

**REPORT ON PROCEEDINGS BEFORE**

**GENERAL PURPOSE STANDING COMMITTEE NO. 4**

**INQUIRY INTO MUSEUMS AND GALLERIES**

**CORRECTED PROOF**

**At Jubilee Room, Parliament House, Sydney on Friday, 17 February 2017**

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

**PRESENT**

The Hon. R. Borsak(Chair)  
The Hon. S. Farlow  
The Hon. S. Mallard  
The Hon. S. Moselmane  
The Hon. G. Pearce  
The Hon. W. Secord  
Mr D. Shoebridge (Deputy Chair)



## CORRECTED PROOF

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

In today's hearing we will hear from representatives of Neeson Murcutt Architects, Cox Architecture, KPMG, the Museum of Applied Arts and Sciences and Root Projects Australia. Before we commence I will make some brief comments about the procedures of today's hearing. The Committee understands that some witnesses appearing today are concerned that they may be asked for information covered by Cabinet and/or commercial confidentiality. In terms of commercial confidentiality the position of the Legislative Council is that any common law duty or statutory requirement of secrecy would not prevent a parliamentary committee from obtaining information even if it was in respect of private commercial dealings, provided the disclosure is in the public interest and relevant to the inquiry terms of reference.

In relation to Cabinet confidentiality the Legislative Council's view as informed by the Egan cases is that the Committee is entitled to information or documents except those that disclose the actual deliberations of Cabinet. It is important to note that a distinction must be drawn between documents or information that discloses the actual deliberations of Cabinet versus those prepared for the assistance of Cabinet. Therefore no action in relation to the possible breaches of secrecy requirements can be taken against a witness regarding their evidence today. However, it is important to remember that this privilege does not apply to what witnesses may say outside of their evidence at the hearing. In relation to either of these matters witnesses are encouraged to raise concerns or objections as they arise and the Committee will consider them.

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

The guidelines for broadcasts of proceedings are available from the secretariat. There may be some questions that witnesses could answer only if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take a question on notice and provide an answer within 14 days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

## CORRECTED PROOF

**JOE AGIUS**, Director, Cox Architecture, sworn and examined

**RACHEL MAREE NEESON**, Director, Neeson Murcutt Architects Pty Ltd, sworn and examined

**The CHAIR:** I welcome our first witnesses, Ms Neeson and Mr Agius. Would you like to start by making a short statement?

**Mr AGIUS:** Yes. Firstly, thank you for the invitation to appear before the Committee today. I would like to take the opportunity in this opening statement to clarify the role of Cox Architecture. As stated, I am a director of Cox Architecture and the project architect for the preliminary business case project for the Museum of Applied Arts and Sciences [MAAS]. We were sub-consultant for the project to KPMG. Neeson Murcutt Architects were in turn sub-consultant to Cox Architecture. We worked with KPMG and its other sub-consultants including Root Projects, AEA, Urbis and Rider Levett Bucknall [RLB] cost planners in developing the preliminary business case within our various scopes and disciplines. Certainly in terms of our scope the primary purpose of the preliminary business case was to inform the Government's decision as regards a site selection which best achieves MAAS's strategic objectives.

Our particular scope was fundamentally to test fit concepts for MAAS on two preferred sites arising out of previous studies—namely the riverbank site and the Parramatta Park golf course site. We assisted and supported Urbis in their analysis of urban planning constraints and opportunities. We also assisted and supported Root Projects and AEA in the development of a vision and ultimately an accommodation schedule for a new MAAS. As the brief evolved through the commission, we test fitted it on each site in various spatial configurations or concepts. We developed concepts for each site cognisant of the planning constraints and opportunities identified by Urbis and the brief development work by Root Projects and AEA. We did this primarily through simple hand sketches and 3D blocking and stacking of the briefed volumes.

Critically, the intent of the preliminary business case in terms of our scope was to confirm the capacity of each site to accommodate the MAAS brief, not to design a building. It was understood by the consultant team that, should the project proceed successfully through the preliminary business case and then again successfully through the detailed business case, an international design competition would be undertaken by MAAS to ultimately procure a building design. In conclusion, as the Chair's opening statement addressed, Cox Architecture is bound by confidentiality clauses in its contract to KPMG. Of course our work sits within the business case report which is all identified as Cabinet in confidence but I take note of the comments that were made by the Chair in his opening remarks.

**The CHAIR:** Thank you.

**Ms NEESON:** I too prepared an opening statement. I am the sole director of Neeson Murcutt Architects. I have never appeared before a parliamentary inquiry. I have come voluntarily to this inquiry. However, as you note, Mr Chair, you must appreciate the subject matter is in the context of contractual obligations including matters going to the maintenance of confidentiality. In these circumstances, can you please explain the extent to which I am protected in answering questions put to me as we go along? We—Neeson-Murcutt Architects—have worked across many different building project types, and have been recognised through multiple awards, including an architecture award for the Crystal Hall, which is a new entry at the Australian Museum, the 2014 Sulman medal for the Prince Alfred Park and Pool upgrade, and the 2016 Sulman medal for the Kempsey Crescent Head Surf Life Saving Club.

I was contacted by Mr Joe Agius of Cox Architecture with respect to the MAAS Parramatta feasibility study and preliminary business case. I believe that this was on the basis of our reputation and skills. The broad nature of the task required lateral thinking and multiple ideas, to which we were able to contribute. I understand that Cox Architecture had a proper and formal engagement with KPMG for this project. Neeson-Murcutt Architects Pty Ltd was asked to assist Cox Architecture in its contact with KPMG. As such, I was paid directly by Cox Architecture.

My involvement was for a total of 53 hours spread over a period between 31 August 2015 and 12 January 2016, although the bulk of the work was done within a six-week period between the end of October and early December. At the insistence of KPMG, anyone working on this project is required to sign a pro forma declaration of compliance, which includes confidentiality. I have signed this declaration.

## CORRECTED PROOF

The task that Cox Architecture was performing for KPMG, with which I was assisting, was to test fit a new MAAS facility on two nominated sites within Parramatta. It was about broad intentions as to where the building volumes could go. The discussions and considerations pertain to this broad thinking process. The work included contribution to the site analysis prepared by the consultant planner, which was Urbis, contribution to a precedent study, looking at the relationship between each site in the broader urban context of Parramatta, and investigating the functional spatial brief and how it might coherently fit on each site.

I attended workshops with Cox Architecture and Root Projects, and was involved in meetings and presentations to MAAS with Cox Architecture. My office prepared a number of hand sketches and diagrams that were used in presentations and are included in the design report compiled by Cox Architecture.

**The CHAIR:** Thank you very much.

**Mr DAVID SHOEBRIDGE:** Thank you both for attending today. I note, for the record, that your attendance is voluntary today. We appreciate that. In terms of the brief that you got, Mr Agius, you said that it was constantly evolving. What do you mean when you say that the brief was constantly evolving? Was it evolving because of your input or was it evolving because Treasury or the Department of Prime Minister and Cabinet were changing their opinions? How did it evolve?

**Mr AGIUS:** I suppose a key part of the project which was led by Root Projects and AEA was, as I said, to identify a vision for MAAS. There were many reiterative discussions and workshops—some of which we attended, some of which we did not—in which MAAS identified an appropriate vision for the twenty-first century. As I said in my opening statement, falling out of the vision is, eventually, an accommodation schedule of different types of spaces that have a floor area and a height and other requirements. As one would expect, that document and that accommodation schedule, through the course of the process, changed. Our task was to ensure that, in response to it, we kept up with analysing the various sites in terms of their capacity to accommodate the changing brief.

**Mr DAVID SHOEBRIDGE:** Did the space required by MAAS increase or decrease over the course of that process?

**Mr AGIUS:** I could not tell you definitively. It went up and down, from memory. There were various versions of it, depending on different issues and considerations.

**Mr DAVID SHOEBRIDGE:** Was part of what MAAS were telling you consistent with what the chair of the board told the Premier at the end of last year, which was that they wanted this to be, pretty-much, a stand-alone facility not compromised by other commercial or inconsistent development? Was that part of the brief you had?

**Mr AGIUS:** I do not believe that we received definitive direction in regard to that, no.

**Mr DAVID SHOEBRIDGE:** Was your brief allowing you to develop a space that would have part museum and part office tower, or part museum and part other development? Was that part of your brief?

**Mr AGIUS:** Part of our agenda in assessing the sites was assessing their capacity to accommodate MAAS, as I said. Included in that was, of course, an obligation to determine or assess whether there was the capacity on both sites to accommodate other uses.

**Mr DAVID SHOEBRIDGE:** I take it from that, as part of your work, you were being directed, "We want a museum but we also want something else on the site that we want to make a buck out of."

**Mr AGIUS:** No; that is not correct.

**Mr DAVID SHOEBRIDGE:** How am I wrong in that?

**Mr AGIUS:** As I said—if I can restate my answer—our role was to assess the capacity of the site to accommodate MAAS's brief, which was not necessarily fixed throughout the process, and the capacity of the site to accommodate other uses. Those other uses could have been anything; that was not defined. They were not necessarily commercial uses.

**Mr DAVID SHOEBRIDGE:** What did you eventually say was the capacity to meet other uses on the riverfront side—the Phillip Street side—of Parramatta?

**Mr AGIUS:** Our conclusion is that there is potentially the capacity for uses additional to MAAS on that site.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** What is its capacity for other uses? Are we talking about a little café out the front? Are we talking about a museum shop selling trinkets or are we talking about a 15- or 20-storey commercial premises? Just give us an idea of the scale.

**Mr AGIUS:** As Ms Neeson mentioned in her statement, this was a six-week exercise, and it was done with hand sketches and a few volumetric studies. We identified, simply, that the site had the capacity for additional uses. There was no conclusion as to the quantity of that additional use. You need to understand that this was a preliminary study, so it identified opportunities that would then be further investigated in the detailed analysis of opportunities and constraints on that particular site.

**Mr DAVID SHOEBRIDGE:** So you did very preliminary hand sketches and volumetric studies.

**Mr AGIUS:** Correct.

**Mr DAVID SHOEBRIDGE:** How much were you paid?

**Mr AGIUS:** I could not tell you off the top of my head.

**Mr DAVID SHOEBRIDGE:** What is the ballpark figure?

**Mr AGIUS:** I am happy to take that question on notice.

**Mr DAVID SHOEBRIDGE:** What does an architect get for a couple of volumetric projections and some hand sketches? It cannot be that much.

