOW: So the *Daily Telegraph* during a period—and I am not sure of the exact date—ran a campaign for Western Sydney.

Mr DYER: Correct.

The Hon. SCOTT FARLOW: I believe as part of that one of the ideas floated was a cultural institution being relocated to Western Sydney, namely, the Powerhouse. Could that potentially have been where you may have read it—in the *Daily Telegraph*, so to speak—as an idea.

Mr DYER: I am sure that is right.

Mr DAVID SHOEBRIDGE: You are sure that is right, Mr Dyer. You are sure that is right.

Mr DYER: I am sure that is right, yes.

Mr DAVID SHOEBRIDGE: Really?

Mr DYER: It was part of the—what was the name of the campaign?

The Hon. Scott FARLOW: The campaign for Western Sydney.

Mr DYER: The campaign for Western Sydney, which was run by the Daily Telegraph.

Mr DAVID SHOEBRIDGE: I will give you the opportunity on notice to provide the Committee with the article you says supports your sure recollection. I will give you that opportunity. Would you like to take that opportunity on notice?

Mr DYER: Provided that I can turn the article up, absolutely.

Mr DAVID SHOEBRIDGE: Because you say you are sure, what was the article about?

Mr DYER: I do not recall the detail of the actual article.

Mr DAVID SHOEBRIDGE: How can you sit there and give evidence that you are sure that it was in an article that you cannot remember?

Mr DYER: I have said what I have said.

Mr DAVID SHOEBRIDGE: Mr Dyer, do you recall seeing a media release from the then Premier about the relocation of the Powerhouse?

Mr DYER: I certainly recall seeing a media release from the Premier, yes. I do not recall the date.

Mr DAVID SHOEBRIDGE: I do not want to be coy with you: About the relocation of the Powerhouse from Ultimo to Parramatta. Do you recall a media release from the former Premier, Mike Baird, about that?

Mr DYER: Yes. I do remember seeing that media release.

Mr DAVID SHOEBRIDGE: Do you recall if that media release came before or after the time you saw this in the Daily Telegraph?

Mr DYER: I imagine it was after.

Mr DAVID SHOEBRIDGE: I am not asking what you imagine.

Mr DYER: That is my best recollection.

Mr DAVID SHOEBRIDGE: I am asking what you remember.

Mr DYER: My best recollection is that it was after.

Mr DAVID SHOEBRIDGE: Do you know how much after?

Mr DYER: That would be speculation.

Mr DAVID SHOEBRIDGE: All right. But would it be fair to say that the first time you saw a formal statement from the State Government about the relocation of the Powerhouse from Ultimo to Parramatta was when you saw a media release from the Premier to that effect?

Mr DYER: I am sorry, could you just rephrase that question, please?

Mr DAVID SHOEBRIDGE: The first time you saw a formal statement from the State Government about the relocation of the Powerhouse from Ultimo to Parramatta was when you saw a media statement from the Premier to that effect.

Mr DYER: I would not regard a media statement has a formal statement, but that was the first time that I had seen anything in writing from the State Government, yes.

Mr DAVID SHOEBRIDGE: If I said to you that that was in February 2015, would that be right?

Mr DYER: You may well—I am sure you have better detail of that than I do today.

The Hon. SCOTT FARLOW: Mr Dyer, how much of your time as the chief executive officer [CEO] of the Parramatta council did you spend thinking about the Powerhouse Museum? Did you have other things that you were concentrating on, such as roads, rates and rubbish perhaps—the usual administration of councils—and perhaps community services so that you may be excused for not remembering exact dates when a press release was issued by the New South Wales Government are on the Powerhouse Museum?

Mr DYER: It is a very busy role, that is true. It is a very large organisation with a number of different activities and operations. We were engaged in the growth of the central city, frankly, and we had a lot of aspects of that going on. I do not mean to minimise the prospect of the movement of the museum, which is in my opinion a very substantial part of that overarching vision for greater Parramatta and the Olympic Peninsula as the central city. The movement of the Powerhouse was a very significant part of that overall vision. So in answer to your question, whilst it did not take up a huge amount of my day-to-day working week, it was certainly seen as being a very important project from the city's perspective.

The Hon. SHAOQUETT MOSELMANE: I have just a quick question. You are the chief executive officer [CEO] and you have read it in the newspaper or you have seen it in the press release. That would have been exciting news. Did you make any contact with anybody within the Government or the Department to clarify what this project is for the city of Parramatta?

Mr DYER: I believe that around about that time—and I apologise; I do not know the actual dates of course—but I believe at that time representatives of Government reached out to me to commence discussions around the detail.

The Hon. SHAOQUETT MOSELMANE: Which representatives of Government?

The Hon. WALT SECORD: Who reached out?

Mr DYER: There were different people who were talking to me about that from Property NSW, from Infrastructure NSW, so it was of those two organisations within the State Government, I am not entirely sure. I do apologise.

The Hon. SHAOQUETT MOSELMANE: What about the local member, for example? The local member would have been very interested in that project.

Mr DYER: Yes, he was. Dr Lee was obviously very supportive of the concept, as I recall.

Mr DAVID SHOEBRIDGE: Mr Dyer, if the first notice you had coming from the State Government was in a media release, you had not at that point worked up a partnership—the details of a partnership—with the State Government regarding the Riverside Theatre project, had you?

Mr DYER: No, we had not.

Mr DAVID SHOEBRIDGE: Did it surprise you when you read in the media release from the Premier's Office, "Our plan also includes \$800,000 to attract a resident company for the Riverside Theatre in partnership with the Parramatta Council"? Where did that come from?

Mr DYER: I do not recall whether that had been discussed earlier or not. I do not recall, sir.

Mr DAVID SHOEBRIDGE: I have given you plenty of opportunities to try to recall about any prior approaches. Did this just come out of the blue, did it? It was just our brain explosion from the Government that you read in a media release. Is that what happened?

Mr DYER: I do not recall the background to that aspect.

Mr DAVID SHOEBRIDGE: Do you recall about being engaged about developing performances for local communities, or a \$7.5 million plan to support artists and organisations in Western Sydney prior to the media release?

Mr DYER: They may well have been the subject within the Deloitte study, which we had commissioned. I am not certain.

Mr DAVID SHOEBRIDGE: I am not asking you to speculate. I am asking you about what you can actually remember, not to guess.

Mr DYER: Yes.

Mr DAVID SHOEBRIDGE: Can you recall any discussion with the State Government about them—and I will read again from the media release—"We will set aside \$7.5 million to support artists and organisations based in Western Sydney by creating more opportunities for practising and emerging artists." Do you remember that being discussed?

Mr DYER: I do not remember that, no.

The Hon. SHAYNE MALLARD: Point of order: Can I clarify? Mr Shoebridge has focused on that time line. We are talking the election announcement period where the Premier is making an election announcements as opposed to government policy announcements? I want to clarify that. That might help here and also if it is directed to the former Premier this afternoon. If it is in February, they are election announcements. Is that what you are reading from?

Mr DAVID SHOEBRIDGE: I am reading from the Government's media release on nsw.gov.au.

The Hon. WALT SECORD: Of 26 February 2018?

Mr DAVID SHOEBRIDGE: It is not a party release; it is a Government release.

The Hon. WALT SECORD: As of an hour ago.

Mr DAVID SHOEBRIDGE: Do you remember being approached about a cultural precinct plan by the State Government before it made the announcement in February 2015?

Mr DYER: I do not recall being approached by the Government about that, no.

Mr DAVID SHOEBRIDGE: An \$800,000 partnership was announced, and to the best of your knowledge the Government had not spoken to you about it; there was a \$7.5 million plan to support artists and organisations in Western Sydney, and it had not spoken to you about it. There was also a cultural precinct in the middle of Parramatta and the Government also had not spoken to you about it. Was it surprising to you as the chief executive officer to have all these announcements about things in the heart of your council area without any prior discussion?

Mr DYER: We had been working towards the creation of a cultural precinct in Parramatta for some time, so that announcement would have been entirely consistent with those plans.

Mr DAVID SHOEBRIDGE: So that is the way government works in your understanding; it cooks up something in Macquarie Street and foists it upon you without speaking with you about the detail? Is that the standard relationship between the State Government and local councils to the best of your knowledge?

Mr DYER: No.

The Hon. WALT SECORD: When did things heat up and become formal? When did you have meetings between the council and the State Government?

Mr DYER: I do apologise, but I do not have the actual dates lodged in my mind.

The Hon. WALT SECORD: Can you at least indicate a year; was it announced in 2015, 2016 or 2017?

Mr DYER: I believe it would have been within 2015.

The Hon. WALT SECORD: So that I am correct from the beginning, you said that you ceased working for Parramatta City Council on 31 January this year?

Mr DYER: Correct.

The Hon. WALT SECORD: The Premier's office issued a comment to the *Sydney Morning Herald* on Sunday 1 April saying that the—

The Hon. TREVOR KHAN: What was the year?

The Hon. WALT SECORD: It was 1 April 2018. The announcement from the Premier's office stated that the business case was delivered to the Government in December. This is December 2017. Were you as the general manager or your council involved in the preparation of the business case?

Mr DYER: We had no involvement in the museum business case.

The Hon. WALT SECORD: You had no input whatsoever in the business case?

Mr BECROFT: No. We were not asked for our input; our input was selling a piece of land.

The Hon. WALT SECORD: So you had no involvement in the business case and you were a major partner? You were working in partnership with the State Government.

The Hon. SCOTT FARLOW: I would like to clarify that. Are you a partner?

The Hon. WALT SECORD: No, I think the answer was clear.

The Hon. SCOTT FARLOW: His answer was that they were selling a piece of land.

Mr BECROFT: That is correct.

The Hon. SCOTT FARLOW: You were selling a piece of land. If I were to buy a house, I would not necessarily involve the previous owner of the land that I was purchasing in the design of the house.

The Hon. SHAOQUETT MOSELMANE: Except this is a council.

The Hon. SCOTT FARLOW: Which is selling a piece of land, and that is its role.

Mr BECROFT: We were not involved in the business case.

The Hon. WALT SECORD: Mr Beecroft, when did you terminate with the council? Was it 23 March 2018?

Mr BECROFT: This year.

The Hon. WALT SECORD: Were you involved in the discussions about adding 50 storeys to the development site at Parramatta?

Mr BECROFT: No, we were not involved in that at all.

The Hon. WALT SECORD: What was the Parramatta council involved in with regard to the Powerhouse? I am not criticising you; I am simply trying to extract information. Did the State Government drop everything and then you read about it in the newspapers, or was there dialogue and communication?

Mr BECROFT: We were already marketing the site for sale; it was a development site. Then the State Government obviously got involved in looking at purchasing a piece of land. We were involved in negotiations

with Property NSW for the sale of that site. That was our involvement; that is, doing the deal to sell the site, setting a value and doing a transaction with the State.

The Hon. WALT SECORD: I understand that Parramatta City Council was under administration until recently. Is that correct?

Mr BECROFT: Until the election.

Mr DYER: Until December 2017.

The Hon. WALT SECORD: Who was the administrator at the time?

Mr DYER: Amanda Chadwick.

The Hon. WALT SECORD: Did she have discussions with the State Government rather than council employees?

Mr BECROFT: I cannot speak for Ms Chadwick.

The Hon. WALT SECORD: Did discussions happen at a top level between the council administrator and the State Government?

Mr BECROFT: I cannot answer that question.

Mr DAVID SHOEBRIDGE: I have a simple question: Was the heads of agreement entered into while Ms Chadwick was the administrator?

Mr BECROFT: Yes, it was.

Mr DAVID SHOEBRIDGE: Do you know when?

The CHAIR: We have had evidence to this inquiry.

The Hon. SHAYNE MALLARD: She has appeared as a witness.

The CHAIR: We may recall her if we keep going. Please continue.

Mr BECROFT: It was August 2017.

Mr DAVID SHOEBRIDGE: So it was August 2017?

Mr BECROFT: There was a council resolution in July 2017.

Mr DAVID SHOEBRIDGE: That is, the heads of agreement was signed in August 2017?

Mr BECROFT: Yes, August 2017.

Mr DAVID SHOEBRIDGE: Was it in the caretaker period?

The CHAIR: It was 27 July 2017.

Mr BECROFT: Not having access to the documents, I am not sure what date is on the heads of agreement.

Mr DAVID SHOEBRIDGE: But was just in the shadow of the election?

