

Extracts for NSW Legislative Council taken on 9 August, 2019:

from Hansard transcripts from 8 May, and 7-8 August 2019 (Next sitting 20 August)

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Hansard transcript:

Wednesday, 8 May 2019 Legislative Council- PROOF

Page 12:

PORTFOLIO COMMITTEE NO. 4 - LEGAL AFFAIRS

Report: Museums and Galleries in New South Wales

The CLERK: According to standing order, I announce receipt of report No. 40 of Portfolio Committee No. 4 – Legal Affairs entitled **Museums and galleries in New South Wales**, dated February 2019, together with transcripts of evidence, tabled documents, submissions, correspondence, and answers to questions on notice and supplementary questions, received out of session and authorised to be printed on 28 February 2019.

The Hon. ROBERT BORSAK (11:28): I move: That the House take note of the report.

Debate adjourned.

Hansard transcript:

Wednesday, 7 August 2019 Legislative Council- PROOF Pages 26-29

Committees: PORTFOLIO COMMITTEE NO. 4 - LEGAL AFFAIRS

Report: Museums and Galleries in New South Wales

Debate resumed from 8 May 2019.

The Hon. ROBERT BORSAK (15:06):

One of the great mysteries of the last Parliament is understanding the rationale for moving the Powerhouse Museum from Ultimo to the flood-prone banks of the Parramatta River. We are no closer to solving this mystery after more than two years of painstaking inquiries. It has been an exercise in posturing by this Government, which has been testing how much it can get away with without going through the appropriate channels such as consulting with stakeholders or the general public and taking into account its own NSW Government Guide to Cost-Benefit Analysis, not to mention due process. One day the Government could not provide us with a business case, then the next day it miraculously appeared, resembling a document that had been hastily put together and belonged in the bin. I have said in this House before that I believe this inquiry will take many more twists and turns.

The secrecy with which this entire project has been conducted and the continuing vague responses and justifications we receive from this Government only spurs me on. Yesterday it responded to our recommendations, and it is a weak response. Its response to our findings that the final business case did not comply with the NSW Guide to Cost-Benefit Analysis claims that Infrastructure NSW undertook six independent reviews conducted by more than 30 independent reviewers. I guess the Government did not get the answer it wanted in the first five reviews and got lucky with the thirtieth

independent reviewer. All it needed to do was reach out to the arts community, the general public and stakeholders to find out that the move is not required and is a huge waste of money. The government said the business case demonstrates things such as expertise, time, detail, rigor and due diligence in considering the move. That is drawing a long bow, even for this dodgy Government. I am not satisfied with the response, nor am I satisfied with any of the responses to our recommendations. I was hoping to say that the Government recognises the fact that it has made a mistake and that the process of relocating this world-class precinct to a flood-prone riverbank 20 kilometres down the road at a cost of \$2 billion is an inappropriate waste of taxpayer money, which could be better spent on hospitals and schools. Unfortunately, I cannot. I am bitterly disappointed, but not surprised, by the arrogance of this Government. I will canvass my views and the Government's responses with Opposition members and crossbench members. I am confident this is not the last that we will hear on this issue. No member is Sherlock Holmes, but it is elementary that we solve the museum mystery.

The Hon. SCOTT FARLOW (15:09):

I thank Committee Chair the Hon. Robert Borsak for the wonderful travels we had during the Portfolio Committee No. 4 - Legal Affairs inquiry into museums and galleries, which has been a never-ending inquiry. Members of the House were substituted in at certain times and I very much enjoyed the experience. The committee relentlessly inquired into and reported on the performance or effectiveness of government agencies responsible for the organisation, structure and funding of museums and galleries in New South Wales. It seems like I joined the committee a lifetime ago, but I was optimistic that we would receive very positive contributions about museums and galleries, their functions and how they should operate in New South Wales in line with best practice. Unfortunately, the inquiry did not turn out that way and instead there was a relentless inspection of the Powerhouse Museum move.

I acknowledge and thank the members of the committee: the Hon. Robert Borsak, who was our committee chair and tour guide; Mr David Shoebridge, who was the deputy chair; the Hon. Trevor Khan; the Hon. Shayne Mallard; the Hon. Shaoquett Moselmane; the Hon. Walt Secord; and the Hon. Ben Franklin. I acknowledge the dedicated, diligent and hardworking secretariat staff, particularly Emma Rogerson and Tina Higgins, who assisted the committee greatly with this inquiry. I also acknowledge and thank the individuals, groups and organisations for submitting 179 important contributions to the inquiry.