**Mr AGIUS:** It was not that much; no.

**Mr DAVID SHOEBRIDGE:** You have an idea. Roughly, what are we talking about? You can clarify it on notice.

**The Hon. GREG PEARCE:** He said he would take it on notice.

**Mr AGIUS:** I will take it on notice. I would rather give you an accurate number than give you something that is incorrect. I will not elaborate because I think that it is important that we are accurate in terms of dealing with any figures. It was not a substantial sum of money.

**Mr DAVID SHOEBRIDGE:** So were your hand sketches stretching up 10 storeys, or were your hand sketches stretching up 15 storeys, or were your hand sketches going up 30 or 50 storeys, as we sometimes see in Parramatta? How tall were your hand sketches going? You are an architect; you know these things. Tell us.

**Mr AGIUS:** I think probably in the order of 10 storeys. One needs to be mindful of the context. You are referring to the riverbank site, I assume?

**Mr DAVID SHOEBRIDGE:** I am assuming that is the one that progressed. Is it?

**Mr AGIUS:** No.

**Mr DAVID SHOEBRIDGE:** Well, I am referring to the riverbank site.

**Mr AGIUS:** We looked at both sites equally. We looked at the golf course site and its opportunities, and the riverbank site and its opportunities. I think it is safe to say that in terms of additional uses, they would be more appropriate and height would be more appropriate on the riverbank site, primarily because it is within a central business district [CBD] context. If you look at the master planning that is envisaged for the whole of the CBD by City of Parramatta Council, obviously there is quite a bit of density throughout the CBD, including buildings on very adjacent sites that are quite tall by way of height and density.

**Mr DAVID SHOEBRIDGE:** Ms Neeson, going to the riverbank site, the Phillip Street site, is it your recollection that you were involved in doing hand sketches and volumetric studies that went about 10 storeys? Could it be more or could it be less?

**Ms NEESON:** The focus was on the volumetric study for the museum itself and the potential interrelationship and interaction with the public domain. It just so happened on the riverbank site that there was higher capacity, if you like unused area, that could then be taken up for other uses. The prime focus was actually on the volumetric sketching of the museum itself.

**Mr DAVID SHOEBRIDGE:** What do you mean "unused area" that could accommodate other uses? Are you talking about unused area at the ground level or are you talking about unused airspace?

**Ms NEESON:** No, floor space.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** What kind of unused area are we talking about? How much unused area?

**Ms NEESON:** I was not involved in the actual volumetric CAD massing, so I am not really in a position to answer that.

**Mr DAVID SHOEBRIDGE:** One of you must have been involved in the volumetric CAD massing. How much?

**Mr AGIUS:** Again, I would have to take that question on notice if you want a specific figure.

**Mr DAVID SHOEBRIDGE:** I do.

**Mr AGIUS:** But I must say that this is all quite rubbery in that we looked at the opportunities for additional use. However, I think the key issue is that in assessing the capacity of that particular site, our focus was MAAS's accommodation schedule. The focus clearly, and the direction from MAAS, was to ensure that the site can accommodate their requirements and their operation, and in no way, shape or form should any additional use compromise the operation of MAAS on site, or indeed the other site.

**Mr DAVID SHOEBRIDGE:** You say it is all quite "rubbery".

**Mr AGIUS:** Yes.

**Mr DAVID SHOEBRIDGE:** Do you not get an understanding of how distressed taxpayers are in New South Wales when a potentiality \$1 billion-plus decision on spending public money is made upon these kinds of rubbery estimates that you are pulling together?

**The Hon. SHAYNE MALLARD:** The decision has not been made.

**Mr AGIUS:** The purpose, as I said in my opening statement, of our exercise is purely to inform the Government's decision as regards to a site selection.

**Mr DAVID SHOEBRIDGE:** But "rubbery" is your term. Are you standing by rubbery, or is it not rubbery? Rubbery is pretty bad basis from which to make billion-dollar decisions, is it not?

**Mr AGIUS:** You are not making a billion-dollar decision based on the word "rubbery". The decision that is being made, and the purpose of the preliminary business case in terms of our scope, is to identify the capacity of the site to accommodate MAAS's brief. And we did do that.

**The Hon. WALT SECORD:** I want to take up Mr Shoebridge's line of questioning. You used the words "evolving", "not fixed" and "rubbery". Were you referring to the direction that you were given by MAAS?

**Mr AGIUS:** I am referring to the design process. As Ms Neeson mentioned, the bulk of this work was done in the fourth quarter of 2015, and within that in a period of about six weeks.

**The Hon. SHAOQUETT MOSELMANE:** Is that a typical process?

**Mr AGIUS:** It is a typical process. When an architect starts a design, they start with a blank piece of paper, and through the course of the process through rational thinking and creativity what is rubbery eventually becomes certain and firm. That is the design process.

**The Hon. WALT SECORD:** So where you given any instructions or were you just given carte blanche to go ahead and do?

**Mr AGIUS:** Go ahead and do what?

**The Hon. WALT SECORD:** You just said that you started with a blank sheet.

**Mr AGIUS:** Yes. Every project starts with a blank sheet.

**The Hon. WALT SECORD:** You must have been given some direction.

**Mr AGIUS:** I explained in my opening statement that Urbis undertook site analysis and planning analysis. That informed the basis of our consideration. Root Projects along with AEA developed an accommodation schedule. That informed our process. Our key task was to take the accommodation schedule, take the analysis and constraints on each site—and they included everything from traffic constraints and opportunities, heritage constraints and opportunities, topography, flooding and a range of issues—and distil those issues into our consideration. We coalesce everything, we bring together and then we propose something.

## CORRECTED PROOF

What we proposed was not a building design but a spatial analysis of the capacity of each site to deal with the constraints and the opportunities on the site and to accommodate the brief.

**The Hon. WALT SECORD:** How many \$1 billion-plus projects have you been involved in?

**Mr AGIUS:** I have been involved in several projects that are several hundred million dollars.

**The Hon. WALT SECORD:** But \$1 billion-plus projects.

**The Hon. GREG PEARCE:** This is your hypothetical figure.

**The Hon. SHAYNE MALLARD:** You are trapping a witness into giving a figure.

**The Hon. WALT SECORD:** I am talking about projects on this scale.

**Mr AGIUS:** When you say "\$1 billion project", please define the budget. Is that a project cost?

**The Hon. WALT SECORD:** No, I am asking you the question.

**Mr AGIUS:** Are you referring to a project cost or a construction cost?

**The Hon. WALT SECORD:** How many projects of this size have you been involved in?

**Mr AGIUS:** Based on my understanding of what the construction cost is, I have been involved in several.

**Mr DAVID SHOEBRIDGE:** What is the construction cost? To understand your answer, what is your understanding of the construction cost?

**Mr AGIUS:** Again, I should preface this by saying there was a cost planner involved in the project, which was RBL. Because there was no building design tabled, the cost estimates obviously at this very, very early stage are approximate. My understanding is that the construction cost was in the order of \$600 million to \$800 million.

**The Hon. WALT SECORD:** Back to my earlier question, how many projects between \$600 million and \$800 million have you been involved in?

**Mr AGIUS:** A few.

**The Hon. WALT SECORD:** One, two, three?

**Mr AGIUS:** Again, I would have to take that question on notice.

**The Hon. WALT SECORD:** Fewer than five?

**Mr AGIUS:** Fewer than five, yes.

**Mr DAVID SHOEBRIDGE:** I do not think anyone on the Committee is questioning Mr Agius' professional capacity.

**The Hon. WALT SECORD:** No, I am trying to get a context because of my next question. Mr Agius, you have been involved in fewer than five projects between \$600 million and \$800 million. Is it common for projects involving that level of expenditure to have the brief "not fixed", "rubbery" and "evolving"?

**Mr AGIUS:** Yes, absolutely.

**The Hon. WALT SECORD:** Are you comfortable with that?

**Mr AGIUS:** Absolutely.

**The Hon. SHAYNE MALLARD:** It is just a preliminary business case.

**Mr AGIUS:** It is preliminary. The building design has not even commenced.

**The Hon. WALT SECORD:** It is \$600 million to \$800 million.

**Mr AGIUS:** Yes. This is the beginning of a process. I mentioned MAAS's intend to undertake an international design competition for the building. Before that occurs, an entire detailed brief would need to be developed. All of that work is it to commence. We are just trying to confirm the capacity of two sites to accommodate a high-level accommodation schedule and to deal with the constraints that each of those two sites represents. This is the beginning of a very long, detailed exercise that will go on for a number of years.

## CORRECTED PROOF

**The Hon. SHAOQUETT MOSELMANE:** Can you elaborate on which of the two sites you found more suitable and why the other is less suitable for this proposal?

**Mr AGIUS:** Both sites represent opportunities. I think the MAAS site and both sites represent a number of constraints.

**The Hon. GREG PEARCE:** Your job was not to look at suitability.

**Mr AGIUS:** There is a whole range with regard to suitability and each consultant—under KPMG, of course—looks at it from their particular discipline.

**Mr DAVID SHOEBRIDGE:** You are looking at opportunities and constraints on the two sites. I think that is what Mr Moselmane is getting at.

**Mr AGIUS:** If we look at the riverbank site, our shared view—and I think Ms Neeson would agree with this—is that the riverbank site, if we go through its opportunities first, represented a great, iconic opportunity, given its public presence, its interface with the river and the fact that it potentially anchors the CBD of Parramatta at its north end. It becomes a catalyst for a whole lot of cultural opportunities in that part of the city. As you know, Parramatta has Parramatta Square at its southern end. A north-south spine is envisaged that terminates at this site, and the catalytic power of putting a building of this type for this sort of institution on that site is immense for the growth and the evolution of Parramatta and the entirety of the CBD into a really vital, culturally vibrant place. From that point of view, the opportunities are immense. From MAAS's point of view, the site represents great opportunity because of its exposure and its capacity to contribute in a really positive way to public life coming from the south side but also in the way it interfaces with the river on the north side. It has the capacity to accommodate MAAS's accommodation schedule.

However, as with all sites, there are constraints that need to be dealt with, and they principally relate to a number of issues. The site slopes some six metres from Phillip Street in the south to the riverbank. There are some challenges in terms of loading in and out of the site, given its topography. There are heritage issues on that site which in fact represent opportunity as well as constraint. There is Willow Grove, which is a State Heritage-listed house, on the site, and there is a row of terraces on the site as well. My view is that they could be very positively incorporated into a future facility that adds vibrancy and tells a story of time and history et cetera. There are other constraints on that site that relate to flooding.

The site is impacted by flooding, and that obviously needs to be dealt with. The site has great exposure, as I said, to the north in terms of solar access et cetera. There is a high-rise residential that has recently been constructed on the western side of the site that potentially represents a constraint. Parramatta city council obviously sees the iconic potential in this site as well. It has had other proposals for this site that are not inconsistent with a strong public and cultural use. All in all, the site represents immense opportunity for a building of this type, but it does have constraints and issues that need to be dealt with and addressed.