Mr BECROFT: That would be correct.

The Hon. SHAOQUETT MOSELMANE: The election was in September.

Mr BECROFT: Yes, September.

The Hon. WALT SECORD: So you were the chief financial officer for the council?

Mr BECROFT: That is correct.

The Hon. WALT SECORD: For a layperson, what does the chief financial officer do for a local council area?

Mr BECROFT: They are responsible for managing the finances for the council area. That is obviously revenue and expenses and managing a budget.

The Hon. WALT SECORD: Including deciding what the council will invest in, what money will come into the council?

Mr BECROFT: Putting forward forecasts and so forth.

The Hon. WALT SECORD: What land will be sold, what revenue will occur?

Mr BECROFT: That is not necessarily my responsibility in terms of selling land; that is part of the whole council.

Mr DAVID SHOEBRIDGE: Let us be clear, part of the business case was working out what proportion of the returns from the residential development on your site would go back to the State Government. That was part of the business case; was it not?

Mr BECROFT: Can you rephrase that?

Mr DAVID SHOEBRIDGE: This is the Government's business case.

The Hon. TREVOR KHAN: Which they were not involved in.

Mr BECROFT: Which we were not involved in.

Mr DAVID SHOEBRIDGE: Do you understand that from the Government's own public records, part of what it had to work out was what proportion of the profits from the residential development on the site would go back to the redevelopment of the museum? Were you not involved in any of that?

Mr BECROFT: No, yes.

Mr DAVID SHOEBRIDGE: No, yes?

Mr BECROFT: Yes, we were. It was part of the contract for sale.

Mr DAVID SHOEBRIDGE: So the contract provides for a proportion of the profits from the residential development to go to the council?

Mr BECROFT: No, that is not correct. From what I recall of the contract—and I can only recall it because I do not have access to it—if the State were to achieve a higher value from the site, that value would be attributed back to the actual building of a bigger Powerhouse.

Mr DYER: My recollection is that at least 80 per cent of the proceeds from the sale, not the profit, of the development opportunity on the land would be devoted to the creation of the museum.

Mr DAVID SHOEBRIDGE: By definition, the taller the property and the more residential development, the more the profit; is that correct?

Mr DYER: There would be limitations as to the height that could be achieved on that site.

Mr DAVID SHOEBRIDGE: The limitation in Parramatta is basically that you cannot fly a plane into it.

Mr DYER: Basically, yes.

Mr DAVID SHOEBRIDGE: So you as the landowner and as the key planning authority would have a key role in working out the appropriate height?

Mr DYER: There is a framework within which all of that is determined in the Parramatta local environmental plan arrangements, yes. I was going to say that the site had previously been marketed by Parramatta City Council, and we received expressions of interest in relation to a residential development of significant size and scale on that particular site prior to the approach from the Government. Of course, that was not continued with in light of the change in the plans to include the museum.

The Hon. SCOTT FARLOW: Was there a floor-space ratio [FSR] attached to that at the time you were marketing it?

Mr DYER: Yes, there would have been.

The Hon. SCOTT FARLOW: Was that changed in terms of the contract with the Government?

Mr DYER: There was some complexity around that because there was a framework for the Parramatta CBD that was and still is in the process of being concluded. What had been marketed was the end result assuming that that framework was ultimately adopted by council and by State.

Mr DAVID SHOEBRIDGE: As best as you can recall, Mr Dyer, I can understand.

Mr DYER: As best as I can recall, with bonuses for high-quality design elements, the floor space ratio [FSR] on that site is, I believe, 12:1.

Mr DAVID SHOEBRIDGE: That creates the building of roughly what height, from memory? Mr Becroft, you can assist in some way.

Mr DYER: The building next door, which is a Meriton development, is in accordance with those signed plans. As I understand it, it is a 55-storey building which is to the maximum entitlement and I would imagine that is roundabout, a little speculative, 220 to 240 metres tall.

Mr DAVID SHOEBRIDGE: This is a 250-metre-high, 55-storey residential development with the museum at the bottom of it. That is what has actually been proposed.

The Hon. SHAYNE MALLARD: It was an international design competition, was it?

Mr DAVID SHOEBRIDGE: Mr Dyer, it is a 250 metre tall, 55-storey residential development with the museum at the bottom of it. Is that what has been proposed?

Mr DYER: I am not sure. As I said, we are not partners in the development. We simply sold the land.

Mr DAVID SHOEBRIDGE: But that is what your contract allowed for: a 55-storey residential development, a quarter of a kilometre high, with a museum at the bottom of it. That is what your contract allowed for, is that right?

Mr DYER: That is what the zoning of the land allows, yes.

Mr DAVID SHOEBRIDGE: And that was anticipated in the sale agreement, was it not?

Mr BECROFT: No, that is not written in the sale agreement.

Mr DAVID SHOEBRIDGE: Enlighten me, Mr Becroft.

Mr BECROFT: There is no detail in the sale agreement. The sale agreement said that if the State was to do a residential development on the site that the profits on that, some of that, would be reinvested.

Mr DYER: Revenue.

Mr BECROFT: The revenue would be reinvested back into a bigger museum.

The Hon. SHAOQUETT MOSELMANE: But was it a residential or commercial development?

Mr BECROFT: Obviously a commercial development—there is a museum on the site. It is a big site. We were going to market it as more than one site. I believe the residential is on one part of the site and the museum runs across the whole site. But we were not involved in the design of the building.

The Hon. SHAYNE MALLARD: It was an international design competition.

Mr BECROFT: That is correct.

The Hon. WALT SECORD: I would like to return to your recollections when the agreements or discussions occurred with the administrator of the council and the State Government. Who else was involved in the EPU? As CEO and CFO were not involved, who was taking up the case or looking after the interests of the residents of Parramatta?

Mr DYER: I am not sure that it is suggested that we were not involved. We were. We were involved in the negotiation with State Government Property for the sale of the land, the option arrangements on the land.

The Hon. WALT SECORD: Can you take me through it? Can you recall when those discussions began?

Mr DYER: As I said, I think they commenced in 2015 and they concluded—is that right? I am sorry, I have got my dates mixed again. They probably commenced in late 2016—that is better—and were finalised in 2017, as we previously stated.

Mr DAVID SHOEBRIDGE: Was there a rush to get it done before the administrator left?

Mr DYER: No, I would not describe it as a rush to get it done.

Mr DAVID SHOEBRIDGE: How would you describe it then?

Mr DYER: The negotiations had been undertaken over quite a protracted period. In fact, it was a process which took longer than I would have liked it to. But we got it done and took it to a council meeting on July 27, as I understand, for authorisation.

Mr DAVID SHOEBRIDGE: For the signature to happen.

The Hon. SHAYNE MALLARD: But there was a council resolution of a previously elected council in support of the sale and the Powerhouse project?

Mr DYER: Yes, that is right.

The Hon. SHAYNE MALLARD: So that was guiding Ms Chadwick in her deliberations.

Mr DYER: This process had been aligned with the council policy from the previous council—

The Hon. SHAYNE MALLARD: That is right.

Mr DYER: —and all the way through to the administration period, yes.

The Hon. SHAYNE MALLARD: It is important to note that.

Mr DAVID SHOEBRIDGE: Mr Becroft and Mr Dyer, if we were to review the internal communications, we would not find a statement to the effect that "we need to get this to be signed off before the caretaker period" or "we need to get this signed off before the administrator leaves"? We would not find that?

Mr BECROFT: Not in any of my emails, that is for sure.

Mr DAVID SHOEBRIDGE: It was not part of the discussions, is that what you are telling us?

Mr DYER: No, it was not.

Mr DAVID SHOEBRIDGE: What about the arrangements for the Riverside Theatre—the State Government's arrangements between the council and them on the Riverside Theatre? When were they finalised, or are they finalised?

Mr BECROFT: They are not finalised, as far as I know. Part the option agreement included the business case being prepared for the potentially new theatre, a joint venture with the State.

Mr DAVID SHOEBRIDGE: Where is that business case up to, as best as you know? Where was it up to in March or so when you left?

Mr BECROFT: We had a few committee meetings before I left. There was quite a bit of work being done. The business case had to be completed within a certain period of time.

Mr DAVID SHOEBRIDGE: By when?

Mr BECROFT: I think it is December 2018.

Mr DAVID SHOEBRIDGE: Despite the announcements, is there a decision that you are aware of in relation to the Riverside Theatre, or is it all pending in the business case?

Mr BECROFT: It is all pending a successful business case. If the business case does not stack up, then the money—\$100 million for that development—goes straight across the council.

Mr DAVID SHOEBRIDGE: So it is a different process to the Powerhouse, where the decision was made before the business case?

Mr BECROFT: I cannot answer whether the decision was made before the business case. The contract is an option contract. The State Government had an option to purchase the land subject to a business case. So it was an option. It is not a sale until the options—

The Hon. SCOTT FARLOW: In terms of the purchase of the Powerhouse site?

Mr BECROFT: That is correct.

Mr DAVID SHOEBRIDGE: If they exercise the option, are they required to make the payment for the Riverside Theatre?

Mr BECROFT: They are required to make a payment of \$140 million. Of that, \$100 million would be put in a trust, subject to a successful business case for the theatre. If that did not proceed, the \$100 million gets transferred across to the council.

The Hon. WALT SECORD: Gentlemen, when was the first time that you heard that there was going to be a planetarium on the site?

The Hon. SHAYNE MALLARD: It is very exciting news.

Mr DAVID SHOEBRIDGE: Did that just come out of the stars?

The Hon. WALT SECORD: Please, everyone, I genuinely want to know. When did you gentlemen first hear about a planetarium?

The Hon. SHAYNE MALLARD: Was it part of the consultation?

Mr DYER: It was not part of our consultation. I saw it in the business case, in fact, when I read the business case.

The Hon. WALT SECORD: Have you read the business case?

Mr DYER: Yes.

Mr BECROFT: Not the business case, the actual release—

Mr DYER: Sorry, it was released two weeks ago.

Mr BECROFT: The summary business case.

The CHAIR: I was going to say you have seen something that we have not seen.

Mr DAVID SHOEBRIDGE: Again it was the *Government Gazette*.

The CHAIR: I was going to say you had seen something we had not seen.

The Hon. WALT SECORD: The first time you had heard about a planetarium on the site was probably the same day that I did when we opened up the newspaper and it was on the front page?

Mr BECROFT: That is correct.

The Hon. SHAYNE MALLARD: It was pitched at a younger market than you.

Mr DAVID SHOEBRIDGE: Walt, you do not open up a newspaper to the front page.

The Hon. SCOTT FARLOW: When he unrolled it out of the plastic.

The Hon. WALT SECORD: I am not putting words in your mouth. You discovered the plan for the planetarium at the same time as probably everyone else did—when it was in the newspaper. There was no discussion before. Would that have impacted on the valuation or any of your dealings with the State Government?

Mr BECROFT: The valuation is based on the highest and best use of the site. We had an independent valuation of the site. So it has got nothing to do with what was being built on the site. It was what was the highest and best use for that site.

The Hon. WALT SECORD: So it is about the height, as high as you can go.

Mr DAVID SHOEBRIDGE: Both of you had said earlier that the council had spent a long time talking about the cultural precinct. Part of that is what you would like in the cultural precinct. Council has views on this, I assume; is that right?

Mr DYER: Correct.

Mr DAVID SHOEBRIDGE: Were you asked your views before the planetarium idea floated out of the galaxy and landed down in Parramatta?

The CHAIR: The largest one in the Southern Hemisphere.

Mr DYER: We were very keen to see an internationally acclaimed—

Mr DAVID SHOEBRIDGE: —planetarium.

Mr DYER: world-class museum with over 100 years of history coming to Parramatta in a new guise, in a new format, which was the next iteration of what the Museum of Applied Arts and Sciences could be. That is what we wanted for Parramatta and I believe that is what is being achieved.

Mr DAVID SHOEBRIDGE: Mr Dyer, my question was about the planetarium. Before the idea of a planetarium was formed in a galaxy far, far away and landed in Parramatta, were you in any way consulted? Or was the council in any way consulted about the concept of a planetarium before it was announced in *The Daily Telegraph*?

Mr DYER: I cannot say what happened after January of this year following my departure from council. But before then, I do not believe that the detail of the planetarium was included.

Mr DAVID SHOEBRIDGE: Mr Becroft?

Mr BECROFT: Not from my recollection. I certainly was not.