This 2½ year inquiry culminated in the production of a final report that ultimately resulted in a single finding that the final business case for the New Museum in Western Sydney Project did not comply with Treasury's NSW Government Guide to Cost-Benefit Analysis. The finding is disputed and not supported by the Government. Since February 2016 Infrastructure NSW has undertaken six independent reviews of the New Museum in Western Sydney Project, conducted by more than 30 independent reviewers, including specialists in design, planning and economics. The final business case demonstrated the Government's expertise, time, detail, rigor and due diligence underpinning the planning of the Powerhouse Museum move. The business case was contributed to by highly qualified consultants in cultural infrastructure, museum logistics, urban planning, construction and operations through peer review processes and governance panels.

The document also included an economic appraisal of the project, which was produced in accordance with the Treasury's NSW Government Guide to Cost-Benefit Analysis. The document shows the finding that the committee reported was completely without merit. This highlights the fact that the Labor- and crossbench-heavy committee was more focused on detailing its opinions on the Powerhouse Museum move rather than determining what is best for Sydney, particularly western Sydney. Parramatta, which is the second city of Sydney, deserves a cultural institution at its heart. On 24 April 2018 a Nigel Gladstone article published by the Sydney Morning Herald entitled "Sydney population grows by over 100,000 in a year for the first time" highlighted that Parramatta

is not only lacking adequate institutions but it is also growing at a faster rate than other part of the city. More is happening in Parramatta and it is time that it finally gets a world-class institution. I note that Opposition members supported the museum move when we commenced the inquiry. At the time it was Labor Party policy but in the lead-up to the election it withdrew its support. The results of that decision played out in the Parramatta electorate. The Sydney Morning Herald article stated: The area around Parramatta had the largest shifts in NSW for three measurements of regional population growth - the most new overseas migrants (2840), the highest natural increase (565 more births than deaths) and the most internal migration of people moving out (1434) between June 2016 and June 2017.

The report before Parliament is nothing more than a smear on the Government. Those opposite are trying to force the Government and the Premier to back down on a proposal that will bring arts, culture, science and technology to the west—where they belong. The move is being shepherded by the wonderful arts Minister to ensure Parramatta realises its vision as a cultural centre in Sydney. The committee report makes clear that the focus was on disproving and reevaluating the need, want and cost of a cultural and arts institution in Parramatta at the cost of residents and families in western Sydney. Government members on the committee rejected all of the recommendations made in their subsequent report. The recommendations fail to provide a pathway to greater cultural amenity in western Sydney and fail to highlight the need for action and change now. On several occasions the committee heard that the proposal did not come out of nowhere. Liz-Anne McGregor conducted the analysis of the need for a cultural institution in western Sydney and the suitability of the Powerhouse Museum to move, rather than creating a new cultural institution or transferring any other cultural institution. That decision was made for a number of reasons, including the demographic the museum attracted, the number of visitors to the museum who hail from western Sydney and the suitability of the riverbank site. The time for western Sydney to have access to world-class facilities is now; not in 10 years. It should not be just a satellite site, as some members have suggested, but a fully fledged, fully funded and fully committed museum that is a destination for visitors to this great city and State.

Mr DAVID SHOEBRIDGE (15:15):

I speak to the excellent report produced by the then Portfolio Committee No. 4 - Legal Affairs—The Hon. Bronnie Taylor: How lovely and positive.

Mr DAVID SHOEBRIDGE: —into the disastrous saga that is the Government's effort to sabotage the Powerhouse Museum.

The Hon. Bronnie Taylor: You were going so well.