**The Hon. SHAOQUETT MOSELMANE:** How do the constraints and challenges that you have outlined translate in terms of financial cost to the final development of the site? Would it mean another \$100 million or \$200 million?

**Mr AGIUS:** Both sides have particular issues that represent cost challenges.

**The Hon. GREG PEARCE:** You are not qualified to answer that.

**Mr DAVID SHOEBRIDGE:** He can probably speak better to that than you, Mr Pearce.

**The Hon. GREG PEARCE:** I can actually speak better to it than he can.

**The Hon. SHAOQUETT MOSELMANE:** Could we get an answer, please?

**Mr AGIUS:** There is a cost planner on the project that did provide the cost planning advice, and it would be prudent to—

**The Hon. SHAOQUETT MOSELMANE:** Do you have a copy?

**Mr AGIUS:** No.

**Mr DAVID SHOEBRIDGE:** There is one pretty obvious constraint on the site for a museum where there is a whole series of priceless and irreplaceable objects, which is that it is next to a river that can flood. What was the additional cost attributed to flood-proofing the site?

## CORRECTED PROOF

**Mr AGIUS:** As I said, the flooding issue on that site is a constraint and clearly enunciated in the work that we did. I should say in terms of the scope undertaken by our consultancy team it did not include flood modelling or flood analysis, so we were reliant on the flood studies of that site that had been already prepared and in the public domain. Put simply, at a very high level, our advice and strategy was to set a ground level for MAAS that was coincidental with the one-in-100-year flood level, which is roughly coincidental with Phillip Street and, as I understand it, the level that the Riverside Theatre is set at on the north side of the river. The main constraint, of course, is that anything below that one-in-100-year flood level cannot be used by MAAS for the purposes of storage of its artefacts et cetera or for any use that operationally cannot be impacted by flooding. The assumption in the diagram was that anything below that ground level would be used for car parking.

I must say that, yes, it is impacted by flooding, but there are many institutional buildings that are on flood-prone sites. In fact, we have just completed the Newcastle law courts, which are more adversely affected by flooding than this particular site.

**Mr DAVID SHOEBRIDGE:** They do not hold a priceless, irreplaceable historical record of New South Wales, though, do they?

**Mr AGIUS:** No, they do not—

**Mr DAVID SHOEBRIDGE:** That is the point, is it not?

**Mr AGIUS:** As I said, we just did the Newcastle law courts, which is a public institutional building on a site that is more adversely impacted by flooding. Many sites are impacted by flooding but there are design mitigations that need to be put in place to deal with that. We identified a flood issue on this site.

**Mr DAVID SHOEBRIDGE:** What is the likelihood of getting a one-in-100-year flood over the next century?

**The Hon. GREG PEARCE:** One in 100.

**Mr DAVID SHOEBRIDGE:** No: What is the likelihood of getting a one-in-100-year flood over the next century?

**The Hon. GREG PEARCE:** One!

**Mr DAVID SHOEBRIDGE:** No, I am asking Mr Agius, not Government members.

**Mr AGIUS:** My mathematical deduction would lead me to say one in 100: one.

**Mr DAVID SHOEBRIDGE:** Is that seriously your answer? Is that seriously the basis upon which you gave advice: that the likelihood of getting a one-in-100-year flood over the next century is one in 100?

**Mr AGIUS:** The basis on which we gave advice is standard practice with how one designs a building on flood-prone land.

**Mr DAVID SHOEBRIDGE:** That was not my question, Mr Agius. What is the likelihood of getting a one-in-100-year flood over the next century?

**Mr AGIUS:** You asked me what the basis of my advice was, and I just told you.

**Mr DAVID SHOEBRIDGE:** No, I asked you what the likelihood of getting a one-in-100-year flood over the next century is. Do you know, given that you were giving advice about the museum location?

**The Hon. GREG PEARCE:** Chair, I ask you to stop Mr Shoebridge badgering the witness. He has answered a technical question already, and the questioner is showing his ignorance—

**The CHAIR:** Order! I ask that Mr Agius try to answer the question. If he cannot, he should take it on notice.

**Mr AGIUS:** I think the general thrust of the questioning is the basis of our advice, and I think I have answered fully in that the basis of our advice is standard practice with how any architect or any designer would deal with the design of a building on flood-prone land. It is consistent with many other buildings that we have designed on flood-prone lands. I have given you one example of a recently completed building, and I can certainly give you many others.

**Mr DAVID SHOEBRIDGE:** How many museum designs containing priceless, irreplaceable collections has your company worked on?

**Mr AGIUS:** I am working on one at the moment.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** So that is two?

**Mr AGIUS:** No, look—

**Mr DAVID SHOEBRIDGE:** Prior to the Powerhouse brief then, how many have you worked on?

**Mr AGIUS:** There are so many I will have to take that question on notice if you want a precise number.

**Mr DAVID SHOEBRIDGE:** Do you accept that there are vastly different considerations to protect something as priceless to the people of New South Wales as the Powerhouse Museum collection than there would be to protecting the fittings in a courthouse?

**Mr AGIUS:** Absolutely.

**Mr DAVID SHOEBRIDGE:** So how is it that your advice is simply equating the two in terms of the flood risk?

**The Hon. SCOTT FARLOW:** That is not what he said at all.

**The CHAIR:** You are not here to run interference—

**The Hon. SCOTT FARLOW:** I am not running interference.

**The CHAIR:** You will get a chance to ask questions if you want, not to run interference in relation to the line of questioning.

**Mr DAVID SHOEBRIDGE:** That is what he said. How is it that your advice to the Government was equating the two?

**Mr AGIUS:** As I explained, we set a ground level that was coincidental with the one in 100-year flood level. So all of the artefacts that you refer to obviously cannot be stored below that level. So that is the constraint, and that then becomes a consideration in the site selection. It is a constraint for this site.

**Mr DAVID SHOEBRIDGE:** Is that international best practice for the protection of priceless collections such as the Powerhouse to simply situate it above the one in 100-year flood level?

**Mr AGIUS:** The question at hand for MAAS is the storage of their artefacts. So obviously the constraint in regard to the one in 100-year flood level and obviously the constraint in not storing artefacts below that level requires MAAS to then consider where they will store it, either on the site or remotely elsewhere.

**Mr DAVID SHOEBRIDGE:** My question was quite simple: Is that international best practice for the protection of such priceless collections as we have at the Powerhouse? It is a very simple question.

**Mr AGIUS:** Is what international best practice?

**Mr DAVID SHOEBRIDGE:** To simply situate it above the one in 100-year flood level, which is your advice to the Government on the basis upon which the Government is moving along, potentially, on such an important thing as relocating the Powerhouse collection. You have said put it above the one-in-100-year flood level and you have dealt with the constraint. Is that international best practice?

**Mr AGIUS:** To be clear, as I said earlier, we are at the beginning of a process. We have identified a constraint and an issue for that site—

**Mr DAVID SHOEBRIDGE:** And a solution: put it above one in 100. That is where your massing starts—that is what you have said.

**Mr AGIUS:** We have not proposed any solution because we have not designed a building. We are identifying the opportunities and the constraints on the two sites and their capacity to accommodate a building yet to be designed.

**Mr DAVID SHOEBRIDGE:** And the opportunity that you said was that you can build the museum and put the collection at levels from the Phillip Street level up because that is at and above the one in 100 level for flooding. That was your evidence earlier.

**Mr AGIUS:** That is correct.

**Mr DAVID SHOEBRIDGE:** Is that international best practice for the protection of something as priceless as the Powerhouse Museum collection? Yes or no? Have you not looked at international best practice?

## CORRECTED PROOF

**Mr AGIUS:** I would have to take that question on notice to give it its due consideration. I suspect it is international best practice. As I mentioned, there are many other institutions that are on similar sites. In responding to your question properly I would need to investigate those instances.

**The Hon. WALT SECORD:** Mr Agius, when you were looking at flooding issues on the site, when you were talking about opportunities and constraints, how much extra in costs did the flooding issues add to the project?

**Mr AGIUS:** Again, as I intimated earlier, we are not the cost planner on the project.

**The Hon. WALT SECORD:** But you were looking at opportunities and constraints.

**Mr AGIUS:** Yes.

**The Hon. WALT SECORD:** I understand, in my vocabulary, flooding would be a constraint.

**Mr AGIUS:** Correct.

**The Hon. WALT SECORD:** So would this add 10 per cent, 20 per cent? If you are weighing up opportunities and constraints on the site, then you would say flooding will increase X millions of dollars in costs to this project.

**Mr AGIUS:** It would definitely add cost, but I could not tell you what the figure would be.

**The Hon. WALT SECORD:** Can you give a percentage then?

**Mr AGIUS:** No.

**Mr DAVID SHOEBRIDGE:** Was it factored into the \$600 million to \$800 million construction costs you were working off?

**Mr AGIUS:** As I understand it, yes.

**Mr DAVID SHOEBRIDGE:** How?

**Mr AGIUS:** I could not tell you because I am not across the detail of the cost plan. I understand that there was a contingency or an allowance for cost uplift associated with flooding.

**The Hon. WALT SECORD:** So if you were looking at ranking the constraints on the site, where does flooding rank in the issues that are pressing on this project?

**Mr AGIUS:** Flooding would be one of the major constraints on that site, yes.

**The Hon. SHAYNE MALLARD:** But flooding is a constraint across vast tracts of Western Sydney.

**Mr AGIUS:** Correct, yes.

**The Hon. WALT SECORD:** We are talking about this site.

**The Hon. SHAYNE MALLARD:** Hospital sites and all kinds of sites.

**Mr AGIUS:** Every site along that riverfront is confronted by the same constraint.

**The Hon. WALT SECORD:** But this site is on the river.

**Mr AGIUS:** Every site along the river is confronted by the same constraint.

**The Hon. WALT SECORD:** So flooding is the number one constraint that is affecting this project?

**Mr AGIUS:** No, I would not say it is the number one but it is certainly one of the key constraints on that site.

**The Hon. WALT SECORD:** What are the other constraints that are pressing on this project?

**Mr AGIUS:** I think the movement of vehicular traffic in and out of that site is difficult and I think the design of the loading and servicing arrangement for the museum would need to be very carefully considered on that site as well. Having said that, there are an abundance of immense opportunities on that site and I think they outweigh the constraints, on balance.

**The Hon. SHAOQUETT MOSELMANE:** Mr Agius, when you have an estimate of \$600 million to \$800 million and you are dealing with Urbis or KPMG, do they not cross-share the information with you

## CORRECTED PROOF

because you are the project manager or you are doing some plans? Would you not be informed that these are the costs and "how can we minimise these costs"? Would they not have shared that information with you?