The Hon. WALT SECORD: I actually feel a bit of sympathy with you here. You guys are asked to defend or explain a project that you actually did not have input into or did not have knowledge of what was occurring. Would that be fair that we are actually asking you to defend something that you do not have knowledge of?

Mr DYER: The actual detail of what is to be delivered on the site is, I am sure, a matter which will be determined over the planning period between now and its construction. But what we were determined to achieve was a world-class, iconic institution which could provide the anchor to our city's cultural activities and precinct. That is what we were very keen to deliver.

The Hon. WALT SECORD: But it must have been frustrating to open up a newspaper and find that the projects were changing; it was different to what discussions were occurring—it was going to be the entire Powerhouse, then it is going to become a smaller version, then it is going to become a planetarium. It must have been frustrating.

The Hon. SHAOQUETT MOSELMANE: Without a business case.

Mr DYER: We were part of the raw materials which were required to produce the business case, in fact. Unless and until the price for the land was agreed I am not sure how a business case could have been prepared, frankly.

Mr DAVID SHOEBRIDGE: But the price was done well before the business case. Every single option in the business case has the same price.

Mr DYER: The price was finalised very soon before the July date.

Mr DAVID SHOEBRIDGE: The price is done before the July date, before the agreement has happened, and the business case does not finalise until December. So there are five or six months for you to engage as a partner between determining the price and the conclusion of the business case.

Mr DYER: You used the term "partner" again. The City of Parramatta is not a partner in the museum project.

Mr DAVID SHOEBRIDGE: We can be very clear about that. This is not a partnership between the State Government and Parramatta council. This is a State Government project and you are carried along in the wake of it. Is that right?

Mr DYER: We are providing the land for that project to proceed, that is right.

The CHAIR: On the basis of that, is it true that the historical value and heritage value of a number of properties in that proposed development area will be affected?

Mr DYER: There are some locally listed heritage items within that precinct which will need to be dealt with.

The CHAIR: What will happen to them?

Mr DYER: That again is part of the arrangements for the planning and construction.

The CHAIR: The council just signed off? It said, "Let us get rid of these heritage items and incorporate them into an over 5,000 square metre site. We do not really care what happens with those in the longer run"—is that what you are saying—"because it is not part of our worry any more"?

Mr DYER: No, I do not think that is a proper characterisation. I think we sold the land subject to all of the limitations and made those limitations very clear to the State.

The Hon. WALT SECORD: Mr Dyer, you have said several times that you were committed to a world-class cultural institution on the site.

Mr DYER: Yes.

The Hon. WALT SECORD: Did it necessarily have to be the Powerhouse to you guys? You just wanted a cultural institution on the site, as you said, to anchor it.

Mr DYER: It did not have to be the Museum of Applied Arts and Sciences, of course, but that seemed to us to be a unique proposition and ideally suited to what we were trying to achieve in a broader sense.

The Hon. WALT SECORD: But it was not a make or break deal, as you have said several times. As long as it was a world-class cultural institution on the site you would have been happy.

Mr DYER: We would have been less happy. We were keen to be quite specific that it should be the Museum of Applied Arts and Sciences rather than another institution, but in the end we agreed to insert into the contract that there should be an iconic internationally acclaimed museum on the site.

Mr DAVID SHOEBRIDGE: The contract does not require the Powerhouse. It could be any?

Mr DYER: The contract is framed in such a way as it would be very difficult to imagine the State achieving the objectives without moving the Powerhouse.

Mr DAVID SHOEBRIDGE: My question was quite specific. The contract does not require the Powerhouse. It could be any museum with those successful attributes?

Mr DYER: Correct.

Mr DAVID SHOEBRIDGE: Does council have cultural officers and employees who have knowledge and experience about the cultural spaces and the arts communities in Parramatta?

Mr DYER: Yes, we do. Sorry, I used the term "we". Council does.

Mr DAVID SHOEBRIDGE: It is a habit that I think you are going to break yourself from over time. It does. Roughly how many, do you know?

Mr DYER: I am thinking probably six, maybe 10.

Mr DAVID SHOEBRIDGE: And they are highly respected and capable officers who council would rely upon in trying to work out whether or not the Government's proposal for the Powerhouse would be the best proposal to serve Parramatta's interests. Is that right?

Mr DYER: They are very capable staff.

Mr DAVID SHOEBRIDGE: They are very capable and very competent. They know what goes on on the ground in Parramatta and they know what Parramatta needs. Is that right?

Mr BECROFT: That is correct.

Mr DAVID SHOEBRIDGE: How on earth were they not consulted in the development of the business case and why did you not approach the Government and say, "We have all these skills here. If you're going to do a business case, talk to us." Or did you do that and they ignored you?

Mr DYER: I am hesitating over my answer because I am sure that there were discussions at various levels within the organisations in terms of the commitment but I was not specifically aware of them occurring and when they might have. But I am certain that they did, that they would have occurred, those conversations would have taken place, but I do not have the details.

Mr DAVID SHOEBRIDGE: I thought your earlier evidence was that council had no involvement in the business case. Either they had involvement formally or informally or they did not. Do you want to go back and revisit that earlier evidence that council had no role in the business case?

Mr DYER: No. Formally we would not have had any direct involvement in the development of the business case.

Mr DAVID SHOEBRIDGE: But are you now saying that communications unknown to you but of an informal nature did occur?

Mr DYER: I would have thought that they probably would have but I do not know them for certain.

Mr DAVID SHOEBRIDGE: I am not asking you to guess or to speculate. I am asking you—

Mr DYER: I am not aware of them.

Mr DAVID SHOEBRIDGE: You are not aware of them?

Mr DYER: No.

Mr DAVID SHOEBRIDGE: Mr Becroft, are you aware of any?

Mr BECROFT: No, I am not.

Mr DAVID SHOEBRIDGE: Mr Dyer, as the chief executive officer, if those kinds of approaches are happening on something as important to the council as the Powerhouse surely you would have known about it. You were not like a mushroom in this. You would have known what was going on in council?

Mr DYER: I have given my answer.

Mr DAVID SHOEBRIDGE: No. You would have known about it. You have not answered that question. You have speculated and you have guessed, but I am asking you from your knowledge of your role as the chief executive officer of this council you would have expected to hear about that, would you not, on such an important project?

Mr DYER: I need to get the time frames.

Mr DAVID SHOEBRIDGE: Any time between April and December of last year when the business case was being developed.

Mr DYER: I would not necessarily know about those conversations if they were very informal.

Mr DAVID SHOEBRIDGE: There was no meaningful institutional engagement between your highly competent and skilled cultural officers and the State Government in the development of the Powerhouse business case?

Mr DYER: Not to my direct knowledge.

The Hon. SCOTT FARLOW: Do any of your cultural officers have experience or expertise as museum curators or in the relocation of a large State cultural institution such as the Powerhouse Museum?

Mr DYER: I could not say for certain but we do not run museums as an organisation. We do lots of things. I have used the term "we" again. The City of Parramatta does lots of things but we do not run museums, no.

The Hon. WALT SECORD: I would like to take you back to something you said earlier when talking about the actual contract. You said it did not actually require MAAS, the Powerhouse Museum, but a cultural institution on the site. At any point did you think it was unusual or peculiar that it did not specify it?

Mr DYER: We had wanted to specify the Museum of Applied Arts and Sciences and had pushback from the State Government in relation to that. But we did insist on an iconic internationally acclaimed institution and at the end of the process we got comfortable with the wording in that respect.

The Hon. WALT SECORD: What was their answer to your pushback? What did they say when you said, "Why don't you specify that it has to be MAAS, the Powerhouse"? What was their pushback?

Mr DYER: I think they wanted to retain flexibility for themselves.

Mr DAVID SHOEBRIDGE: Was there any discussion while you were CEO that the outcome of the business case may scuttle the project?

Mr DYER: Sorry?

Mr DAVID SHOEBRIDGE: Was there any discussion between you and the State Government that the outcome of the business case might scuttle the project?

Mr DYER: That was inherent in the discussion. As Mr Becroft outlined for you, it was an option arrangement and that option was going to be exercisable in the event that the business case successfully showed—

Mr DAVID SHOEBRIDGE: I know the contract provides for an option, but I am asking you if there was any discussion at a senior officer level to the effect that if this business case does not stack up it may well scuttle the project? Was that a serious option on the table or not, Mr Becroft?

Mr BECROFT: Not a formal discussion about it. It was just, as I said, what was in the option deed. If they did not have a business case by, I think, 18 June, the option was off.

Mr DAVID SHOEBRIDGE: Was there not a serious discussion to workshop alternatives if it all goes wrong? The assumption was that the business case will back it in. Is that right?

Mr BECROFT: There were no discussions.

The Hon. WALT SECORD: Mr Dyer, I return to my line of questioning about the contract not being specific about the Powerhouse Museum. Therefore, Labor's commitment to put a cultural institution on the site, but not the Powerhouse Museum, could then occur under this contract? You said that there was flexibility; you used "flexibility" in inverted commas.

Mr DYER: I think the satisfaction of the terms that we came down to—I have not had the opportunity to review the actual words in the contract. But I think it would be extremely difficult to meet the criteria under the contract with any other proposal, but it is not impossible.

Mr DAVID SHOEBRIDGE: Did the expert steering committee—which I assume was expert in assessing the Powerhouse proposal—meet with the Government about the business case?

Mr DYER: I was not part of that expert steering committee. I am not sure who they dealt with.

Mr DAVID SHOEBRIDGE: But you were the chief executive officer of the organisation and that is the capacity in which I am asking you. I know you were not on the committee; I have seen the membership. In your capacity as the chief executive officer of the council, did you direct, discuss or hear about the expert committee meeting with the Government to discuss the business case?

Mr DYER: No, I did not hear about that.

Mr DAVID SHOEBRIDGE: Why did you not direct it to happen, given that you had an expert committee for this very purpose?

Mr DYER: It was an expert committee that determined who they would meet with and who they would not, and they were quite capable of doing that without my assistance.

Mr DAVID SHOEBRIDGE: Mr Dyer, you had an expert committee for the very purpose of considering the Powerhouse Museum move, you had the Government developing a business case, and you do not even take the first step of ensuring those two discuss it or meet? How does that happen?

Mr DYER: An expert committee of that sort has its value because it is entirely independent. It was to form an independent view of this issue, and so not appropriate, in my view, for me to change their agenda or tell them who they should meet with or discuss the various elements with. I think it is important that they retain that independent view.

Mr DAVID SHOEBRIDGE: So independent that they never meet with the Government while it is doing the business case? There is not much use having experts sitting in a dark corner and not being consulted in the determination of a business case. That is not a useful expert committee, is it?

Mr DYER: I am not certain whether that is true or not. That is not my evidence. I am unaware of who they met with.

Mr DAVID SHOEBRIDGE: As chief executive officer, you did not direct it and you did not hear about it?

Mr DYER: For the reasons I have said.

Mr DAVID SHOEBRIDGE: As the chief executive officer of the council, if that was happening you would surely expect to know about it? You were not sitting in a dark room, like a mushroom; you would have known what went on in the council.

Mr DYER: It was not in the council. It was an independent committee that was established by council. It was not part of council, to be very clear.

The CHAIR: Thank you very much, gentlemen. I note that you have taken one question on notice to provide some documents, I think.

The Hon. TREVOR KHAN: Did it have something to do with looking at a *Daily Telegraph* article?

Mr BECROFT: Yes.

Mr DAVID SHOEBRIDGE: To clarify the evidence about when you first knew.

The CHAIR: The secretariat will approach you in relation to this. It is the resolution of the committee that you have 21 days to respond to that. The committee secretariat will be in contact in relation to that. Thank you very much for coming.

(The witnesses withdrew)

(Short adjournment)

MICHAEL BRUCE BAIRD, Former Premier of New South Wales, sworn and examined

The CHAIR: Mr Baird, do you want to make a short opening statement?

Mr BAIRD: Yes, I will. Mr Chair and Committee, it is great to be back with you, like long-lost friends. It is a great opportunity to engage and discuss an important issue and one that obviously we have some time to do. I think as I come voluntarily to answer questions today, I do so obviously on the basis of no longer being in government. As the former Premier, I have not accessed former minutes that I would have had. I will be answering on the basis of personal recollections, but very happy to do so.