Mr DAVID SHOEBRIDGE: I appreciate the strong endorsement of the Minister. The committee's key finding was that the final business case for the Powerhouse Museum in Western Sydney Project clearly did not comply with Treasury's NSW Government Guide to Cost-Benefit Analysis. The case was so obviously tailored to produce a political response. It was not a fair and independent assessment of the actual business fundamentals of moving the Powerhouse, let alone the cultural, political and social fundamentals. If we want to get a sense of how workshopped the Government's final proposal is, we can go to the Government's half-baked response to the committee's report. The finding was supported by a close review of the final business case. From memory it was business case No. 84. Over time the Government had workshopped the business case to try to massage a cost-benefit return of slightly greater than nought. In response to the committee's findings the Government stated: Since February 2016 Infrastructure NSW has undertaken six independent reviews of the New Museum in Western Sydney project, conducted by more than 30 independent reviewers, including specialists in design, planning and economics. What kind of Government gets it wrong so often that it had to have six reviews of its appallingly chaotic proposal to move the Powerhouse Museum? It is hard to put this on record without laughing, knowing the truly amateur way in which it was produced, but the document goes on to state: The Final Business Case for the project demonstrates the expertise, time, detail, rigour and due diligence underpinning the planning

of the project. Highly qualified consultants in cultural infrastructure, museum logistics, urban planning, construction and operations contributed via peer review processes and governance panels. The document includes an economic appraisal for the project, produced in accordance with NSW Treasury's Government Guide to Cost-Benefit Analysis.

It would be funny if this was not about a serious proposal to destroy the Powerhouse Museum. One of the key recommendations in Treasury's NSW Government Guide to Cost-Benefit Analysis is that the agency proposing the expenditure of public money—and we are talking about combined expenditure of more than \$1 billion—has to work out what the costs and benefits of the status quo are. What if we did nothing? What if we left the current situation in place? How would that play out? One business case scenario that was never tested at any time by the Government is keeping the Powerhouse Museum where it is and investing in it a fraction of the money it will cost to move the Powerhouse Museum to Parramatta.

The Hon. Walt Secord: What about the property developers?

Mr DAVID SHOEBRIDGE: We will get to that. The Government already has detailed reports from consultants stating that the Powerhouse Museum at Ultimo is well located and is part of an essential cultural ribbon that runs through that part of Sydney. The Powerhouse Museum's public access through the renovated goods line and the increased pedestrian access to Darling Harbour has increased and it is in an even better situation than it was at the time those reports identified it as being an important part of the cultural ribbon in Sydney. The business case presented by the Government never looked at the status quo. This Government is planning to throw over \$1 billion of public money into relocating the Powerhouse Museum but it never looked at leaving it where it was. That is criminal. So much good could be done if we spent \$1 billion in this State but the Government is spending \$1 billion to destroy one of the finest cultural institutions in Australia. It is just shameful. The core recommendation of the committee was that the Government not proceed with the relocation of the Powerhouse Museum from Ultimo to Parramatta. That recommendation was supported by pretty much every witness with an acknowledged history in running museums, designing museums and running cultural institutions in this State who gave evidence to the committee. It was hard to find the people who are currently employed by the Powerhouse Museum. We were chasing some with subpoenas and we could not track them down. The acknowledged experts in museums in this State came together in a chorus to state they were against the Government's proposal to move the Powerhouse Museum. The Government stuck its head in the sand and ignored them. We know what the ultimate conclusion is about. It is not about doing the right thing by the Powerhouse Museum. It is not about doing the right thing by museums. It is about the Government getting two property deals for one. It gets to move the Powerhouse Museum from Ultimo and it can put that land out to market so that a 70- or 80-storey residential or commercial tower can be built on the publicly owned site. It was never about the Powerhouse Museum. It was about doing a property deal with its usual mates. What is the deal at Parramatta? The Powerhouse Museum's board said it would only support the Powerhouse Museum move if the museum was not attached to or compromised by a large commercial or residential development. It wanted its own museum.

What is the Government's proposal for the Powerhouse Museum at Parramatta? It is not a museum. Maybe the Government has contracted with Lendlease; who can tell. But if the new Powerhouse Museum ever gets built, the main thing we will see on the site is not a museum. The first thing we will see is a 70-storey residential block the size of the Meriton development next door. I could not make this up. New South Wales governments are notorious for being in the pocket of the development industry. The Government's response to the Powerhouse Museum is to damage it at a cost of over \$1 billion of public money. The real return for the people of New South Wales is two big property developments delivered by the Berejiklian Government. It is just like New South Wales Inc. over and over. That is what it is. It is not about moving the museum, it is about two major property deals.