**Mr AGIUS:** Absolutely. If we were designing a building, yes, there would be an absolute inter-directive process between the cost planner and the architect in ensuring the building design equated to the client's budget. But that is not this exercise. This exercise is a very high-level preliminary assessment of two sites' capacities to accommodate the proposed MAAS. I think we need to understand that the work done by the cost planner was very high level and indicative and based on broad floor areas rather than design, because there is no design.

**The Hon. GREG PEARCE:** I think you can take it that those who have previously been questioned have never had an involvement in a \$600 million to \$800 million project and perhaps there is a bit of a misunderstanding over there on your precise role. I think you need to be a little bit clearer on that so that the record is very clear as to what both of you actually did in this process. Certainly I have been involved in those sorts of projects—

**Mr DAVID SHOEBRIDGE:** Is this a question or a statement?

**The Hon. GREG PEARCE:** —and my recollection of where you are or where you were was that basically you would be joining grey blocks, coloured blocks; you would not have been drawing windows or doors or anything like that. Could you just give us a little bit more of a view of what both of you actually did?

**Mr AGIUS:** You are quite right. When I mentioned in my opening statement blocking and stacking, what that refers to is a three-dimensional representation of each of the rooms that are within the accommodation schedule. Some of them are very big and some of them are very tall. You draw each of them three-dimensionally and you block them and stack them on the site so you have an overall sense of the massing of what this thing might look like when it is eventually designed, and you are testing the capacity of the site to accommodate it.

Having said that, of course, as I mentioned earlier, that blocking and stacking broadly needs to address some of the constraints on the site. So by way of example, dealing with the flood issue, the blocking and stacking started at the level of the one-in-100-year flood and went up, and the assumption was that below that would be car parking and other areas that were essential to the core operation of MAAS. It is very broad, as you say, grey boxes loosely assembled on the site with the core purpose of testing the site's capacity to accommodate that volume of building.

**The Hon. GREG PEARCE:** Ms Neeson?

**Ms NEESON:** In context to the public institution, added to that is the interface with the public domain. So that blocking and stacking is looking, in very broad terms, at the capacity of that volume on that site to make positive engagement with the public.

**Mr DAVID SHOEBRIDGE:** You excluded all of the heritage buildings from the floor plan?

**Ms NEESON:** Correct, yes.

**Mr DAVID SHOEBRIDGE:** Do you know what the final site size was once you excluded the number 34 and that row of Victorian terraces?

**Ms NEESON:** I cannot recall that area.

**Mr DAVID SHOEBRIDGE:** Would you give it to us on notice?

**Ms NEESON:** Yes, we can give that to you on notice.

**The Hon. GREG PEARCE:** For complete clarity, did either of you give any advice to the Government on costings?

**Mr AGIUS:** No.

**Ms NEESON:** No.

**The Hon. GREG PEARCE:** On flood design?

**Mr AGIUS:** No, other than as I said—

**The Hon. GREG PEARCE:** Other than the one in 100?

**Mr AGIUS:** Yes.

## CORRECTED PROOF

**The Hon. GREG PEARCE:** Did you give any advice on design? Did you design anything?

**Mr AGIUS:** To the extent—

**The Hon. GREG PEARCE:** Finishes?

**Mr AGIUS:** No.

**Ms NEESON:** No.

**The Hon. GREG PEARCE:** Did you give any advice on access to the loading docks on the design, other than to say that they could be a constraint?

**Mr AGIUS:** Very, very broad to the extent that we identified opportunities and constraints and challenges, perhaps, on each of the sites.

**The Hon. GREG PEARCE:** Ms Neeson?

**Ms NEESON:** Correct.

**The Hon. GREG PEARCE:** Did you give any advice on international best practice? Were you asked?

**Mr AGIUS:** No, but as Ms Neeson explained in her opening statement, there were a group of benchmark projects that were identified, from my recollection, collectively by the consultant and together with MAAS, and they were looked at, from our point of view, in respect of how they might fit on each of these sites. So we gave the MAAS a sense of the scale of the two sites and a sense of what a building might look like on the two particular sites.

**The Hon. GREG PEARCE:** On notice, so we can educate the other members of the Committee, send us a little box diagram, not from the project, but could you quickly give us an example of the sort of work that we are talking about?

**Mr DAVID SHOEBRIDGE:** Maybe you could provide them on notice to the Committee. That would be the simplest. Why do we not do that?

**The Hon. SCOTT FARLOW:** That is what he asked.

**The Hon. GREG PEARCE:** That is what I asked.

**Mr AGIUS:** Do you mean for a similar project?

**The Hon. GREG PEARCE:** Yes.

**Mr DAVID SHOEBRIDGE:** Why do we not get the ones for this project so we can see? We do not have to speculate. You could provide them on notice.

**The Hon. WALT SECORD:** I think that is a good idea.

**Mr DAVID SHOEBRIDGE:** Mr Agius, there is nothing to prevent you providing them on notice, is there?

**The Hon. GREG PEARCE:** You would have to take that on notice.

**Mr AGIUS:** I will have to take that on notice and obviously seek advice in regard to that.

**The CHAIR:** You are really talking about the concept sketches and developing the volumetric concepts, et cetera. Can we have copies of those sketches?

**The Hon. SHAYNE MALLARD:** He has taken it on notice.

**Mr AGIUS:** Again, I would have to take that request on notice—

**The CHAIR:** I do not expect you to draw them now.

**Mr AGIUS:** —and seek advice in regard to what we can and cannot give you. .

**The CHAIR:** Sorry, say that again.

**Mr AGIUS:** I said, I would have to take that question on notice and seek advice as to what we can and cannot legally give you.

**The CHAIR:** Take that on notice.

## CORRECTED PROOF

**Mr AGIUS:** Sure.

**The CHAIR:** It would be nice to see the concepts of how this building would incorporate or potentially incorporate a 10 storey tower as part of the integrated plan. It would be very interesting.

**Mr DAVID SHOEBRIDGE:** So would the evolving and final positions that MAAS was putting to you in respect of what was needed to be accommodated on the site. You said there were some schedules. Is that right, Mr Agius?

**Mr AGIUS:** There was an evolving accommodation schedule.

**Mr DAVID SHOEBRIDGE:** You can provide those on notice, too.

**The Hon. GREG PEARCE:** I think he said he would take it on notice and give you what he can.

**Mr DAVID SHOEBRIDGE:** No, he has not. Mr Agius, those accommodation schedules?

**Mr AGIUS:** I would not provide that to you because we are not the author of that work. I think you would be best seeking that from the consultants that provided that work.

**Mr DAVID SHOEBRIDGE:** What was the final space, the exhibition space that was required to be accommodated? That is such a crucial figure; you would remember that?

**Mr AGIUS:** Again, I hesitate to give you a number, because I really should confirm the precise number to ensure—

**Mr DAVID SHOEBRIDGE:** By all means, give it to us on notice.

**Mr AGIUS:** —that I am giving you the correct advice.

**The Hon. SHAYNE MALLARD:** Ms Neeson, thank you for coming today in a voluntary capacity, and congratulations on the awards you have achieved; you are highly acknowledged. You worked on the pool at Prince Alfred Park when I was a councillor of the City of Sydney Council. I appreciated the work your firm did in the public domain. I note that there was an article online that suggested you were going to be prosecuted for not coming to this Committee. That has caused you some grief and concern. I regret that someone associated with this Committee has revealed a confidential discussion. I apologise and certainly indicate that I was not involved in that.

**Ms NEESON:** Thank you.

**The Hon. SHAYNE MALLARD:** Mr Agius, I was excited and I want to talk about the positives of this project. You talked about the public domain, the anchoring of this facility in Parramatta. Parramatta is going through a wonderful rebirth as Sydney's number two capital city. It is exciting, and this project is part of the exciting transformation of Western Sydney. I would like you to expand more on its positive side in respect of what this facility will do for Parramatta, anchoring the northern area. Focus on the positives.

**Mr AGIUS:** Sure. As I said, an institution of this scale and this importance in Parramatta has the power to change and transform Parramatta as a strong second central business district. Obviously there is a paucity of cultural institutions in Western Sydney and I think locating an institution of this type in Parramatta would be magnificent in respect of its capacity to engender growth and innovation and vibrancy, et cetera, not only for the core of Parramatta's CBD, but broadly the entirety of Western Sydney. As I said earlier, Parramatta city council has identified this particular site in its overarching master plan of the CBD as being a key site that can contribute in a very positive way to the public domain and public life. To a large extent, this institution addresses that opportunity that has already been identified.

There is a nice diagram, as I mentioned, with the future Parramatta Square in the south, which is essentially commercial buildings, as well as educational buildings. Western Sydney will have a presence there and Parramatta council will have its facilities there, but it is a great public space that anchors the southern end of the city, made vibrant by its proximity to the train station. It is envisaged that there is a long north-south spine that terminates at this site, and this becomes the cultural anchor. We know that Parramatta council has done various cultural ribbon studies for what can happen along the riverfront. Again, there is a synergy between the proposition for this institution to be there with all of the other cultural propositions that are being considered and what is there at the moment, indeed, in the form of riverside theatres, et cetera.

**The Hon. SHAYNE MALLARD:** It is probably a bit early to ask this question, given it is at the preliminary stage, but was any work done around that city space, the public space opportunities that it was creating in respect of creating a greater civic presence for Parramatta. Urbis do that.

## CORRECTED PROOF

**Mr AGIUS:** With the work that we did, and as Ms Neeson has explained, the public domain is important, and it is not just about accommodating MAAS's operational requirements and ensuring that its vision is fulfilled and achieved, but it is about making a strong contribution to public life in the public domain, and with this building on that site, with the amenity of the river with its precise position in the city, there is the opportunity to create great public spaces and perhaps a great grand public room that steps down to the river that is on the south side, so it is sunny and it provides a great offer by way of great public amenity for the city and for the growth of the city. This is an investment in transforming Parramatta for the next 100 years and beyond. There is the opportunity for an exciting, bold, strong gesture that is transformative at Parramatta. I think there is actually a lot to be excited and positive about.

**The Hon. SCOTT FARLOW:** Ms Neeson, you mentioned that you were involved since 31 August 2015. Mr Agius, what was the time frame of your involvement in the project? I imagine you would have been on board earlier than that stage.

**Mr AGIUS:** Marginally, I think. Ms Neeson, as I said, was the sub-consultant to COX and the work was done pretty much in the fourth quarter of 2015. If we were there it would have been marginally before Ms Neeson and marginally after—

**The Hon. SCOTT FARLOW:** There has been some criticism of this evolving process, but I just want to walk through a couple of things that you have said. You indicated that you were relying on an accommodation schedule from Urbis?