At the outset, I want to run through the essence of the announcement, just to put some factual base around that, and then run through some various other obligations I wanted to run through as part of this statement. Back in February 2015, the Deputy Premier and I announced the Government's intention to relocate the Powerhouse Museum to Parramatta as part of the development of an arts and cultural precinct in Western Sydney. To do so, the Government would invest "\$10 million to develop a business case to ensure the Powerhouse remains the interactive environment place enjoyed by children and families". To get to that decision, that had to be approved by the Expenditure Review Committee. It had to be endorsed by Cabinet. It was costed by the New South Wales Treasury in accordance with all their rules and procedures.

It was confirmed by the Parliamentary Budget Office process, as were all of our election commitments. The media release obviously made it clear that the undertaking was dependent upon the business case. I was delighted that the current Premier recently announced the confirmation of the decision to relocate the Powerhouse and also released the business case confirming the benefits of the move to Parramatta. Regarding the idea itself, relocating the Powerhouse to Parramatta was not a new idea. As members of the Committee have heard, it was considered by the former Labor Government—one of the Committee members endorsed it and former members proposed it. From that point various iterations and views followed.

In 2014 my Government announced the decision to rebuild New South Wales. The important part of this was for a long time many infrastructure opportunities across the State were unable to be pursued because the finances were not there. We made a decision that we wanted to go to the people of this State to provide them with an alternative. That was a capacity to raise \$20 billion—it ended up being more than \$20 billion—through the lease of 49 per cent of the poles and wires and to invest it in the infrastructure that made a difference for a generation. That commitment also included a view on cultural spaces. Before the recommendation was made we asked Infrastructure NSW, obviously, to update its State infrastructure strategy, with additional funds available. Infrastructure NSW was asked to opine on additional priorities that could be considered with the additional funds coming in.

As part of that released document it opined on many things, which we can talk about if the Committee wishes. Infrastructure NSW also raised the issue of the Powerhouse. It noted "Before any further public investment is made in the Powerhouse, urgent consideration should be given to its potential relocation to the Parramatta cultural precinct." The reason it did that is that it spoke about the site constraints, the remote location from other institutions, the museum's incapacity to show all exhibits—many were stored; it did not have the capacity to show them all—and to reconfigure it to comply with current and updated exhibition and security standards, with many peer museums acquiring significant technology.

A large investment was required that was put forward by the museum itself as part of this process. As part of the announcement, rather than make that investment, the view was to investigate the relocation. I think there has been a long overdue commitment by this Government to Western Sydney. As I reflect on events that have taken place in this Government, one of the proudest is what we have done in delivering for Western Sydney. For too long it was ignored. I think that many committees have been and gone in this Parliament, many words have been uttered but very little was delivered on the ground in Western Sydney. This Government has taken a very different approach, whether it be investment in the metro, which is well underway, light rail, or significant investment in our hospitals. Development is underway to make Westmead the largest health city in the Southern Hemisphere.

We have made significant investments into critical parts of Western Sydney at Campbelltown Hospital, Blacktown Hospital and Nepean Hospital, that would not have been possible without the decisions we made. I think we need to be conscious of the frontline when making those sorts of decisions. Our nurses and doctors deserve the best possible facilities, and that has driven us. Whether it be the motorways, the capacity to commute, the productivity of the region, the quality of life, less congestion and the capacity to get home or to work earlier, many local roads, but also things such as the National Disability Insurance Scheme and the Gonski funding have been prioritised in Western Sydney and made a real difference.

Also, which obviously is the subject of today's hearing, there was significant investment in arts and culture, not least of which was the relocation of the Powerhouse. I want to pay credit to Troy Grant, the former Minister for the Arts, who I think did an outstanding job. The spine of a region can be built, which is the infrastructure I just outlined, but I believe the arts and culture facilities give Western Sydney its soul. In any city around the world you must have arts and cultural facilities because they give it its soul. This was long overdue in Western Sydney. As the Premier it was something I was very proud of and I certainly look forward to seeing the Berejiklian Government deliver what will be a fantastic facility for the people of Western Sydney.

Mr DAVID SHOEBRIDGE: Thanks very much, Mr Baird, for coming today. I am sure it is lovely to back in Parliament.

Mr BAIRD: That is right.

Mr DAVID SHOEBRIDGE: Do you have a copy of your February 2015 media release with you in that pile of documents?

Mr BAIRD: I probably do, yes.

Mr DAVID SHOEBRIDGE: It might be useful if we turn to that.

Mr BAIRD: Sure.

Mr DAVID SHOEBRIDGE: You have it?

Mr BAIRD: Got it.

Mr DAVID SHOEBRIDGE: You said in your opening that the Government announced an intention to move the Powerhouse Museum to Parramatta in February 2015. Do you remember saying that?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Why did you say "intention" rather than "decision"?

Mr BAIRD: Because ultimately, as I am sure you understand the process, you neatly run through a business case. A business case takes a considerable period. There is all sorts of analysis and consultation. At the conclusion of that process the Government has a chance to consider the business case. And, yes, the intention and the announcement was to relocate and move the museum but, as you know, at the end of the business case if it did not make sense you obviously would not proceed.

Mr DAVID SHOEBRIDGE: You see the problem is that what you are saying now is not what you said in the media release in February 2015. Do you agree? You are retrospectively trying to recreate the media release that you put out in February 2015.

Mr BAIRD: Not at all.

Mr DAVID SHOEBRIDGE: I will just take you to the first sentence which says:

NSW Premier Mike Baird and Deputy Premier Troy Grant today announced the Powerhouse Museum would be relocated to Parramatta as part of the development of an arts and cultural precinct in Western Sydney.

There is no ambiguity there, no "intention" and no "subject to a business case". You just made the decision.

Mr BAIRD: If you go down the press release it says, "The \$10 million will be used to develop a business case."

Mr DAVID SHOEBRIDGE: We will get to the next part of the media release in due course. Trust me; we have a bit of time today.

Mr BAIRD: Do we?

The Hon. SCOTT FARLOW: We are going to go through every line and every word of the media release.

Mr DAVID SHOEBRIDGE: We are going to try to get to how decisions are made in this State allocating more than \$1 billion of public money, and on what possible basis they are made. That is the purpose of this inquiry. Do you understand that, Mr Baird?

Mr BAIRD: I understand that.

Mr DAVID SHOEBRIDGE: You say here that there was an announcement of an intention. But I say to you that the opening sentence of your media release announces the decision, not the intention. Do you agree or disagree with me on the language of that first sentence?

Mr BAIRD: I am not going to go through every sentence that was ever said and done. What I will say to you is that a decision was made to relocate, to announce the funds towards a business case. If at the end of that process it did not make sense, that would be a decision that you would take then. But the expectation was that it would, clearly, and that was our intention.

Mr DAVID SHOEBRIDGE: You go on in your media release to talk about a business case, do you not? Do you remember that in the media release?

Mr BAIRD: Well, I just quoted it to you, yes.

Mr DAVID SHOEBRIDGE: Yes, but you did not quote all of it, did you because that sentence makes it very clear what the business case was about. You say:

The \$10 million will be used to develop a business case for the Museum's relocation to ensure it remains the interactive and vibrant place enjoyed by children and families.

That is quite different to a business case, to work out whether or not you should do the move, is it not?

Mr BAIRD: I am sure you understand a business case. I looked at your election commitments in 2015 and there was \$3.5 billion towards schools and billions of dollars for housing affordability and billions of dollars towards public transport.

Mr DAVID SHOEBRIDGE: It sounds very good.

Mr BAIRD: No mention of a business case.

Mr DAVID SHOEBRIDGE: That all sounds great and we should commit to all that spending. But I am asking you about your media release and the precise words you used. You said:

The \$10 million will be used to develop a business case for the Museum's relocation to ensure it remains the interactive and vibrant place enjoyed by children and families.

Was your media release accurate or false?

Mr BAIRD: Of course you want that exactly to be it. Of course you want the museum to be vibrant. I do not understand your question.

Mr DAVID SHOEBRIDGE: I will make it plain. The business case that you were proposing in this release was not to assess whether or not the move would go ahead; it was to back-in the decision you had already made.

Mr BAIRD: David, as I am sure you understand, when you make decisions in government, when you undertake a business case, at the conclusion of that process there is an ability to review. You make a decision up front. You then have an opportunity to run through the detailed—consultation and the appropriate analysis that is required, preliminary through to final. At every gateway you have an opportunity to say that you do or do not want to proceed. A business case has just been completed. It has been very comprehensive and very significant. As you have seen, the Government has decided to proceed on the basis of that work.

Mr DAVID SHOEBRIDGE: So you make the decision up front and then you do the investigation. Is that how your Government worked?

Mr BAIRD: No, as you understand—

Mr DAVID SHOEBRIDGE: Well I do not understand, which is why I am asking you the questions. I have read your media release and it is contrary to what you are telling us now.

Mr BAIRD: It is absolutely not. That is your interpretation.

Mr DAVID SHOEBRIDGE: That is a plain interpretation of it. You say that the business case is "to ensure it [the Museum] remains an interactive and vibrant place enjoyed by children and families". It is not to test the decision.

Mr BAIRD: By its nature a business case does that. I am sure, in every public utterance that you have made in relation to election policies, the same thing applies.

Mr DAVID SHOEBRIDGE: Mr Baird, you did not announce an intention that you would revisit after a business case was developed; you announced a decision. Do you understand the difference between the two?

Mr BAIRD: Do you understand the process of government?

Mr DAVID SHOEBRIDGE: No, Mr Baird, this is not a situation where you ask questions of me. At this point you answer the question. Do you understand the difference between an intention and a decision?

Mr BAIRD: You have had a recommendation from Infrastructure NSW, you have had an Expenditure Review Committee [ERC] that has been considered, you have had it endorsed by Cabinet, you have had the costings reviewed by Treasury, you have had the Parliamentary Budget Office attest to it and establish a business case. The intention was to relocate but I am telling you that, as part of that business case process, if it did not make sense the Government has an opportunity at that point. The expectation, the hope and the desire was to do exactly what we had announced, which is what has happened.

Mr DAVID SHOEBRIDGE: What costings had been reviewed?

Mr BAIRD: As part of the Parliamentary Budget Office?

Mr DAVID SHOEBRIDGE: What costings had been reviewed? What did you have costed?

Mr BAIRD: In relation to what?

Mr DAVID SHOEBRIDGE: You said that the costings have been reviewed. What have you had costed? What costings have been reviewed?

Mr BAIRD: The allocation to the business case.

Mr DAVID SHOEBRIDGE: You are sitting here and saying that what you got costed was not the moving of the Powerhouse Museum but a decision to whack \$10 million aside to do a business case. Is that what you got costed?

Mr BAIRD: To establish a business case. That is exactly right.

Mr DAVID SHOEBRIDGE: So at the time you made the decision about relocating one of the most highly respected cultural institutions in New South Wales, if not the country, you did not have a basic costing on the relocation at all, did you?

Mr BAIRD: Of course there is preliminary work that is done that needs to be formalised with the business case.

Mr DAVID SHOEBRIDGE: Tell me about the preliminary work that you had done at the time you made the decision to blow up the Powerhouse Museum.

Mr BAIRD: That is not right. Our decision is to make a great museum even greater. That is what our decision is.

Mr DAVID SHOEBRIDGE: Tell me about the costings you had at the time to relocate it.

Mr BAIRD: Our decision is to deliver to Western Sydney a cultural institution that it has long deserved. It is a policy that we are very proud of. The work has been done and finalised—very significantly, very comprehensively—and released just a couple of weeks ago by the Government saying, "Here are the benefits that come to the people not just of Western Sydney but of this State. And we will deliver it." So I am proud of that decision.

Mr DAVID SHOEBRIDGE: Mr Baird, do you get a sense of how frustrated the people of New South Wales are with these kinds of cavalier decisions—whether it is \$1 billion-plus for the Powerhouse Museum, \$2.5 billion for the stadium—all done on a thought bubble without a business case behind them at the time you make the announcements? Do you understand how frustrated people are with that approach to public money?

Mr BAIRD: This decision was around for a long period—2010, as I have articulated. It was announced as part of Infrastructure NSW when all of a sudden additional funds were going to be available. They could do a huge array of work. Infrastructure NSW had recommended we undertake this activity in regard to the business case. We committed to that business case. Very comprehensive work has been done over the past three years, and they have confirmed the benefits to the State.

Mr DAVID SHOEBRIDGE: Mr Baird, when you made the decision to relocate the Powerhouse Museum, were you aware that the land you were proposing to relocate it to was flood prone?