Why has the closure of the Powerhouse Museum been delayed? Instead of having 30 independent

reviewers maybe there will be five more independent reviewers—35 so-called independent reviewers. Why are we not seeing the plans and the signed contracts? The Government probably cannot find a civil contractor who is willing to deal with it, given most of them have stepped away from dealing with the Government. The reason is because the economic fundamentals are not stacking up. This project was always about two property deals. With property prices softening, it is much harder for the Government to square the circle and find the money to not move the Powerhouse Museum. It wants to create two new icons, courtesy of the Berejiklian Government, under the guise of moving the Powerhouse Museum.

The Hon. WALT SECORD (15:24):

As the shadow Treasurer and shadow Minister for the Arts, I make a contribution on the Portfolio Committee No. 4 - Legal Affairs inquiry into museums and galleries in New South Wales. It has been a 2½ year inquiry. And \$2 billion later we are a long way from when Premier Mike Baird said it would cost \$10 million to move the Powerhouse Museum. Unfortunately, the Berejiklian Government has ignored the recommendations of this committee, especially those relating to rural and regional arts. I take this opportunity to acknowledge the committee chair, the Hon. Robert Borsak, from the Shooters, Fishers and Farmers Party and deputy chair, Mr David Shoebridge, from The Greens. I acknowledge the almost 120 submissions from community groups and the contributions of Mr Lindsay Sharpe, Ms Kylie Winkworth, Ms Jennifer Sanders, Ms Judith White, former government architect Lionel Glendenning, and the dozens and dozens of hardworking members of the community who did everything they could to get the Government to stop this property deal.

Another disappointment that came out of this inquiry was the inability of the Government to locate Dolla Merrillees, who was a key witness to this inquiry. She worked at the University of New South Wales. Chair of the Board of Trustees Professor Barney Glover was unable to locate her and she actually worked in his office. It was disappointing to learn that the Government has refused to listen to the community. A blowout in arts infrastructure and cultural projects is taking place under this Minister's management. The arts have lurched from crisis to crisis under this Minister and this Government. The disease and the problem of the Powerhouse Museum is creeping into other projects. The Government has refused to accept the recommendations of this multi-party inquiry that had community groups as well as parties from the entire political perspective working together. The committee found there was no final business case for the Powerhouse Museum that complied with Treasury's NSW Guide To Cost-Benefit Analysis. In its defence, the Government claimed that it had conducted 30 independent reviews. But Treasury had major concerns about the Powerhouse Museum. One only has to look at what is happening in other projects. The Government claims the Sydney Modern Project at Art Gallery NSW will cost \$344 million, but according to respected former government architect Lionel Glendenning, the cost is headed towards \$600 million.

The Hon. Don Harwin: Well, he is just simply wrong.

The Hon. WALT SECORD: You say he is wrong?

The Hon. Don Harwin: Yes, as he has been wrong on any number of issues.

The Hon. Greg Donnelly: Point of order: The shadow Treasurer is seeking to make a contribution and the Government Leader of the House is interrupting him.

The Hon. WALT SECORD: And repeatedly attacking a respected former public servant.

The DEPUTY PRESIDENT (The Hon. Trevor Khan): Order! I uphold the point of order of the Hon. Greg Donnelly. I do not need the assistance of the Hon. Walt Secord for two reasons. First, he interjected when a member on his side was coming to his defence, which is discourteous. Secondly, his comments were inappropriate.

The Hon. WALT SECORD: One only has to look at the Sydney Modern Project at Art Gallery NSW. The Government claims it will cost \$344 million but the Opposition has been advised that it is heading towards \$600 million. There is also the Walsh Bay Arts Precinct, which has jumped from

\$129 million to at least \$245 million. Now the Powerhouse Museum is in trouble. We are looking at funding for arts and infrastructure projects in New South Wales that is costing upwards of \$2 billion. We also see that the Australian Museum will be closed for a year and the renovations will cost \$50 million.

I make this final observation. One of the key recommendations was that the parliamentary committee continue its work. For the record, I support the projects that are under examination, but I do not support the way the Berejiklian Government has handled those projects in allowing costs to spiral out of control. I have obtained shadow Cabinet approval, and if the inquiry into the Powerhouse Museum and other cultural infrastructure projects is to continue, Labor will support any moves by The Greens, the Shooters, Fishers and Farmers Party or other crossbenchers to set up further inquiries or expand or continue this inquiry into the Powerhouse. I would be delighted to serve on that committee, if that be the will of this Chamber.

Debate adjourned.