**Mr AGIUS:** From Root Projects and AEA.

**The Hon. SCOTT FARLOW:** As this project evolved I imagine you got information from other consultants who were working on the project that helped to inform your approach to the project as well?

**Mr AGIUS:** Yes, principally Root Projects and AEA in regard to the accommodation schedule and Urbis in regard to planning matters and opportunities and constraints on the two sites. I should just say, as I mentioned, we are not designing a building so there was not the full range of consultancies that you would normally find when you are designing a building. As I mentioned, there was no flood modelling done, there is no traffic consultant, no structural engineers, no civil engineers, no Disability Discrimination Act consultants, no acoustic consultants. All of those consultancies that would be usually in place when you are designing a building were of course not there because we are not designing a building.

**The Hon. SCOTT FARLOW:** You talk about an evolving project over what was a fairly short period of time, about three months of intense work. I suspect you would have gone through briefing processes with all consultants present. You outlined that there were processes where you did not attend briefings and the like because it was not relevant to you. Then you got information from other consultants. I imagine this is all part of how a process evolves, so to speak?

**Mr AGIUS:** Correct.

**The Hon. SCOTT FARLOW:** And ideas change.

**Mr AGIUS:** Correct. The issue that the Committee needs to be aware of in regard to this consultancy, or the general processes of how an architect designs a building, is generally when they commence the design of the building they are given a detailed brief. The work that we are doing was done concurrent with the development of that brief. Obviously, when I use the term "evolve", we are providing advice and testing an evolving brief on two sites and, as I said, through a blocking and stacking process looking at the capacity of each site to accommodate that brief.

**Mr DAVID SHOEBRIDGE:** I think I owe you the opportunity to try to clarify some ambiguity in your evidence. You said earlier that the likelihood over the next century of getting a one-in-100 flood event was one in 100. Do you stand by that?

**Mr AGIUS:** Do I stand by that? I think so, yes.

**Mr DAVID SHOEBRIDGE:** You stand by it?

**Mr AGIUS:** One in 100 means that there is one chance of a flood through a 100-year period. That is my simple understanding of that constraint.

**Mr DAVID SHOEBRIDGE:** No, indeed it is not. It is a statistical event occurring on average once every 100 years and there is a 1 per cent likelihood in any given year.

## CORRECTED PROOF

**Mr AGIUS:** I think the word "average" is implied.

**Mr DAVID SHOEBRIDGE:** Let me finish. At the flood level you have put you can expect a flood to be at or above that level in the next century. It is not a 1 per cent chance of it; it is a likely event that you will have a flood at or above the one-in-100-year level over the next century. Do you not understand the difference?

**The Hon. GREG PEARCE:** Do not lecture the witness.

**Mr DAVID SHOEBRIDGE:** Do you understand the difference between a one-in-100 likelihood over the next century and the fact that the figure you used said it is likely to have a flood at that level?

**The Hon. GREG PEARCE:** Point of order: This questioning is insulting and badgering and it should be stopped. The time has expired for these witnesses.

**The CHAIR:** Our time has expired. Mr Agius, if you want to take that on notice it is up to you. Thank you both for coming today. I note that you have taken a number of questions on notice. The Committee has resolved that answers to questions taken on notice be returned within 14 days. The secretariat will contact you in relation to that.

**Mr DAVID SHOEBRIDGE:** I am happy for Mr Agius to give his answer on the record if he wants.

**Mr AGIUS:** I think I have answered the general thrust of your question adequately.

**(The witnesses withdrew)**

**(Short adjournment)**

**STEVEN CASEY**, Director, Advisory, KPMG, sworn and examined

**GRAHAM BROOKE**, Partner, KPMG, sworn and examined

**MICHAEL PARRY**, Director, New Museum, Museum of Applied Arts and Sciences, affirmed and examined

**DOLLA SHIREEN MERRILLEES**, Director, Museum of Applied Arts and Sciences, on former oath

**The CHAIR:** I welcome our next witnesses, Mr Casey, Mr Brooke, Mr Parry and Ms Merrillees.

**Mr BROOKE:** Before I begin, Mr Chair, can I apologise. I had surgery on my voice box last Thursday. I did want to give evidence to the Committee. I will keep very close to the microphone. I apologise if I am difficult to hear.

**Mr DAVID SHOEBRIDGE:** Mr Brooke, is there any suggestion that you speaking today is negative for your recovery?

**Mr BROOKE:** Absolutely not but I do appreciate you asking that question. Thank you very much.

**The CHAIR:** We appreciate you alerting us to that. Thank you. Would you like to make a short opening statement?

**Mr BROOKE:** Yes, and I apologise again. I would like to make a short opening statement. I will try not to make it too long.

**Mr DAVID SHOEBRIDGE:** Your voice gives you a sort of Wran-like authority. It is working quite well.

**Mr BROOKE:** First of all, thank you very much for the opportunity to appear before the Committee today. I want to take this opportunity to provide an outline of KPMG's involvement with the Powerhouse Museum and the proposed move to Parramatta. As you will be aware, on 26 February 2015 the Premier of New South Wales announced the Government decision to move Museum of Applied Arts and Sciences to Parramatta. This was five months before KPMG's involvement. Importantly we did not advise on whether or not the Powerhouse Museum should move to Parramatta. This decision had already been taken. We were engaged to inform site selection at Parramatta.

As noted within the MAAS annual report for 2015-16, KPMG and its consortium members were involved in the development of a preliminary business case to help inform the selection of the site at Parramatta again following the Government's decision to move to Parramatta. The KPMG consortium comprised a number

## CORRECTED PROOF

of specialist advisors including Root Projects Australia, Cox, Neeson Murcutt Architects, Urbis, Rider Levett Bucknall and AEA Consulting. The consortium members were selected by KPMG specifically for this project to provide best-breed advice in all relevant areas.

We were appointed in August 2015 following a highly competitive process. Our contract was prepared in line with conditions of the New South Wales prequalification scheme. Our work on the primary business case concluded in March 2016 and we were not subsequently engaged to conduct the final business case. By way of explanation, the final business case is a much more substantial document and provides the rationale for the Government to invest. That is not the purpose of the preliminary business case. We were not involved in the final business case and we have had no involvement since March 2016. Based on advice from the Museum of Applied Arts and Sciences and the Department of Justice we understand that the preliminary business case and the working papers remain Cabinet in confidence. The Cabinet-in-confidence status will limit our responses today. Notwithstanding this we are absolutely respectful of the work of the Committee and will provide responses wherever we are able to do so.

**The CHAIR:** Thanks very much. Ms Merrillees, would you like to make an opening statement?

**Ms MERRILLEES:** Yes, please.

**Mr PARRY:** Thank you, Chair. The Museum of Applied Arts and Sciences commands a unique place at the intersection of science, technology, design and the arts. It is a truly inspiring institution that has always been focused on creativity, ideas and innovation. It has built up a great international reputation with its three venues—the Powerhouse Museum, Sydney Observatory and the Museums Discovery Centre—offering a vast range of engagement and activities for people of all ages. Overall the Museum of Applied Arts and Sciences holds more than half a million items in its collection. Beyond the museum walls there is an active regional, national and international loans and touring program which in the year 2015-16 combined to reach more than 4.6 million people throughout Australia and the world.

Over the past 2½ years the museum has experienced unprecedented growth and change driven by the alignment of its vision and strategic direction. This has enabled the museum to invest an additional \$5 million a year towards better access, more exhibitions and improved programs. In the 2015-16 year the museum saw a 30 per cent year on year increase in visits—a strong contribution to the New South Wales Government's priority to increase visitation to cultural institutions by 15 per cent by 2019. The museum plays a vital role in supporting the State's visitor economy. Working with Destination NSW we deliver a series of exclusive and world premiere exhibitions and run the museum's MAASive Lates program with its free afterhours events boosting Sydney's night-time economy. However, the announced Powerhouse Museum move has not been without impact. As the business case preparation is finalised and the negative portrayal in the media continues, confusion has been fostered in our audiences and they are unclear as to whether the museum remains open for business. The uncertainty has become an overlay in our relationships with all of our stakeholders.

We welcome the Government's commitment to invest in the museum through the development of a state-of-the-art, iconic and world-class cultural institution in Parramatta that provides audiences from across New South Wales, Australia and the world with excellent physical and digital experiences as well as optimum access to the museum's remarkable collections. We are here today to assist the Committee with any questions they may have but I would like to state that both Dolla Merrillees and I appear here today as public servants. As such we are unable to comment on government policy. Nor are we able to release information which is Cabinet in confidence. Acting on instructions from the Department of Justice, the contents of the preliminary business case including the working materials, final business case and site selection reports are Cabinet in confidence. Thank you.

**The Hon. WALT SECORD:** Mr Parry, in relation to your opening statement, did you say there has been a drop in attendance at the Powerhouse Museum recently?

**Mr PARRY:** Across the 2015-16 year we saw a 30 per cent increase year on year.

**The Hon. WALT SECORD:** You referred to a negative portrayal. What were you referring to?

**Mr PARRY:** The statement was referring to the fact that the controversy has not been without impact. It definitely has had an impact on our stakeholder relationships.

**The Hon. WALT SECORD:** I did not understand. What was the negative impact?

## CORRECTED PROOF

**Mr PARRY:** We do know that there is confusion with our audiences about whether we remain open or closed or whereabouts we are located and we do know that it has had a negative impact on our relationships with many other stakeholders.

**The Hon. WALT SECORD:** Such as?

**Ms MERRILLEES:** If I may answer that, given the level of uncertainty around the museum what that means in a very competitive environment for sponsorship is that there has been a reluctance to commit until there is certainty around the museum's future.

**The Hon. WALT SECORD:** Do you not think that you should take some responsibility for that rather than blaming others?

**Ms MERRILLEES:** I was not aware that I was blaming anyone. I was just talking about the confusion. As with any negative campaign against the business, we are stating that there have been negative impacts on the business.

**The Hon. WALT SECORD:** Have you lost sponsors?

**Ms MERRILLEES:** It has been more difficult to sign up sponsors.

**The Hon. WALT SECORD:** You said there has been a negative impact.

**Mr DAVID SHOEBRIDGE:** In fact, you spoke of a "negative campaign". What is this negative campaign?

**The Hon. WALT SECORD:** Yes, what is this negative campaign that you are referring to? You voluntarily made that opening statement, so I just want to remind you of that.