Mr BAIRD: Actually, right back at the beginning the site had to be determined. There were various options. That is part of the work that needs to be done, and they have worked through that work and they are satisfied. It is a good example of why the detailed work was required to be done and was done.

Mr DAVID SHOEBRIDGE: Were there discussions that you had about the need to attach residential development to the proposal?

Mr BAIRD: As part of the overall proposal for the alternative use of the site—I note that it is still not finalised; the current Arts Minister has come up with a great proposal for having a cultural precinct with a range

of options to be considered and finalised—part of the context was potentially, yes, believe it or not, we have a housing shortage in the State. Was there a capacity to use part of it, as part of the overall process, as part of potential proceeds? But during the process it was also considered: Do we use it as a school? Consideration was given because, obviously, there are challenges in delivering schools, particularly in the inner city. There was consideration of maybe we could use it for start-up space. There was not a clear definition of how to use the space, but I think the current arts Minister has outlined very strongly that he wants it to be a cultural precinct and I totally support that.

Mr DAVID SHOEBRIDGE: For it to work, it has to be a partnership with the Parramatta council, does it not?

Mr BAIRD: Certainly that is very helpful, yes.

Mr DAVID SHOEBRIDGE: Did you hear the evidence of the former Parramatta council officers before you came in today?

Mr BAIRD: I have not yet, no.

Mr DAVID SHOEBRIDGE: Would it be a surprise to you that they rejected the idea that it was a partnership; that they said it was a project that was done by the State Government and they were not partners in it?

Mr BAIRD: I have not heard the evidence. It is a bit unfair for me to comment on it. But, as I understand the process, they were very supportive in terms of the cultural precinct and the addition that this could provide to that.

Mr DAVID SHOEBRIDGE: Before you made the February 2015 announcement had the State Government approached the Parramatta council formally about the project?

Mr BAIRD: There is a range of people, processes and meetings. Clearly the arts Minister would have been involved. Infrastructure NSW was involved. There was a range of meetings and engagements. Indeed, I think, when David Borger ran his process there were three mayors, including the Parramatta mayor, and many culture groups that sort of argued for support and establishment of a cultural precinct in Western Sydney.

Mr DAVID SHOEBRIDGE: Mr Baird, I was not after a discursive response about Parramatta city's thoughts on Powerhouse and relocations. I was asking a very simple question. Did the State Government formally engage with the Parramatta council before you made the announcement?

Mr BAIRD: I am sure there were many discussions that were had as part of the process.

Mr DAVID SHOEBRIDGE: You are sure. Why are you sure?

Mr BAIRD: Because Infrastructure NSW made a recommendation that articulated that recommendation. It is not going to surprise you that I was not involved in every single meeting, discussion and process that was run, but as part of it I am sure that Parramatta was engaged.

Mr DAVID SHOEBRIDGE: The reason you are sure is because you would not do something so cavalier as engage in this kind of project without having that formal communication with Parramatta council. That would be nuts. That would be a potentially wasteful and dangerous use of public money to not do that—to make a decision without the engagement.

Mr BAIRD: Delivering a world-class museum to Western Sydney?

Mr DAVID SHOEBRIDGE: Without engaging with the council in the heart of which you are proposing to do it.

Mr BAIRD: I think you need to sort of take back some of your language. You have to be in a position of a parallel universe that you do not think, in terms of Western Sydney, accepting—

Mr DAVID SHOEBRIDGE: Perhaps you were in a parallel universe. We can investigate that later, Mr Baird.

The Hon. TREVOR KHAN: Just let him answer.

Mr DAVID SHOEBRIDGE: Clearly, you were.

Mr BAIRD:—accepting and endorsing a museum, such as the Powerhouse, in the centre of it to deliver great benefits to the people of Western Sydney.

Mr DAVID SHOEBRIDGE: The former chief executive officer of the Parramatta council made it very clear that he was aware of no formal approach from the State Government about the relocation of the Powerhouse before you made the decision in February. How do you explain the lack of formal approach to the Parramatta council before you issued your thought bubble in 2015?

The Hon. SCOTT FARLOW: Let us clarify the evidence that was given.

Mr DAVID SHOEBRIDGE: Thought bubble media release.

The CHAIR: Hang on. Are you going to take a point of order?

The Hon. SCOTT FARLOW: He said he was not aware and he could not recall when you tested him.

The CHAIR: Mr Farlow, if you want to ask questions, then please do so.

Mr BAIRD: Let us be clear: This is an Infrastructure NSW recommendation. This is endorsed by the Expenditure Review Committee. This is endorsed by Cabinet.

Mr DAVID SHOEBRIDGE: No. What was endorsed by the Expenditure Review Committee was your business case.

Mr BAIRD: This is endorsed by the Parliamentary Budget Office.

Mr DAVID SHOEBRIDGE: Do not mislead the inquiry in that regard. It was the business case, not the relocation. You made that clear in earlier evidence, Mr Baird, so do not gild the lily.

The Hon. TREVOR KHAN: I will take a point of order at this stage. The witness is entitled to answer and, typically, Mr Shoebridge decides to enter into an argument with the witness. The witness should be entitled to answer his question and then he can move to his next, but it is not an exercise in hectoring.

The CHAIR: I uphold the point of order.

Mr DAVID SHOEBRIDGE: Mr Baird, no engagement with Parramatta council before the decision. How do you explain it?

Mr BAIRD: As I have said, as part of were whether it be Infrastructure NSW, whether it be the arts Minister, I am sure that engagement was had. At what level, how that was done—I mean, there were many people who were engaged as part of this. Obviously this is great news for Parramatta and the Parramatta council.

The CHAIR: Mr Baird, who proposed that the Powerhouse Museum should be moved to Parramatta?

Mr BAIRD: I am sorry?

The CHAIR: I said: "Who proposed that the Powerhouse Museum should be moved to Parramatta?"

Mr BAIRD: Well, I have run through that.

The CHAIR: Well, tell me again. Who proposed that it should be moved to Parramatta?

Mr BAIRD: The first person who proposed it was David Borger. He had an idea back in 2010, but ultimately Infrastructure NSW made a recommendation. I accepted that and endorsed it. So I take full responsibility.

The CHAIR: To your knowledge, did Infrastructure NSW or the Government receive any unsolicited proposals in relation to that site in Ultimo?

Mr BAIRD: None that I am aware of.

The CHAIR: Lend Lease was not involved?

Mr BAIRD: Not that I am aware of.

The CHAIR: Did UTS express an interest in the site?

Mr BAIRD: Not that I am aware of.

The CHAIR: Did you have any discussions with anyone at UTS in relation to the site?

Mr BAIRD: Not that I am aware of.

The CHAIR: Are you aware of any of your staff having discussions?

Mr BAIRD: In terms of how best to use the site, as I said, there were a number of ideas, potentially, such as the school, which was something that was considered and a start-up space was something that was considered. That is what formal business cases processes do—determine the best use and to outline it.

The CHAIR: What I am trying to determine is whether there were pre-existing discussions before any business case was put together in relation to that site that you are aware of.

Mr BAIRD: There were none.

The CHAIR: There were none. Okay, thank you. And you received, or the Government did not receive, any unsolicited proposals from Lend Lease or anybody else?

Mr BAIRD: None that I am aware of.

Mr DAVID SHOEBRIDGE: For the sake of clarity of *Hansard*, all these questions have been about the Parramatta site, have they? Have they been about the Parramatta site or the Ultimo site?

The CHAIR: No, these questions are in relation to the Ultimo site.

Mr DAVID SHOEBRIDGE: That is what I am asking you. Is it about the Parramatta site?

Mr BAIRD: He is asking about the Ultimo site.

The CHAIR: The Ultimo site, yes.

The Hon. WALT SECORD: Mr Premier, welcome back. It has been 19 months.

Mr BAIRD: I have missed you, Walt.

The Hon. WALT SECORD: I have missed you, too. Just so that I can get a bit of context here, what are you currently doing?

Mr BAIRD: I am working for the National Australia Bank.

The Hon. WALT SECORD: What do you do the National Australia Bank?

Mr BAIRD: I look after their institutional business.

The Hon. WALT SECORD: Their institutional business? Those are large transactions?

Mr BAIRD: Yes.

The Hon. TREVOR KHAN: Point of order—

The Hon. WALT SECORD: We are way clear. Are you a mind-reader?

Mr BAIRD: We can see where you are going, Walt.

The Hon. WALT SECORD: Then let me proceed.

Mr BAIRD: Just proceed, yes.

The Hon. TREVOR KHAN: Clearly the question is outside the terms of reference.

Mr BAIRD: Let him go.

The CHAIR: The Hon. Walt Secord is being generally relevant.

The Hon. TREVOR KHAN: Really?

The CHAIR: Of course he is. He is moving towards the question, as you quite often do in the House.

Mr BAIRD: Go Walt. Ask it. Run your conspiracy theory. Go for it.

The Hon. WALT SECORD: Conspiracy theory?

Mr BAIRD: Well—

The Hon. WALT SECORD: You would run or you would be involved in major financial transactions. Let me get this correctly: What did you say you are in charge of?

Mr BAIRD: Institutional.

The Hon. WALT SECORD: What would be those kinds of transactions? Would they be transactions of the size of the Powerhouse Museum or the \$1.1 billion, which is the figure that is in the summary of the business case? Would it be decisions on that scale?

Mr BAIRD: The size could be, but ultimately there are no proposals that I am aware of in any way.

The Hon. WALT SECORD: Do you stand by your decision on 26 February 2015 to announce that your Government would move the Powerhouse to Parramatta?

Mr BAIRD: Very much so.

The Hon. WALT SECORD: Do you still stand by that decision?

Mr BAIRD: Do you stand by yours?

The Hon. WALT SECORD: No. In fact, in the public arena I changed my position based on the evidence that your Government and the succeeding Government have bungled this and taken from crisis to crisis. We reassessed our position.

Mr BAIRD: Yes.

The Hon. WALT SECORD: We reassessed our position and said that a cultural institution would go to Parramatta and the Powerhouse Museum would remain. We had evidence earlier that the contracts allowed us to do that.

The Hon. TREVOR KHAN: Do not misquote the evidence.

The Hon. WALT SECORD: We did have evidence.

The CHAIR: Order!

Mr BAIRD: This is where you confuse me. You are going to create a multipurpose performance and exhibition space.

The Hon. WALT SECORD: I am asking you the question, former Premier. Do you stand by your original decision?

Mr BAIRD: One hundred per cent.

The Hon. WALT SECORD: Do you stand by the current process and how it is unfolding?

Mr BAIRD: I absolutely do. I stand here incredibly proud that this Government—notwithstanding the opposition for political purposes—will deliver to the people of Western Sydney a great museum that we will make even greater.

The Hon. WALT SECORD: If a proposal to spend \$1.1 billion without proper assessment came before you in your current position at the National Australia Bank, would you tick off?

Mr BAIRD: There is—

The Hon. WALT SECORD: If this proposal came before you in your current role at the National Australia Bank, would you approve it?

Mr BAIRD: A business case has just been done.

The Hon. WALT SECORD: So the answer is yes.

Mr BAIRD: The analysis has just been done.

The Hon. WALT SECORD: So the answer is yes.

Mr BAIRD: This is a complete hypothetical—

The Hon. WALT SECORD: It is not a hypothetical.

Mr BAIRD: —because I am not in the job of funding museums.

Mr DAVID SHOEBRIDGE: Have you read the final business case summary that has been released?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Would you say it is accurate?

Mr BAIRD: That is not for me to opine on.

Mr DAVID SHOEBRIDGE: Is there anything in it that you have knowledge of that you know to be wrong?

Mr BAIRD: No.

Mr DAVID SHOEBRIDGE: Would you describe what you made in February 2015 as a strategic decision, as an intention or as a decision dependent upon a business case? How would you describe it?

Mr BAIRD: The decision was made to relocate the Powerhouse subject to the business case.

Mr DAVID SHOEBRIDGE: Can you find anything on the public record anywhere—you have all those papers in front of you—where you say at any time while you were Premier that the decision was dependent on a business case?

Mr BAIRD: Of course it is; that is the reason you do a business case. That is what a business case does.

Mr DAVID SHOEBRIDGE: But problem is that what you say now is contrary to what you said in the media release. Indeed, it is contrary to the summary of the business case; is it not?

Mr BAIRD: No.