LEGISLATIVE COUNCIL Legislative Council- PROOF
Thursday, 8 August 2019

Questions without notice:

Pages 20-21

PARRAMATTA MUSEUM

The Hon. LOU AMATO (12:05): My question is addressed to the Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts. Will the Minister update the House on progress on the new museum at Parramatta?

The Hon. DON HARWIN (Special Minister of State, Minister for the Public Service and Employee Relations, Aboriginal Affairs, and the Arts, and Vice-President of the Executive Council) (12:05): I am proud to say that the new Powerhouse Museum is on track to be delivered on time in 2023, and on budget. Having reviewed the debate in the House yesterday, I believe it is important to state that at the outset. The creation of a world-class, fit-for-purpose museum on the banks of the Parramatta River will enrich Western Sydney's cultural choices and experiences. It will be the centrepiece of the emerging Parramatta arts and cultural precinct, and part of the new Civic Link to the CBD and along the river to the Old Government House, the gardens and North Parramatta. The new museum will showcase ground-breaking science and technology innovation alongside inspiring civic-scale spaces that will showcase the museum's unique collection and allow for innovative curatorial experiences. As I reaffirmed to the House yesterday, the Powerhouse Museum is in excellent hands, with Chief Executive Officer Lisa Havilah leading the process on this historic project. The Museum of Applied Arts and Sciences Trust and executive team are working collaboratively with Create NSW, the Department of Planning, Industry and Environment, Infrastructure NSW, and the Department of Premier and Cabinet to deliver the new museum. I am pleased to note that considerable progress is being made on this once-in-a-generation opportunity. The first stage of a two-stage international design competition was launched in January 2019. Endorsed by the Australian Institute of Architects, the competition welcomed local and international design teams and strongly encouraged creative and intellectual collaborations between established and emerging talent. The first stage of the competition attracted 74 submissions from 20 countries, made up of 529 individual firms from five continents. The six finalist teams met in Sydney in June 2019 for three days of briefings, and I was delighted to welcome their participation in this key project of the New South Wales Government. The wonderful designs produced by those teams will be publicly exhibited and showcased online.

The preferred design for the new Powerhouse will be announced before the end of the year. As I said at the outset, the new Powerhouse Museum project is on track for delivery by 2023.

Page 32:

POWERHOUSE PRECINCT AT PARRAMATTA INTERNATIONAL DESIGN COMPETITION

The Hon. MARK LATHAM (13:14): I take note of the answer provided by the arts Minister about the Powerhouse Museum's relocation to Parramatta. The Minister and other Government members have said it is a project for "western Sydney." I would note that for the large population living in south-west Sydney who rely on public transport—from Glenfield to Macarthur—the current venue at Ultimo is more accessible than Parramatta. Respectfully, Parramatta has not been well served by public transport. It can be a very difficult place to travel to, even by road. Western Sydney is becoming so vast that Parramatta is a central western Sydney location. But for those who live anywhere from Glenfield to Macarthur, and right through to Oran Park, it is much easier to catch the very good—the Government has provided a very good rail link with efficient services—East Hills, Glenfield and airport line into the city, and then catch the very good light rail that goes to Ultimo. The nearly one million residents who live in that area would find its current location more accessible than Parramatta. Given the many projects that need to be funded in western Sydney, I respectfully submit to the Minister that the project is a waste of money and resources that could be better spent elsewhere. We should not be promoting the project— as the Minister did in his answer—as a western Sydney project. It is for central western Sydney; it does not service the people of south-west Sydney. The Government should reconsider this as soon as possible.

POWERHOUSE PRECINCT AT PARRAMATTA INTERNATIONAL DESIGN COMPETITION

The Hon. SHAYNE MALLARD (13:17): I acknowledge and welcome the arts Minister's answer to the question about the new Powerhouse Museum in western Sydney. It was excellent to hear the Minister's update on the project, which was taken to two elections by the Liberal-Nationals Government and is now proceeding. The Minister is correct in saying that it will be the centrepiece of the emerging Parramatta arts and cultural precinct. It will form part of the civic link to the CBD and along the river to Old Government House, the gardens and north Parramatta. I note also the broad range and depth of submissions to the design competition. The Minister acknowledged that there were 74 submissions from 20 countries. It is truly exciting that this Government is delivering on its promise to western Sydney and that the Powerhouse Museum project is on track for delivery in 2023.

The House adjourned at 22:46 until Tuesday 20 August 2019 at 14:30.