**Ms MERRILLEES:** Since the announcement of the riverbank site in 2016 there have been over 1,000 newspaper articles, predominantly against the museum's relocation.

**Mr DAVID SHOEBRIDGE:** That is the public not liking what you do. That has had a negative impact because the public loathes the idea of what you are doing. Are you blaming the public?

**Ms MERRILLEES:** No. I am not sure what part of my statement you believe means that I am blaming the public. I am simply saying that the ongoing around the museum's relocation has had an impact.

**The Hon. WALT SECORD:** We did not offer that; that was the statement you made.

**Mr DAVID SHOEBRIDGE:** You said there was a negative campaign. Whose campaign? What campaign? "Negative campaign" were your words.

**Ms MERRILLEES:** There was a negative campaign against the relocation of the museum.

**Mr DAVID SHOEBRIDGE:** Whose campaign?

**Ms MERRILLEES:** Stakeholders, members of the public.

**Mr DAVID SHOEBRIDGE:** The public does not want you to do it; so maybe you should not do it.

**Ms MERRILLEES:** I think that that is a question for Government and I am not here to answer questions on Government policy.

**The Hon. SHAOQUETT MOSELMANE:** I have a question subsequent to that. What countermeasures do you take to address those kinds of negative campaigns?

**Mr DAVID SHOEBRIDGE:** Or is it a problem of selling a big dead cat?

**Ms MERRILLEES:** I am not aware of how you sell a big dead cat.

**Mr DAVID SHOEBRIDGE:** That is the problem you are confronting, though, isn't it? Nobody wants to buy a big dead cat, and that is what the relocation is.

**The Hon. WALT SECORD:** Ms Merrillees, with the appointment of a new Premier and a new arts Minister, have you briefed the arts Minister and/or his office on the current state of play?

**Ms MERRILLEES:** Professor Glover and I are meeting with the Minister next week.

**The Hon. WALT SECORD:** Have you met any of his staff or interim staff?

**Ms MERRILLEES:** No; I have not, at this stage, met any of his staff.

## CORRECTED PROOF

**The Hon. WALT SECORD:** Have you provided any written briefings to him on the current state of play?

**Ms MERRILLEES:** Given that we are having a meeting with him next week we have provided a brief to the Minister around current issues.

**The Hon. WALT SECORD:** Are you happy with the way that it has been carried out so far?

**Ms MERRILLEES:** I apologise—what has been carried out?

**The Hon. WALT SECORD:** I guess I am trying to ask, are you happy with the way you have been overseeing the project? When you brief the Minister will you be saying that you are pleased with the way the project has been progressing?

**Ms MERRILLEES:** The briefing that we have provided to the Minister is around the overall museums, our exhibitions and our programs. Yes, I am incredibly proud of the exhibitions, programs and audience engagement that we are currently undertaking.

**The Hon. WALT SECORD:** Will you be briefing him on the current state of play on the move?

**Ms MERRILLEES:** Yes, absolutely.

**The Hon. WALT SECORD:** Will that form a central part of your briefing with him?

**Ms MERRILLEES:** That will form part of the discussions.

**Mr DAVID SHOEBRIDGE:** On the last occasion we had a hearing I asked, I think, the chair of the board, whether or not the board had asked for and received a detailed consideration by MAAS weighing up the pros and cons of the move. Do you remember that question?

**Ms MERRILLEES:** Yes, I do.

**Mr DAVID SHOEBRIDGE:** The answer that we got was that the trust did not request a detailed consideration from MAAS staff on the pros and cons of the proposed relocation. Do you find that remarkable, given the obligation that the staff and the trust, together, have to ensure the best interests of MAAS?

**Ms MERRILLEES:** The relocation has been a standing item on the agenda of every single trust meeting. Management provides a report to the trust and it is deliberated on at every trust meeting. It is very high on the agenda for discussion with the trust.

**Mr DAVID SHOEBRIDGE:** Surely the starting point, if the Government is suggesting you blow up the Powerhouse and move it to Parramatta, is for the trustees and the management to ask, "What are the pros and cons for us. Let's get an assessment of whether this is going to work for us." Surely, any responsible management team would produce that right at the outset.

**Ms MERRILLEES:** As I said, the board of trustees has deliberated on the proposed relocation at every single trust meeting. I think Professor Glover made very clear, in his last testimony, the conditions that the trust set on the proposed relocation, and their ambitions for the project.

**Mr DAVID SHOEBRIDGE:** We have just found out from the architects that they were proposing massing on the riverbank site of something in the order of 10 storeys, which is clearly more than is required for the museum, and is clearly potentially putting something on the site which will produce the very compromise that the board was concerned about and would be inconsistent with the communication last year. How do you resolve those inconsistencies?

**Mr PARRY:** I am not aware of what evidence has previously been given. What I can talk to is the final business case and what it proposes. There are a series of options and I can confirm that those options are in line with the trust's statements, which were provided earlier and which I am happy to remind the committee of. The whole site is required, and that it is unencumbered by commercial development.

**Mr DAVID SHOEBRIDGE:** What about residential development? Are we being coy about the term "commercial"? Are we talking about commercial, residential or other development?

**Mr PARRY:** I am stating that the business case is in line with the trust's requirements, which is that it is unencumbered by commercial development.

**Mr DAVID SHOEBRIDGE:** So there could be 30 storeys of residential development whacked on top of it and that would okay. Is that your position?

## CORRECTED PROOF

**Mr PARRY:** I am stating that the business case is in line with the trust's requirements.

**Mr DAVID SHOEBRIDGE:** I am putting this to you. Consistent with what you have said, a 30-storey residential development on top of it would be consistent. Do you agree or disagree?

**Mr PARRY:** You are asking me to speculate on what is in the business case, and that is not something that I can do.

**Mr DAVID SHOEBRIDGE:** I am not. I am asking whether or not a 30-storey residential tower on top of the relocated MAAS site at Parramatta is consistent or inconsistent with the vision that was put by Professor Glover. I am not asking you to speculate on the business case. I am asking you about that very concrete proposal. Is 30 residential storeys on top consistent or inconsistent?

**The Hon. GREG PEARCE:** There is no such proposal.

**Mr PARRY:** All I can say is that the business case is in line with the trust's requirements.

**Mr DAVID SHOEBRIDGE:** So we can expect a massive residential tower whacked on top of it, can we?

**Mr PARRY:** We can expect the Government to make a decision on the final business case soon.

**The Hon. WALT SECORD:** Ms Merrillees, have you had any discussions with the Premier's office, the Department of Premier and Cabinet, or the Premier involving the Powerhouse?

**Ms MERRILLEES:** Since the appointment of the new Premier?

**The Hon. WALT SECORD:** Yes, since the new Premier.

**Ms MERRILLEES:** No, I have not. However, it is probably worth reminding the Committee that the Department of Premier and Cabinet sits on the project steering committee which has oversight of the project.

**The Hon. WALT SECORD:** Have you had any discussions with the Premier's private staff?

**Ms MERRILLEES:** I have not.

**The Hon. WALT SECORD:** Has there been any discussion recently involving scrapping this project?

**Ms MERRILLEES:** Not to my knowledge.

**The Hon. WALT SECORD:** Have you been involved in any discussions to shelve this project?

**Ms MERRILLEES:** No, I have not.

**Mr DAVID SHOEBRIDGE:** Mr Brooke, thank you again for coming. I hope the recovery is going well.

**Mr BROOKE:** Thank you.

**Mr DAVID SHOEBRIDGE:** We will try to do what we can. We heard in evidence earlier this morning that the construction cost for the riverbank project that was considered at about the time you were doing your work was in the order of \$600 million to \$800 million. Would that be right?

**Mr BROOKE:** I have been advised that the content of the preliminary business case is Cabinet in confidence. So, unfortunately, I cannot comment.

**Mr DAVID SHOEBRIDGE:** I might ask the Chair, if possible, to reiterate the position of this committee in terms of Cabinet in confidence. Cabinet in confidence covers the deliberations but not the preliminary steps in relation to these matters.

**The CHAIR:** That is exactly right. As I read out at the start, the Legislative Council's view, as informed by the Egan cases, is that the Committee is entitled to information or documents, except those that disclose the actual deliberations of Cabinet. It is important to note that the distinction must be drawn between documents or information that discloses actual deliberations of Cabinet—which I would suspect you would not be in possession of, anyway—versus those prepared for assistance to the Cabinet. Therefore, no action in relation to breaches of secrecy requirements can be taken against you regarding your evidence today. However, it is important to remember that this privilege does not apply to what witnesses may say outside of their evidence at the hearing.

## CORRECTED PROOF

**The Hon. GREG PEARCE:** It might help to resolve this if we give the public servants the opportunity to respond to these questions, because Mr Brooke is clearly not only bound by the advice that he has been given; he is also contractually bound.

**Mr DAVID SHOEBRIDGE:** I think parliamentary privilege overrides the contractual obligations as well as part of the introduction. Mr Brooke, you have a legal adviser behind you.

**Mr BROOKE:** Yes, and all I can say is I am really respectful of the terms of reference of the Committee. I respect the legal advice that you have received. I have received legal advice that says that I cannot comment on issues such as the capital cost of the project.

**Mr DAVID SHOEBRIDGE:** Mr Brooke, have you signed a confidentiality agreement with the Government on this?

**Mr BROOKE:** When we are first appointed the terms of our appointment always include confidentiality clauses, yes.

**Mr DAVID SHOEBRIDGE:** And then everyone you contracted, you wrapped up with a confidentiality clause as well. Is that right?

**Mr BROOKE:** That is always the case.

**The Hon. SCOTT FARLOW:** Standard practice.

**Mr DAVID SHOEBRIDGE:** We are not talking about a nuclear reactor here, Mr Brooke. We are talking about a museum, a public museum made with public money. What on earth is the rationale for wrapping up everything in secrecy?

**The Hon. GREG PEARCE:** You would have to ask the Government.

**Mr DAVID SHOEBRIDGE:** I assume there was discussion about it. What was the purpose of this blanket secrecy?

**Mr BROOKE:** Again, I am very respectful of the Committee, respectful of your advisers and my advisers. I have been advised—and you know more about Cabinet in confidence than I do, and my lawyers know a lot more than I do about Cabinet in confidence—that the contents and the deliberations around the preliminary business case are Cabinet in confidence. I am going to respect that.

**Mr DAVID SHOEBRIDGE:** I am only assuming it does not involve a nuclear reactor, I might say at this point. As part of your considerations for the preliminary business case, were you looking at the impacts on the Powerhouse site and the loss of value from the Powerhouse site as a result of a relocation?

**Mr BROOKE:** I am going to sound a bit like a broken record and a boring old accountant, but the contents of the preliminary business case are, I am advised, Cabinet in confidence. Those deliberations are Cabinet in confidence, in my understanding.