Mr DAVID SHOEBRIDGE: I assume you have the summary of the business case with you. I ask you to go to page 2.

Mr BAIRD: Why not just tell me?

Mr DAVID SHOEBRIDGE: Do you have the business case summary in front of you?

Mr BAIRD: What not tell me? What is the point you want to make?

Mr DAVID SHOEBRIDGE: Do you have the business case summary in front of you, Mr Baird?

Mr BAIRD: I do not.

Mr DAVID SHOEBRIDGE: You do not?

Mr BAIRD: No.

Mr DAVID SHOEBRIDGE: The summary states:

High quality cultural facilities attract visitors to NSW, improve educational outcomes and help drive urban renewal and regional development. They can improve the quality of people's lives – 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.

Is that accurate?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: So it was a strategic decision; the decision had been made?

Mr BAIRD: Yes. I will be very clear: The decision was made. And that is something—

Mr DAVID SHOEBRIDGE: Would you be surprised to find that again there is no mention about that strategic decision being subject to a business case?

Mr BAIRD: It obviously is. This is what I am telling you. You provide funding for a business case, you do the detailed analysis, you bring that to a conclusion, and then the Government considers the business case. At any point if that business case did not make sense, the Government had the option not to proceed. That is the position with every business case.

Mr DAVID SHOEBRIDGE: You say that one of the reasons you started with this process was that there was a requirement for additional funding to keep the Ultimo site operating. Is that fair?

Mr BAIRD: That is what the trustees themselves said.

Mr DAVID SHOEBRIDGE: The trustees said they required some additional funds if they were to keep the Powerhouse as a first-class institution in Ultimo. Is that what they said to you? Is that right? The record requires a verbal answer, Mr Baird; nodding does not appear in the transcript.

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Roughly what of kind of funds were involved?

Mr BAIRD: That had to be determined. There was an estimate of about \$2 billion across all of the facilities.

Mr DAVID SHOEBRIDGE: When you say "all of the facilities", what do you mean?

The Hon. TREVOR KHAN: Let him answer.

Mr BAIRD: The Opera House, the Art Gallery of New South Wales et cetera. There was some preliminary work, but it was obviously a significant amount. Again, if you go back to the basis of the decision; there is a constrained site where not all of the exhibits can be shown; there is a capacity to invest in an unprecedented way—that is, Rebuilding NSW had provided significant funding; and a large part of this great city had a very limited amount of the arts and cultural funding, full stop, let alone any of the significant cultural institutions. That is, Western Sydney deserved a cultural institution. You have a capacity to deal with all of that at once; you have a capacity to get more exhibits shown; you have a capacity to deal with the constraints and limitations of the existing site with a new site; and you have a capacity to deliver a great museum for the people of Western Sydney. I do not know why you are against that.

Mr DAVID SHOEBRIDGE: Any business case, if it were worth its cost to taxpayers, would surely consider the benefits of relocating compared to the benefits and the constraints of the existing site, including the cost of the existing site. That would surely be a business case.

Mr BAIRD: How are you doing your business case in relation to your public transport commitments made at the last election?

Mr DAVID SHOEBRIDGE: I would love this to be about me, but it is not; it is about you and your decision in February.

Mr BAIRD: Old Captain Business Case.

Mr DAVID SHOEBRIDGE: I would love it to be about me and The Greens' constant commitment to investment in public education, but I would rather it be about your wasting public money.

Mr BAIRD: You love business cases but you have never produced one in your life. You have made billions of dollars worth of commitments about public transport but you have not produced one business case. When are you going to do that?

Mr DAVID SHOEBRIDGE: I really to do appreciate your continuing to endorse The Greens' commitment to invest in public education and public transport. That is terrific and we maintain those commitments.

Mr BAIRD: You have never seen more spent on public transport and education in the history of this State than under this Government. We are very proud to do that.

Mr DAVID SHOEBRIDGE: Now that we have dealt with the red herrings, why did you not require of the business case the most basic comparator; that is, keeping the Powerhouse where it is and spending the money in accordance with what the trustees had been telling you about maintaining it as a premier site? Why did you not include that in the business case?

Mr BAIRD: The business case is run by Treasury, and in this case by Infrastructure NSW as well. In that context, they have a capacity to consider all elements.

The CHAIR: Have you seen the business case?

Mr BAIRD: I have seen the summary, obviously.

The CHAIR: You have seen the summary but not the not detail of it?

Mr BAIRD: I have seen the summary. As has been articulated, I have been out of government for a considerable period.

Mr DAVID SHOEBRIDGE: For goodness sake, we are talking about maybe \$1 billion or more in public money. Let us at least find out whether it would cost a fraction of that to renovate and to keep the site at Ultimo. We should start with that knowledge before we commit to spending \$1 billion to move the Powerhouse. Surely you said that as Premier.

Mr BAIRD: Let us go right back to the initial premise. Do you think you can justify not having a great cultural institution in Western Sydney?

Mr DAVID SHOEBRIDGE: Mr Baird, you are putting a false dichotomy, as your Government has, in an attempt to divide the people of Sydney. You do not need to destroy the Powerhouse to invest \$1 billion in a fabulous institution in Parramatta. Your divisive policy at this starting point is part of your divisive approach to this project and to government in New South Wales.

Mr BAIRD: We are taking a great museum—which the Powerhouse is—and making it even greater. That is a once-in-a-generation opportunity.

The Hon. TREVOR KHAN: Point of order: We seem to be getting to the point where Mr Shoebridge is making grand declarations as opposed to asking questions of the witness.

Mr DAVID SHOEBRIDGE: He is asking me questions.

The Hon. TREVOR KHAN: Please!

The CHAIR: I think the witness has demonstrated that he can look after himself.

The Hon. TREVOR KHAN: I realise that. However, there is a standard, and it is not abusing the witness. I ask that Mr Shoebridge be directed to ask questions rather than give a performance.

The Hon. WALT SECORD: I will ask some questions. Mr Baird, when you were Premier, how long did it usually take to prepare a business case for a project under consideration involving the Expenditure Review Committee [ERC] and Treasury?

Mr BAIRD: It would depend on the project and the complexity involved. Obviously that can take a considerable period, which is great. There are many thoughts and opportunities and many issues that need to be considered as part of it, so I think it is appropriate. The current arts Minister has made a decision to preserve the cultural history at the site and I think that is a great development. I totally support that.

The Hon. WALT SECORD: When you made your 26 February 2015 announcement, when did work begin on a business case on moving the Powerhouse?

Mr BAIRD: We had to win an election, so obviously it started shortly after the election.

The Hon. WALT SECORD: Do you think that three years is a typical time to do a business case?

Mr BAIRD: No, I just answered that. It depends on the project, the complexity. This one has taken a longer period than you might expect but that has delivered a great outcome.

The Hon. WALT SECORD: You believe that three years is an acceptable time to do a business case for a project that you promised on 26 February 2015? It took three years. Why would it take so long to prepare a business case for a project? You have bureaucrats, you have Treasury officials, you have infrastructure. Why would it take three years to do a business case?

Mr BAIRD: One example, and the issue was raised here, was that the site had potential water issues. There was a concern that when the Parramatta River got to a certain point there was a concern that it could lead to flooding. That was considered as part of it and that took some time. You needed to get the appropriate experts in. You needed to understand their analysis. Was it something that could be dealt with? How could you deal with it? What was the process to make sure that it did not have an impact? All of that work is not something that is done overnight. That takes a period.

The Hon. WALT SECORD: When did you discover that there were flooding problems with the site?

Mr BAIRD: I cannot recall.

The Hon. WALT SECORD: Was it after you made the announcement or before?

Mr BAIRD: If you remember, a site was not chosen before the election. That was part of the process.

The Hon. WALT SECORD: You said you were going to move it to Parramatta.

The Hon. SCOTT FARLOW: There were several sites. There was the golf course site.

Mr BAIRD: There were various options and that was what needed to be determined.

The Hon. WALT SECORD: When did you discover that it was a flood site?

Mr BAIRD: That it is challenged, I cannot remember the exact timing but that was one of the considerations that obviously the business case process had to consider.

The Hon. WALT SECORD: You made the promise on 26 February 2015. Three years later, a business case occurs. When did the actual project go to Cabinet for ratification?

Mr BAIRD: As in which part?

The Hon. WALT SECORD: The decision to move the Powerhouse. Did you just make the decision yourself with Troy Grant? I am trying to get the process. Most governments have processes and oppositions have processes.

Mr BAIRD: And I have run through that. Infrastructure NSW recommendation, ERC consideration, endorsement, Cabinet endorsement--

The Hon. WALT SECORD: When was that?

Mr BAIRD: As some stage between November and obviously the announcement.

The Hon. WALT SECORD: The announcement on—

Mr BAIRD: There are two and a bit months in there. Somewhere in there all of those things took place.

The Hon. WALT SECORD: Were other colleagues consulted prior to 26 February?

Mr BAIRD: Of course.

The Hon. WALT SECORD: You said there was a Cabinet process. When did it go to Cabinet, when did it go to ERC?

Mr BAIRD: I am sure you can get those dates if that is important to you.

The Hon. WALT SECORD: No, I cannot get those dates. I was not in your Government.

The Hon. SHAOQUETT MOSELMANE: There is a lot of secrecy in the place.

Mr BAIRD: Infrastructure NSW announcement, ERC process, Cabinet process, election costing process, announcement.

Mr DAVID SHOEBRIDGE: What is the announcement you are talking about from Infrastructure NSW?

Mr BAIRD: I have outlined that. The State Infrastructure Strategy, which was initially 2012, was updated in 2014 because the Government decided to take to the people of this State the capacity to fund infrastructure that for a generation had been ignored. With that we asked Infrastructure NSW to run through the various priorities and make recommendations back to Government.

Mr DAVID SHOEBRIDGE: Infrastructure NSW did not recommend that the Powerhouse be moved to Parramatta.

Mr BAIRD: No, it made a recommendation that we consider the relocation, which is exactly what we did as part of the process.

Mr DAVID SHOEBRIDGE: Infrastructure NSW tied together the consideration about further investment in Ultimo as opposed to the cost of relocation, did they not? That is what they were thinking about. They tied those two together.

Mr BAIRD: You have got their exact words.

Mr DAVID SHOEBRIDGE: I will give them to you:

Infrastructure NSW recommends that, before any further public investment is made in the Powerhouse Museum, urgent consideration be given to its potential relocation to the Parramatta Cultural Precinct.

That is what they said.

Mr BAIRD: I will give you a couple. They said, "Urgently consider relocation of the Powerhouse Museum to the Parramatta Cultural Precinct", and that given the growing deficit of cultural infrastructure in the west there is a strong case for relocating this to the west. That was Infrastructure NSW.

Mr DAVID SHOEBRIDGE: But you forgot the preamble about the urgent relocation, which was before a decision is made about further investment in the Ultimo site. They were tying the two together. Surely as a competent Government you should have compared the costs and benefits of those two projects rather than just ruling one out and proceeding with only one eye open going towards Parramatta?

Mr BAIRD: In terms of your decision on public transport, how did you make that decision?

Mr DAVID SHOEBRIDGE: This is not a process where you get to ask me questions. It is a process where you get to answer the questions I put to you. Could you answer the question?

Mr BAIRD: What exactly is your question?

Mr DAVID SHOEBRIDGE: Why did you not compare the costs of bringing the Ultimo site up to standard compared with the costs of relocation as part of your due diligence on the decision given that is what Infrastructure NSW was talking about a comparison between?

Mr BAIRD: Because Infrastructure NSW also, as you just heard me say, said that given the growing deficit of cultural infrastructure in the west there is a strong case for relocating it to the west and we have endorsed that.

Mr DAVID SHOEBRIDGE: It would not be about the value of the site in Ultimo, would it? That was not part of Infrastructure NSW's thinking? It is a serious question. Was it about the value of the site? Was that part of the Infrastructure NSW decision?

Mr BAIRD: Let me answer this. There is a capacity in politics to get personal and to assume that there are conspiracy theories or ulterior motives. I can tell you that every day that I had the privilege of representing the people of my electorate and this State I put the public interest first.

Mr DAVID SHOEBRIDGE: I was asking about Infrastructure NSW, not about you. I was asking if whether or not part of Infrastructure NSW's consideration was the fact that the Ultimo site was a very valuable site. Was that part of their consideration?

Mr BAIRD: No, the question was were there alternate uses for the site if this decision was made. A process has gone on for a considerable period in the last three years about what exactly can we do with that site, which you have seen the arts Minister announce as part of the process.

