

Election Costing Request Form

Details of request	
Party:	Australian Labor Party (NSW Branch)
Name of Policy:	Labor's plan to support art and culture throughout NSW – protect the Powerhouse Museum and establish a Western Sydney cultural institution
Date of request:	12 March 2019

Description of policy	
Summary of policy (please attach copies of relevant policy documents and include information on what the policy aims to achieve):	Allocate \$500 million for a museum in Parramatta. Retain the Powerhouse Museum at its current location, with an allocation of \$45 million to support refurbishment works at the existing museum. Willowgrove and St George's Terrace in Parramatta would be retained in public ownership.
Has the policy been publicly released yet?	

	2018/19 \$'000	2019/20 \$'000	2020/21 \$'000	2021/22 \$'000	Total \$'000
Impact on GGS expenses					
Impact on GGS revenue					
Impact on General Government Sector (GGS) net operating result ¹					
Impact on GGS capital expenditure ²					
Impact on GGS net lending/borrowing					

Note: Has the policy been costed by a third party?
If yes, can you provide a copy of this costing and its assumptions?

¹ Negative for a saving that reduces expenditure

² Negative for a reduction in capital expenditure.

Key assumptions made in the policy	
Does the policy relate to a previous announcement? If yes, which announcement?	
What assumptions have been made in deriving the financial impacts in your estimated costing? <i>(See checklist)</i>	<p><u>Western Sydney cultural institution</u></p> <p>Commence works on new museum from 1 January 2022. Allocate capital funding of \$50 million in 2021-22, \$200 million in 2022-23, and \$250 million in 2023-24 for the construction of the new museum.</p> <p><u>Do not move Powerhouse Museum</u></p> <p>Remove existing budget amounts allocated to the Powerhouse Museum move.</p> <p>The Minister has confirmed that “by the commencement of the caretaker period there will not have been anything done that binds a future government” (Hon Don Harwin, 12 September 2019, Hansard). Similar comments have been made several times on the public record by the government.</p> <p>In the event that the Minister’s statement was not true – and that there was in fact a secret binding arrangement – the policy being costed would be to renegotiate the contract with Parramatta Council. The state’s position in the negotiations would be to substitute the Powerhouse Museum – a priority of the previous government – with another world-class cultural institution at Parramatta in consultation with the community.</p> <p>Given the substitution, it is reasonable to assume that negotiations would lead to a situation of approximately no additional spending by the state. The state would undertake negotiations equitably and in good faith. The state would maintain significant leverage through its legal and resource allocation powers – including the proposed alternative cultural institution.</p>

	<p>As a last resort, the state would be prepared to amend legislation to ensure it does not provide compensation for a secret arrangement on the museum by the previous government.</p> <p><u>Museum upgrades</u></p> <p>Allocate \$45 million in 2019-20 for upgrades at the Powerhouse Museum. The purpose of this funding is to address immediate safety and operational requirements. This is a fixed amount to address highest priorities.</p> <p>There would also be an examination of options for further refurbishment requirements. Additional works would require a subsequent decision of government informed by the scoping.</p> <p><u>Retain Willowgrove and St George's Terrace</u></p> <p>Willowgrove and St George's Terrace at Parramatta would not be sold to private developers.</p>
Is there a range for the costing or any sensitivity analysis that you have undertaken?	No.
Are there associated savings, offsets or, in the case of a revenue proposal, offsetting expenses? If yes, please provide details.	..
Are there significant costs or savings outside the forward estimates period which should be considered in costing this policy? ³	See <u>Assumptions</u> .

Administration of policy	
Intended date of implementation:	Upon formation of government
Intended duration of policy ⁴ :	Ongoing.
Who will administer the policy (e.g. Government entity, non-government organisation, etc.)?	Department of Planning and Environment.
Are there any specific administrative arrangements for the policy that need to be taken into account	No.

³ Particularly important for large projects with long lead times, policies with a delayed timetable for implementation, or policies where up-front investment is required to achieve long term savings.

⁴ Where a policy is intended to be ongoing, please indicate "ongoing" in the space to the right

(e.g. agreements between different levels of government)?	
Are there transitional arrangements associated with policy implementation?	..

If the policy is mainly an expenditure⁵ commitment	
Demand driven or a capped amount:	Uncapped.
Eligibility criteria or thresholds:	N/a.

⁵ Expenditure is operating expenses, e.g. salaries, interest cost and grants. Expenditures are fully included in the impact on operating balance.