**Mr DAVID SHOEBRIDGE:** I think there might be some benefit if we have a short deliberative, given we do not seem to be ad idem about your answers.

**The CHAIR:** My view, Mr Brooke, is that you cannot answer us in that fashion. We will take a short break to have a deliberative and decide how we are going to proceed. I ask everyone to leave the room while we adjourn for a deliberative.

**(Short adjournment)**

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** Mr Brooke, what consideration did you give in the course of the business case to the potential opportunity costs or loss costs of the relocation from the Powerhouse site?

**Mr BROOKE:** I am very respectful of the work of the Committee, but I have been advised that the contents and deliberations of the preliminary business case are Cabinet in confidence. I am unfortunately unable to answer that question.

**Mr DAVID SHOEBRIDGE:** I am now going to ask you directly to answer that question, which falls within the terms of reference of this Committee and the work that you have done and which is not protected by Cabinet in confidence for the reasons read onto the record by the Chair. I ask you that question again and formally seek for you to answer that question.

**Mr BROOKE:** I repeat my last response: I have been advised that the contents and deliberations around the preliminary business case are Cabinet in confidence. I am not able to respond to the question.

**Mr DAVID SHOEBRIDGE:** I note that you are here voluntarily today and not under summons, so it may well be that for the purposes of today we will move on to the next point of questioning.

**Mr BROOKE:** Thank you.

**Mr DAVID SHOEBRIDGE:** Was the competitive process for the appointment of KPMG a tender?

**Mr BROOKE:** Yes, there were some terms of reference that were released by the Government. We formed a consortium to prepare a KPMG response. Our business is not without competition. There are lots of other firms that are able to produce preliminary business cases. We made a submission or a tender, and eventually our tender was accepted, but there is a lot of competition and the Government makes a judgement on value-for-money grounds as to which consultant it selects.

**Mr DAVID SHOEBRIDGE:** Was it a public tender process or just people that the Government chose?

**Mr BROOKE:** That is a good question. I might ask the Government to respond to that. Normally it would be an open process but only open to those on the prequalified panel.

**Mr DAVID SHOEBRIDGE:** So you did not read about it in the *Parramatta Advertiser*; you were contacted by the Government.

**Mr BROOKE:** I did not read about it in the *Parramatta Advertiser*.

**Mr PARRY:** If I may answer that question, the procurement of the preliminary business case was via a prequalification list which is run by ProcurePoint, which is the New South Wales Government's procurement group. There is a series of firms which are prequalified. It is quite a long list. We drew up, on behalf of the project steering committee, a set of requirements for that, so essentially it was a select tender.

**Mr DAVID SHOEBRIDGE:** Which firms were selected and what were the requirements?

**Mr PARRY:** The requirements were very clear: They were to produce a preliminary business case in line with NSW Treasury requirements. A series of firms was asked to respond to that tender. They were interviewed and the best offer was selected.

**Mr DAVID SHOEBRIDGE:** Mr Brooke, as far as Mr Parry said, your job was to produce a preliminary business case consistent with Treasury's requirements. Is that your understanding?

**Mr BROOKE:** Our job was to meet the requirements of the terms of reference. Again, it is probably best that the Government responds to this. Normally a number of departments would input into the terms of reference.

**Mr DAVID SHOEBRIDGE:** Mr Parry, you are not going to backtrack on your earlier evidence. It was Treasury that was calling the shots on the requirements, according to the tender.

**Mr PARRY:** No, any Government business case is required to meet those Treasury requirements. That is not an unusual thing. Any business case which is to be considered by Cabinet needs to meet the same requirements.

**Mr DAVID SHOEBRIDGE:** Who was making the call in terms of directing the work of Mr Brooke? Was it Treasury or something other than Treasury?

## CORRECTED PROOF

**Mr PARRY:** If you are referring to the scope of work that was signed off by the project steering committee, I think we have provided a list of who was on the project steering committee in previous materials.

**Mr DAVID SHOEBRIDGE:** Who was leading the project steering committee? Who was actually making the decisions about the scope of work on the preliminary business case?

**Ms MERRILLEES:** If I may answer, the project steering committee, which has oversight of the project, includes the Department of Justice and it is chaired by the Secretary of the Department of Justice.

**Mr DAVID SHOEBRIDGE:** Who else was on it at the time the preliminary business case was signed off?

**Ms MERRILLEES:** The project steering committee is made up of the Department of Premier and Cabinet and the Department of Justice. There is a representative of the MAAS trust. On occasion there is a representative of Treasury, Arts NSW, which is now Create in NSW, and the MAAS executive.

**Mr PARRY:** And Infrastructure NSW.

**Ms MERRILLEES:** And Infrastructure NSW.

**Mr DAVID SHOEBRIDGE:** So the museum was very much a minority voice on the project steering committee.

**Ms MERRILLEES:** The museum was represented, as was the trust—is represented on the project steering committee.

**Mr DAVID SHOEBRIDGE:** With what—one voice?

**Ms MERRILLEES:** The trust has a voice and the museum executive sit on that committee.

**Mr DAVID SHOEBRIDGE:** Am I wrong, or is that a minority on the project steering committee?

**Ms MERRILLEES:** There is adequate representation from the museum and from the trust.

**The Hon. WALT SECORD:** Who is the museum representative on the steering committee?

**Ms MERRILLEES:** It is Michael Parry, myself and the deputy president of the trust.

**The Hon. WALT SECORD:** So you three rotate?

**Ms MERRILLEES:** No, we are all present.

**The Hon. WALT SECORD:** Mr Parry, what is your official title and what are your duties?

**Mr PARRY:** My role title is Director, New Museum Project. I was seconded to this role around 12 months ago.

**The Hon. WALT SECORD:** From where?

**Mr PARRY:** From within the museum. I was previously part of the museum's executive team.

**The Hon. WALT SECORD:** What did you do on the executive team?

**Mr PARRY:** My role was Director of Programs and Engagement.

**The Hon. WALT SECORD:** What does that mean?

**Mr PARRY:** That is the part of our organisation which is focused on our audiences; so it looks after our programs, our education teams—

**The Hon. WALT SECORD:** So you run school tours and things like that?

**Mr PARRY:** Many things like that.

**The Hon. WALT SECORD:** Community engagement—that is school tours, increasing visitor numbers, what else?

**Mr PARRY:** That particular role takes responsibility for two of our sites, the Sydney Observatory and the Museum's Discovery Centre. At the time it also looked after our commercial activities. It also looks after all of our digital activities; so essentially many of the things that impact on our audiences.

**The Hon. WALT SECORD:** So your duties would be school visits, increasing visitor numbers, digital enhancement. How long have you been with the Powerhouse Museum?

## CORRECTED PROOF

**Mr PARRY:** I have been with the museum for approximately three years.

**The Hon. WALT SECORD:** And where were you before that?

**Mr PARRY:** Prior to that I was the deputy director of the Australian Centre for the Moving Image in Melbourne.

**The Hon. WALT SECORD:** And where were you before that?

**Mr PARRY:** I spent seven years at ACMI. Prior to that I worked for a series of consulting firms, working on major projects with museums and galleries across North America and Australia.

**The Hon. WALT SECORD:** So your position is New Museum Project Coordinator?

**Mr PARRY:** Director.

**The Hon. WALT SECORD:** How many projects similar to this have you overseen?

**Mr PARRY:** I think every project you work on is unique. In my experience I have worked on many large development projects both in Australia and in North America, whether they be redevelopments of parts of a museum or whether they be major exhibitions. At ACMI I led a very large-scale capital program there. Every job requires a different approach, but this one is obviously quite unique.

**The Hon. WALT SECORD:** Have you worked on a project of this size, of this scale?

**Mr PARRY:** No, not of this scale.

**The Hon. WALT SECORD:** So this is your first major project?

**Mr PARRY:** This is the first one of this scale.

**Mr DAVID SHOEBRIDGE:** Ms Merrillees, it was either the last time or the time before you appeared at this inquiry there were questions, if you remember, about comparing the size of the site at Ultimo compared to the size of the Parramatta River site. Do you remember those questions?

**Ms MERRILLEES:** I remember.

**Mr DAVID SHOEBRIDGE:** Can you recall what it was that you said? Your evidence was that the riverbank site was comparable to the Ultimo site. Do you remember that?

**Ms MERRILLEES:** Yes, and we provided a written response on notice as well.

**Mr DAVID SHOEBRIDGE:** When I read your written response I did not see any statement there that you had excluded No. 34 Phillip Street, which is a heritage site that cannot be developed, or the row of Victorian terraces, which obviously would comprise a large part of the riverbank site. Perhaps you can clarify whether or not you excluded those parts of the site in your analysis?

**Ms MERRILLEES:** No, they are not excluded.

**Mr DAVID SHOEBRIDGE:** When we spoke to the architects earlier today they made it quite clear that in their preliminary assessment of the site those parts of the site could not be built upon.

**The Hon. SHAYNE MALLARD:** But they were a great opportunity.

**The Hon. GREG PEARCE:** They said that they could be incorporated.

**The Hon. SHAYNE MALLARD:** An exciting opportunity, they said.

**Mr DAVID SHOEBRIDGE:** Those parts of the site could not be built upon. Do you not think that that would have been important in giving the proper context of your evidence to say that those heritage parts of the site could not be built upon in doing the comparison?

**Ms MERRILLEES:** There are many different models worldwide where museums have incorporated heritage sites, including at the Powerhouse in Ultimo.

**Mr DAVID SHOEBRIDGE:** Is it part of the Government's proposal to demolish the heritage of Parramatta when you are trying to relocate a museum there?

**Ms MERRILLEES:** I cannot comment on government policy in relation to whether they propose to do that or not.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** It is a pretty important point, is it not, for the people of Parramatta whether or not this proposal is going to demolish a listed State heritage site? So can you provide comfort to the people of Parramatta that that heritage site is not going to be blown up for the purposes of this development?

**Ms MERRILLEES:** I am happy to take that question on notice and seek advice.

**Mr DAVID SHOEBRIDGE:** What about the row of Victorian terraces? Are they going to be blown up for the development?

**Ms MERRILLEES:** Again, I am happy to take that question on notice and seek advice.

**Mr DAVID SHOEBRIDGE:** Do you not think it would be important to ask the people of Parramatta these key questions before you make decisions on their behalf?

**Ms MERRILLEES:** As yet a decision has not been made.

**Mr DAVID SHOEBRIDGE:** Do you not think it is important to ask the people of Parramatta their views on this before a final business case is presented to Cabinet? You are potentially destroying their heritage.