Mr DAVID SHOEBRIDGE: My question was whether or not it was part of Infrastructure NSW's consideration that the Ultimo site was a very valuable site. Was that part of Infrastructure NSW's consideration or not?

Mr BAIRD: You would have to ask them.

Mr DAVID SHOEBRIDGE: Why don't we instead go to their 2014 statement that you have been talking about at length, because they say this:

As noted above, the Powerhouse Museum is relatively remote from the proposed CBD cultural precinct. It occupies a constrained (but very valuable) adjacent to Darling Harbour.

Surely you were aware of that view from Infrastructure NSW when you made your decision. You keep referring to this same document.

Mr BAIRD: As I said at the outset, part of the potential use could have been residential. It could have been, in the process that ran, a consideration of a school. It could have been used for a start-up. It looked and considered could there be additional or other cultural assets there, and that is the position that the Government has come to.

Mr DAVID SHOEBRIDGE: They were not talking about the use of the site for cultural issues. They were talking there about the value, the dollar value, to Government. Given that was part of Infrastructure NSW's consideration, I am asking whether or not that was part of your consideration about unlocking the value or, to put it more colloquially, privatising and flogging off the site?

Mr BAIRD: The motivation was 100 per cent the people of Western Sydney did not have a cultural institution. We had an existing site that was constrained. Many exhibits sit--

Mr DAVID SHOEBRIDGE: But very valuable.

Mr BAIRD: Many exhibits sit underneath. They do not see the light of day. There is a capacity to show more of the exhibits, to deliver a museum that I think the people of Western Sydney are going to incredibly proud of. Indeed, across the world they are going to look at this.

Mr DAVID SHOEBRIDGE: Are you saying the consideration that Infrastructure NSW put on the table in their report that you have repeatedly referred to, being the value of the site, was not part of your consideration. Is that honestly your evidence?

Mr BAIRD: The evidence in relation to this is simple. There was a process established on how we could move the Powerhouse Museum. That was done on the basis of a cultural deficit that was in Western Sydney. Western Sydney has got a growing population. Indeed, if you go from north to south in Parramatta and you go west, in the next 15 years there is going to be another million people there. It is one thing to build rail. It is another to build roads. You need schools. You need hospitals. My strong argument is that the people of Western Sydney deserve a world-class cultural institution, and that is what we were very proud to deliver as part of this.

The CHAIR: That is the point you have been making all along. Why did you not consider setting up another branch of the Museum of Applied Arts and Sciences [MAAS] at Parramatta? Why did the Ultimo site have to be sold, destroyed or built on for other purposes—however you want to put it? When you were making those decisions early on, did you inform yourself that there were other alternatives?

Mr BAIRD: I should have brought my mum into the audience. I feel a bit outnumbered back there.

The CHAIR: I am sure you can deal with it.

Mr DAVID SHOEBRIDGE: The Hon. Trevor Khan will look after you.

Mr BAIRD: Let me answer it this way: the people of Western Sydney do not deserve second-best.

The CHAIR: We are really not interested in slogans. You have not answered the question.

Mr BAIRD: The people behind me are passionate about this museum. This great museum is going to become even greater, and that is something of which we are very proud.

The CHAIR: I asked you a straight question: Did you consider other alternatives, such as a branch museum? Forget about where in Parramatta it is at this stage. If the answer is no, you can just say no.

Mr BAIRD: The answer is that that is a second-best option. I thought it was about time that Western Sydney got the best. I note that the Hon. Walt Secord was for it; now he is against it. The context of the multipurpose performance and exhibition space—will the shadow Cabinet go down and give a recorder concert, or what? What on earth will they do with that particular facility?

The Hon. SHAOQUETT MOSELMANE: Are you dodging the Chair's question?

Mr BAIRD: No.

The Hon. SCOTT FARLOW: No, he answered it very clearly.

The CHAIR: I am sure that if another alternative was considered, the Government would not have delivered it as a second-rate alternative.

Mr BAIRD: I think that is what it was, absolutely. That is the second-best option.

The CHAIR: So you are saying you did consider it and it is a second-rate option? That is your evidence?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Why is it not in the business case?

The CHAIR: Why is it not in the business case?

Mr BAIRD: I think there are many things as part of this process that you can consider. At the core is this: There is a deficit of cultural institutions in Western Sydney. There is an existing museum that has constraints. You have a capacity to turn that into something that is great—and looked at around the world and that is what the basis of the decision was. You had to run through a very detailed business case proposition. The Government had an option to consider all issues that were part of that and make a decision at the conclusion.

Mr DAVID SHOEBRIDGE: The business case did not consider that initial point, because the business case says expressly, "The business case takes as its starting point the Government's decision to locate the Powerhouse Museum on the Riverbank site in Parramatta." That was not part of the business case at all. You are just making this up.

Mr BAIRD: Incorrect.

Mr DAVID SHOEBRIDGE: It was not part of the business case. Assuming it is accurate—and you said that to the best of your knowledge it is accurate—

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: —that major decision about how best to get a cultural institution in Parramatta was never part of the business case. It takes it as a given. Do you understand the problem with your evidence?

Mr BAIRD: There is no problem with the evidence.

The Hon. WALT SECORD: Mr Baird, why not just admit that you made a captain's call in 2015 and you are going backwards from there and re-engineering this? Why not admit that you have lumbered the Government with this decision and you made a captain's call?

Mr BAIRD: Because that is not right. I mean, I have run through the process.

The Hon. WALT SECORD: Mr David Shoebridge just quoted the business case. What you just put to us did not exist. It was a complete fantasy, a complete fiction. Just admit that you made a captain's call, you had a thought bubble and now everyone is paying for it.

The Hon. SHAYNE MALLARD: Labor knows all about that at the moment.

Mr BAIRD: If we are paying on the basis of a world-class museum for the people of Western Sydney—

The Hon. WALT SECORD: An amount of \$1.1 billion might not be much to you.

The Hon. SHAOQUETT MOSELMANE: I think it is \$1.3 billion.

The Hon. TREVOR KHAN: Point of order: The question was asked and the witness is entitled to answer it.

The CHAIR: Let the witness answer the question.

Mr BAIRD: You can put it however you want to spin it. The truth of the matter is we had made a decision to relocate the Powerhouse for all the reasons I have articulated. You yourself supported it. You said, "I want to put on the record that I have supported this since 2010."

The Hon. WALT SECORD: Absolutely, until the evidence came forward that you guys had bungled this and it has just become a dripping roast.

Mr BAIRD: No, it is going to—

The Hon. WALT SECORD: It is spiralling out of control.

Mr BAIRD: Well, Walt, I dare you to dream. It will be fantastic. This is going to be something that—

The Hon. WALT SECORD: Were you surprised by the planetarium?

The Hon. SCOTT FARLOW: It is Cartman again. The planetarium.

The CHAIR: Order!

Mr DAVID SHOEBRIDGE: It is a bit of a joke; you are right.

The Hon. WALT SECORD: It is, absolutely.

Mr DAVID SHOEBRIDGE: You are quite right; it is a joke.

The Hon. SCOTT FARLOW: What is your obsession with the planetarium?

The Hon. WALT SECORD: So we have a captain's call.

Mr BAIRD: No.

The Hon. WALT SECORD: And things just get tacked onto this project.

The Hon. SHAYNE MALLARD: It is like *The Simpsons*.

The Hon. WALT SECORD: It would be funny if we were not paying for this.

The Hon. SCOTT FARLOW: No, *South Park*.

The Hon. SHAYNE MALLARD: *South Park*, yes.

The Hon. WALT SECORD: I am sorry, gentlemen. This would be funny if we were not paying for this.

Mr DAVID SHOEBRIDGE: Point of order: Perhaps the questions could be directed to Mr Baird.

The Hon. TREVOR KHAN: Yes, I actually agree with that one.

The CHAIR: Order! If there are questions to other members of the Committee, they should be directed through the Chair.

Mr DAVID SHOEBRIDGE: Mr Baird, you know Parramatta has an extraordinary Indigenous history. You are aware of that?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: You are aware that it has an extraordinary colonial history?

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: You are aware that it has an extraordinary migrant history?

Mr BAIRD: Yes.

The Hon. SHAYNE MALLARD: Ongoing.

Mr DAVID SHOEBRIDGE: Why did you choose to reject a museum responding to that extraordinary diversity and history in Parramatta, and instead relocate the Powerhouse?

Mr BAIRD: There is no reason you could not add to that. Why not include that as part of your election commitments for the upcoming election?

Mr DAVID SHOEBRIDGE: You say there is no reason you could not add to that?

Mr BAIRD: There is because—

Mr DAVID SHOEBRIDGE: Is that seriously your answer—that flippant kind of response, and then a flippant response about election commitments?

Mr BAIRD: No.

Mr DAVID SHOEBRIDGE: We are talking about the second major city within the Sydney region, and that is your flippant response to its history?

Mr BAIRD: How many times have you been to Parramatta in the past 10 years?

Mr DAVID SHOEBRIDGE: I worked in Parramatta for three years, Mr Baird.

Mr BAIRD: Okay. You know how fantastic it is. You know how it is growing. You know that for the first time there is a great belief in Western Sydney that they are being acknowledged, they are getting the infrastructure that is required, and that they have a Government that believes in them. As part of that, if you are arguing, "Can we do more in the cultural space and the infrastructure?" I could not agree more. I agree 100 per cent. And recognising the rich history that you have just outlined would be a great thing to do. And there is no reason you could not do that.

Mr DAVID SHOEBRIDGE: There is a reason you could not do it.

Mr BAIRD: Why?

Mr DAVID SHOEBRIDGE: Because you blew \$1 billion on relocating the Powerhouse rather than providing a museum and cultural facility that responds to that extraordinary history and heritage of Parramatta. That is why—because you have blown the money on moving the Powerhouse.

Mr BAIRD: No. I would argue that you need to spend more, because you go back into the history—

Mr DAVID SHOEBRIDGE: And you were criticising me for business cases. You are just coming up with another \$1 billion while you sit there.

Mr BAIRD: You go back into history. Western Sydney received, from the Commonwealth point of view, about 1 per cent of the arts funding. From a State government point of view, it is around about 5 per cent of the arts funding. Much more is required in Western Sydney.

The Hon. SHAYNE MALLARD: Hear, hear!

Mr BAIRD: And that is a big part of what we are delivering here. If you are saying, "Do we need to spend more and build on that?" I would say that we do.

Mr DAVID SHOEBRIDGE: No, Mr Baird. I want to be clear what I am putting to you. The best decision for a cultural facility in Parramatta at the cost of more than \$1 billion of taxpayers' money would be a cultural institution that reflects the extraordinary history of Parramatta, not one that you relocate from Ultimo. Why did you not do that?

Mr BAIRD: Well, that is your view.

Mr DAVID SHOEBRIDGE: Why did you not test that in the business case? You say it is my view; surely it is a valid view and it obviously has broad support in the community. Why did you not test that in the business case?

The Hon. SCOTT FARLOW: Point of order: Mr Baird has not been Premier for 19 months. When we talk about business cases, Mr Baird has not had responsibility for any of them for well over 19 months now.

Mr DAVID SHOEBRIDGE: Why did you not insist on that being in the business case while you were Premier?

Mr BAIRD: There are a lot of considerations that could have been made as part of the process. You can see it. There is the summary; the summary has been provided for everyone to see. Your argument is there is a requirement for additional arts and cultural spending in Western Sydney. I totally support it. This is the start. The relocation of the Powerhouse provides an incredibly important part of our city confirmation that they are finally going to receive a significant cultural institution that is long overdue.

Mr DAVID SHOEBRIDGE: Do you know what will be the cost of just moving the exhibits from Ultimo to Parramatta?

Mr BAIRD: You have seen the net cost, which is \$640 million.

Mr DAVID SHOEBRIDGE: The net cost is after you privatise and flog off a bunch of residential developments in Ultimo and Parramatta. That is the so-called net cost, is that right?

Mr BAIRD: No, that is the way you put it.

Mr DAVID SHOEBRIDGE: You describe to me what you mean by net cost? Where is the money coming from, if not from flogging off public land for private development in Ultimo and Parramatta? What is producing the net cost?

Mr BAIRD: There are obviously broader economic benefits that flow that can be looked at as part of the modelling. More broadly, the decision that you are outlining, if you want to argue for additional arts and cultural facilities, amazingly you and I could put on the same T-shirt and we could stand there arguing for that, because I do not disagree.

Mr DAVID SHOEBRIDGE: Mr Baird, my question was quite simple: Do you know how much it costs just to move the collection, the extraordinarily fragile, important and valuable collection? Do you know how much it costs just to move it, the first starting point of your thought bubble?

Mr BAIRD: I reject your last statement.

Mr DAVID SHOEBRIDGE: Do you know how much it costs to move the exhibits?

Mr BAIRD: Obviously, I have not seen the details of the final business case. I have seen the summary. I have not been responsible for it for 19 months, as you know.

Mr DAVID SHOEBRIDGE: You were responsible for the decision that was made in 2015.

Mr BAIRD: And that is exactly what the business case has to determine, to run through that.

Mr DAVID SHOEBRIDGE: Surely you would have said to yourself there are a huge number of extremely important and fragile exhibits, hundreds and hundreds of thousands.

Mr BAIRD: A number of which do not see the light of day.

Mr DAVID SHOEBRIDGE: Surely you would have thought to yourself that you should understand the cost of that before you make an announcement about the relocation? Surely due diligence would have you doing that first basic point?

Mr BAIRD: That is part of the business case.

Mr DAVID SHOEBRIDGE: No, before you made the announcement and committed \$10 million on a business case, surely you should have worked out whether it was going to cost \$10 million, \$50 million, \$100 million or \$200 million to relocate it?

Mr BAIRD: That is exactly what the business case is for.

The CHAIR: We all agree that Western Sydney should get the best. The Committee does not have any issues about that, although we might differ as to what you consider best and what we consider best. Who did you consult with in Western Sydney before you made the decision to move the Powerhouse?

Mr BAIRD: As part of the process, the job as Premier is to meet with many people, so there were many groups I met.

The CHAIR: Such as?

Mr BAIRD: Community groups, arts groups.

The CHAIR: They were all saying, "We must destroy the Ultimo site. We must move the Ultimo site and the MAAS to Western Sydney"?

Mr BAIRD: There was a huge amount of support for it; there was.

Mr DAVID SHOEBRIDGE: Which resident group supported that?

Mr BAIRD: I am not going to go through—

Mr DAVID SHOEBRIDGE: Just name one? I do not need a list, just one?

The CHAIR: Do you want to take that question on notice?

Mr DAVID SHOEBRIDGE: Which resident group? Just one, any one—

Mr BAIRD: Well, David did—

Mr DAVID SHOEBRIDGE: Apart from Mr Borger. He is not a resident group.

Mr BAIRD: He outlined over 200—three councils that supported it. There are many.

Mr DAVID SHOEBRIDGE: You said you met with residents groups that supported it. You said you met with a whole bunch. I am asking you to tell me one resident group that you met with that supported it.

Mr BAIRD: I am saying that I met with many people, many groups, and there was consensus.

The CHAIR: Any heritage bodies?

Mr DAVID SHOEBRIDGE: Did you meet with any heritage bodies, Mr Baird?

Mr BAIRD: None that I am aware of.

Mr DAVID SHOEBRIDGE: You said you met with cultural groups.

The CHAIR: Cultural organisations.

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Which cultural groups that you met with supported the relocation of the Powerhouse Museum? You were telling us about your consultation. Tell us about the cultural groups that you consulted with that supported the relocation?

Mr BAIRD: I am not—

Mr DAVID SHOEBRIDGE: Just one?

The Hon. TREVOR KHAN: Let him answer the question.

Mr DAVID SHOEBRIDGE: And answer the question.

Mr BAIRD: I am not going to go through every person or group that I met.

Mr DAVID SHOEBRIDGE: Not every one; I just want one. Tell me the cultural group you met with in Parramatta that said it supports this?

Mr BAIRD: I can get those details for you.

Mr DAVID SHOEBRIDGE: You are sitting there and telling us about your consultation but you cannot think of a single resident group or a single cultural group that supported it?

The Hon. SCOTT FARLOW: It was three years ago.

The Hon. TREVOR KHAN: He has taken it on notice.

Mr DAVID SHOEBRIDGE: What kind of consultation did you have?

The Hon. TREVOR KHAN: Chair, he has taken it on notice. That is the end of it, with respect.

The CHAIR: That is the end of that line of questioning. What was the nature of your discussions with Lucy Turnbull, then Chair of the Committee for Sydney, regarding a potential move of the Powerhouse Museum to Parramatta?

Mr BAIRD: I cannot recall those discussions.

The CHAIR: You cannot recall that you had a meeting, or you cannot recall what you discussed?

Mr BAIRD: That I had a meeting with her.

The CHAIR: Your evidence is you did not have a meeting with her to discuss the Powerhouse Museum move to Parramatta?

Mr BAIRD: Not that I can recall.

Mr DAVID SHOEBRIDGE: There is a lot of uncertainty in major projects, such as the relocation of the Powerhouse. There is a lot of complexity in that, do you agree? You have to give a verbal answer.

Mr BAIRD: Yes.

Mr DAVID SHOEBRIDGE: Because something as complex as moving the collection could end up costing significantly more than what was originally budgeted for, is that right?

Mr BAIRD: That is exactly what the business case is for.

Mr DAVID SHOEBRIDGE: Building on a flood-prone site, once you are on site and you start excavation you might suddenly find that those construction costs are significantly more than you first thought, which is inherent in big projects, is it not?

Mr BAIRD: That is exactly what a business case is for.

Mr DAVID SHOEBRIDGE: Before a decision is made about a project that has a construction cost of between \$944 billion and \$1.179 billion, a business case would be needed that provides a good, solid buffer because of all those unexpected costs. Is that right?

Mr BAIRD: That is—

Mr DAVID SHOEBRIDGE: It is a simple question.

Mr BAIRD: Obviously that is what the business case is for.

Mr DAVID SHOEBRIDGE: We have seen government projects that blow out, not by 10 per cent or 20 per cent, but by 30 per cent, 40 per cent or 50 per cent. They just can, can they not?

Mr BAIRD: You build in contingencies.

Mr DAVID SHOEBRIDGE: Would it surprise you that the business case on a project that proponents say has a construction cost of \$1.179 billion has a net benefit of just \$27 million; that is, 2 per cent? Would that surprise you, given all the uncertainty?

Mr BAIRD: I think there is an issue. In any input that goes into a business case you need to make various assumptions. You make assumptions, you run through rigour, and there are many parts of government that had input into those business case assumptions. They made their assessments and they have obviously produced the benefits.

Mr DAVID SHOEBRIDGE: The proponents say that the net benefit, all going well, is \$27 million. A 10 per cent blow-out in the cost of construction, instead of having a net positive of \$27 million, will have a net negative of \$80 million. A 10 per cent blow-out in construction would be almost expected, would it not?

Mr BAIRD: With any construction contract that government does there is a contingency that is built into it that covers those issues. The water issue that you have spoken about, detailed work has been done and has been considered in the business case. That is factored into the cost. In addition to that, there is a contingency that would be put in there.

Mr DAVID SHOEBRIDGE: Mr Baird, this project with wet sails in a strong breeze just manages to get across the line to the net benefit of \$27 million. You know as well as I do that the construction will almost inevitably cost substantially more than that. This Government has made a decision basically to go into the red on the project from day one, has it not?

Mr BAIRD: The business case says the opposite.

Mr DAVID SHOEBRIDGE: So you would feel confident, in your capacity as a large institutional lender, to lend on a project with that kind of slender cash-positive proposal—a project of \$1.179 billion that they said they would make \$27 million on? That is the kind of thing that your business would do?

The Hon. SCOTT FARLOW: Point of order: This is purely a hypothetical question.

Mr DAVID SHOEBRIDGE: It is not.

The Hon. SCOTT FARLOW: It is.

Mr DAVID SHOEBRIDGE: It is about this business.

Mr BAIRD: The benefits are greater than the costs. I come back to this proposition: There was no capacity to think about how we could establish a cultural institution in Western Sydney before the Government made a decision to undertake that lease that gave it the capacity to build in transport, roads, schools, hospitals and sporting facilities, in addition to this cultural investment, without the decision that the Government made to bring that lease forward. There is a capacity to turn a great museum into one that is even greater, and that is what we are delivering.

The CHAIR: Mr Baird, we are well aware of all the other good things that you did while you were Premier. Did you turn your mind to what the Government might do for regional New South Wales when it comes to those sorts of institutions?

Mr BAIRD: There are a range of investment proposals. Part of Rebuilding NSW is to quarantine 30 per cent for regional New South Wales.

The CHAIR: Can you give us any examples of projects that were put forward?

Mr BAIRD: On the cultural side?

The CHAIR: On the cultural side.

Mr BAIRD: Or more broadly?

The CHAIR: We have heard plenty about infrastructure such as roads, railways and bridges. We are here to talk about the cultural activities around the State.

Mr BAIRD: That is one that the Deputy Premier, I am sure, could answer in significant detail for you.

Mr DAVID SHOEBRIDGE: Mr Baird, we had a bunch of regional museums come and see us. They say that they are desperate for funds to do things like fix the toilet, stop the roof leaking, fix the electricals so that it is not a fire hazard, and they have been told that there is no money there. What is your answer to them when you say you are going to spend \$1 billion on relocating an existing institution but you do not have money to fix their toilets?

Mr BAIRD: I obviously do not know the examples. I am no longer responsible. I would have thought that those sorts of requests are to be made to the current arts Minister or the Deputy Premier, who is a fighter for regional New South Wales.

The Hon. SCOTT FARLOW: It is after Mr Baird's time, but there was a \$100 million regional culture fund, as well, that was announced at the end of 2017.

The CHAIR: Do you want to give evidence?

The Hon. SCOTT FARLOW: I am on the Committee.

The CHAIR: Yes.

The Hon. WALT SECORD: I have one last question. Mr Baird, do you think that the Government should defer signing agreements or contracts involving the Powerhouse Museum before the election? We are now less than 10 months to the election. It is quite a divisive issue. The community is very divided on it. There are strong views. Do you not think the best thing to do would be just to say, "Do not sign any contracts." We are this close to the election and you are going to lock the taxpayers into \$1.1 billion. Do you not think this it would be the sensible approach just to push the pause button and not lock the taxpayer into this?

Mr BAIRD: No, my encouragement to the Government is to keep going. I find it unbelievable that the Opposition is happy with a second-best option for Western Sydney.

The Hon. WALT SECORD: That is not what I said.

Mr BAIRD: That is what you are proposing.

The Hon. WALT SECORD: It is not what I said.

Mr BAIRD: Yes, you are—totally.

Mr DAVID SHOEBRIDGE: The political consensus outside your party, Mr Baird, is that \$1 billion should be spent on something unique to Parramatta.

Mr BAIRD: I think the Berejiklian Government is the only side of politics in this State that is sticking up for Western Sydney. Delivering this facility is something it is very proud to do. There is a distinction. You are

right: There is a capacity to support a Government that is backing Western Sydney or an Opposition that seems to think that second best is okay.

The Hon. SHAOQUETT MOSELMANE: We are backing Western Sydney.

Mr DAVID SHOEBRIDGE: There is a capacity to support a Government that makes million-dollar decisions on a thought bubble, on a back-of-an-envelope calculation. That is the distinction, is it not? That is the distinction. A Government that has been proven to make billion-dollar decisions without even the most rudimentary business case, or the balance of politics in New South Wales that says, "That's not on." That is the distinction, is it not?

Mr BAIRD: No, you go: Infrastructure NSW recommendation, Expenditure Review Committee—

Mr DAVID SHOEBRIDGE: They did not make recommendations.

Mr BAIRD: —Cabinet endorsements, election policy, rigorous business case and, most importantly, a spirit and a sense and a heart for the people of Western Sydney. The people of Western Sydney have had too much tokenism from governments. This Government is not only talking the talk, it is walking the walk.

The Hon. SHAOQUETT MOSELMANE: It has been eight years and it has not done anything.

Mr BAIRD: We are very proud to be delivering it. Does that answer everything? It has been fun.

Mr DAVID SHOEBRIDGE: Thank you, Mr Baird.

The CHAIR: Thank you, Mr Baird. Thank you very much for coming. I think you have taken one or two questions on notice. You will have 21 days to respond. The Committee will be in touch with you. Thank you very much for attending.

Mr BAIRD: No worries.

(The witness withdrew)

(The Committee adjourned at 12.32)