**Ms MERRILLEES:** I am not going to speculate as to the contents of a business case, and your questions are around speculation.

**Mr DAVID SHOEBRIDGE:** Could you please give us the actual site area once you exclude the heritage item and the row of Victorian terraces?

**Ms MERRILLEES:** I am happy to take that question on notice.

**The Hon. WALT SECORD:** Ms Merrillees, could you take us through the proposed timetable? You said a decision has not been made. Can you tell us, now that there is a new Premier and a new Arts Minister, what is the timetable that you are laying out for them?

**Ms MERRILLEES:** If I may, I will pass to Michael.

**Mr PARRY:** We expect that the final business case will be submitted for government consideration in the first quarter of this year. That is what we know at this point in time.

**Mr DAVID SHOEBRIDGE:** Is it true that at least two of the lots that you, Ms Merrillees, said comprise the riverbank site are owned by Parramatta council?

**Ms MERRILLEES:** Yes.

**Mr DAVID SHOEBRIDGE:** Have you got an agreement with Parramatta council for the purchase of them?

**Ms MERRILLEES:** The acquisition of the riverbank site is a matter for Government Property NSW. The museum is not involved in that.

**Mr DAVID SHOEBRIDGE:** Are you aware that there are public reports that the council is asking in the order of \$150 million for those two sites?

**Ms MERRILLEES:** I have read the media speculation, yes.

**Mr DAVID SHOEBRIDGE:** Was that speculation right or wrong?

**Ms MERRILLEES:** As I said, the acquisition of the riverbank site is in the hands of Government Property NSW, it is not in the hands of the museum.

**Mr DAVID SHOEBRIDGE:** But surely the little project team that you are on, the project committee, gets this kind of key information. You cannot be seriously thinking about major decisions about the relocation of the site without working out how much it is going to cost to buy the land, Mr Parry. You are not living in some sort of fantasy world on your committee, are you?

**Mr PARRY:** If you are asking what the involvement of Government Property is in the overall project, Ms Merrillees has answered that question. Government Property do provide reports on their progress to the project steering committee.

**Mr DAVID SHOEBRIDGE:** So there is pretty clear now firming-up evidence that it is in the order of \$150 million that Parramatta council wants for the two sites. Is that right or wrong?

**Mr PARRY:** You are referring to speculation in the press. I am not going to comment on speculation.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** I am asking about what you know, Mr Parry, because you sit on the committee and you have been given from Property NSW what the actual likely costs are. Is it \$150 million? Yes or no?

**Mr PARRY:** I do not know the answer to that question.

**Mr DAVID SHOEBRIDGE:** Is that because you do not listen during those parts of the committee hearings or is it because you are not being told?

**The Hon. SHAYNE MALLARD:** Point of order: Do not insult the witness.

**The CHAIR:** We will not pursue that line of questioning. Mr Parry has given his evidence. He says he does not know.

**Mr DAVID SHOEBRIDGE:** Well, has the committee been advised?

**Mr PARRY:** Sorry. Has the committee been advised on what?

**Mr DAVID SHOEBRIDGE:** What the likely acquisition costs are for the two Parramatta council sites.

**Mr PARRY:** There are estimates that have been provided which are part of the final business case, and the final business case is Cabinet in confidence.

**Mr DAVID SHOEBRIDGE:** So is the actual answer that you do not know or is the answer that you are not going to tell us because you say it is Cabinet in confidence? What is the actual answer, Mr Parry?

**Mr PARRY:** The material that you are referring to in terms of the cost estimates that have been provided are part of the final business case and they are Cabinet in confidence and therefore I cannot release them.

**Mr DAVID SHOEBRIDGE:** But your earlier answer was you do not know. I am happy for you to correct the record and say that is not actually the case, that you are actually relying upon Cabinet in confidence.

**Ms MERRILLEES:** If I may answer? You asked him a specific question around an envelope of funding and Government Property NSW has provided estimates.

**Mr DAVID SHOEBRIDGE:** So we have \$150 million to acquire the two council sites. What is the cost of acquiring the heritage building and the row of Victorian terraces?

**Ms MERRILLEES:** I am not aware of the cost of those.

**Mr DAVID SHOEBRIDGE:** You are not aware or you are not going to tell us because it is Cabinet in confidence, allegedly?

**Ms MERRILLEES:** As I said before—I am not sure how to be much clearer—the museum is not involved in the acquisition of the riverbank site; it is a matter for Government Property NSW, which is contracted to the Department of Justice.

**Mr DAVID SHOEBRIDGE:** We have gone through this process before, Ms Merrillees, so I will now ask Mr Parry. Mr Parry, has the project committee been advised by Property NSW what the likely acquisition costs will be for the heritage site, which is No. 34?

**Mr PARRY:** For number 34, as far as I am aware, there has been no specific number used.

**Mr DAVID SHOEBRIDGE:** What about the row of seven properties, which is the row of Victorian terraces?

**Mr PARRY:** What I can say, which is what I said before, the estimates around the entire site value have been incorporated into the final business case.

**Mr DAVID SHOEBRIDGE:** Is there an acquisition cost for the David Jones car park, which is the biggest part of the site?

**Mr PARRY:** There is an acquisition cost, which represents "the" site.

**Mr DAVID SHOEBRIDGE:** What is it?

**Mr PARRY:** I cannot reveal that information because it is part of Cabinet-in-confidence information, which is part of the final business case.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** Did the business case involve the actual loss of value to the people of New South Wales as a result of shutting down the Powerhouse site? It would be insane not to, but maybe it did not.

**Mr PARRY:** The scope of the final business case was off the back of the preliminary case. So the task of the preliminary business case was to explore the two potential sites that Cabinet had listed with the golf course site and the riverbank site. Cabinet made a determination they wished to move ahead with the riverbank site, and that was announced in April last year. The scope of the final business case was to ascertain the cost and methodology to complete the new museum on the riverbank site.

**Mr DAVID SHOEBRIDGE:** Let me get this right. The final business case that has been developed does not include the loss of value to the people of New South Wales for blowing up the Powerhouse?

**Mr PARRY:** The business case provides an investment decision-making tool for Government.

**Mr DAVID SHOEBRIDGE:** You said the final business case is based upon the preliminary business case. We know from earlier evidence that the preliminary business case did not look at the current Powerhouse site. So how could you possibly be properly informing the New South Wales Government about a project of this scope without actually looking at the loss of value to the people of New South Wales as a result of shutting the Powerhouse? How could you do that in good confidence?

**Mr PARRY:** As I said, the final business case takes into account the requirements of building a new museum on the riverbank site so the Government can make an investment decision.

**Mr DAVID SHOEBRIDGE:** Can you not understand how frustrating it is for the people of New South Wales who have visited and loved the current site to know that the Government has a business case that is ignoring the loss of value from shutting and blowing up this most loved site? Can you not understand the frustration of the people of New South Wales when they see this kind of one-eyed assessment from the Government of New South Wales?

**Ms MERRILLEES:** If I may respond, the decision to relocate the Powerhouse Museum is a Government policy decision. We cannot comment on a Government policy decision; we are an agency of Government.

**Mr DAVID SHOEBRIDGE:** Mr Brooke, when you are asked in your professional capacity to do business cases for a project, you have got a professional obligation, have you not, to not only look at the advantages and the opportunities but also to look at the costs? That is a fundamental part of a business case, is it not?

**Mr BROOKE:** A business case would always look at the costs and benefits of the different options.

**Mr DAVID SHOEBRIDGE:** For example, if you wanted to relocate Parliament House from Macquarie Street to the riverside at Parramatta, one of the things you would look at would be the loss of value and the loss of the public investment in the existing building of Parliament House, would you not? You would have to.

**The Hon. SHAYNE MALLARD:** Would anyone notice? The people of Parramatta might like it.

**The Hon. GREG PEARCE:** Your point is?

**Mr BROOKE:** What we do is respond to the terms of reference provided to us by Government, so we could be asked for a gross investment figure or a net investment figure, or those two decisions could be taken separately. In this case, I am not commenting on the contents of the preliminary business case, and I do not know the contents of the final business case.

**Mr DAVID SHOEBRIDGE:** You must find it terribly frustrating to be given a brief, as appears to be the case here, which ignores half of the issue. You are only looking at the benefits or the costs of the Parramatta site, but you are not actually looking at the costs of shutting down the Ultimo site. That must be terribly frustrating for a professional person like yourself, Mr Brooke.

**Mr BROOKE:** I think you may have misunderstood what I am saying. I have not shared with the Committee the terms of reference of our work.

**Mr DAVID SHOEBRIDGE:** Probably because they are one-sided and obviously weighted in favour of producing the outcome the Government wants; never have an investigation or inquiry unless you know the answer.

## CORRECTED PROOF

**Mr BROOKE:** What was the question?

**The Hon. SCOTT FARLOW:** Is there a question?

**The Hon. GREG PEARCE:** That is a bit cynical.

**Mr DAVID SHOEBRIDGE:** Mr Parry, given your earlier evidence that the work that Mr Brooke was doing, which led to the final business case, was only looking at Parramatta and not Ultimo, is that not a clear case of the Government setting the terms of reference to get the answer it wants because it is ignoring a whole chunk of the costs?

**Mr PARRY:** The scope of the final business case was the result of the preliminary business case and was set by the project steering committee, so I cannot—

**The CHAIR:** Mr Parry, are you aware who took the preliminary business case prepared by KPMG and turned it into a final business case?

**Mr PARRY:** Sorry, can you clarify the question?

**The CHAIR:** Mr Brooke said that his involvement ended with the preparation of a preliminary business case. You have been talking about a final business case that was taken to Cabinet. Who converted it from a preliminary business case to a final business case?

**Mr PARRY:** I understand. Following the preliminary business case and Cabinet's consideration of that and a decision on a site was—

**The CHAIR:** No, that is not my question. My question is—

**Mr PARRY:** Sorry, I was going to explain what the process was from that point. We then undertook another procurement exercise to ensure the best investment to decide who would undertake the work for the final business case and follow the same procurement process that we did for the preliminary business case.

**The CHAIR:** Who did it?

**Mr PARRY:** It is being led by a firm called Johnstaff Projects.

**Mr DAVID SHOEBRIDGE:** John?

**Mr PARRY:** Johnstaff Projects .

**Mr DAVID SHOEBRIDGE:** Was that a competitive tender process?

**Mr PARRY:** As I said before, it was a select tender process. It followed the same methodology as the preliminary business case.

**Mr DAVID SHOEBRIDGE:** How many firms were asked?

**Mr PARRY:** I cannot recall off the top of my head. I would be happy to take that question on notice.

**Mr DAVID SHOEBRIDGE:** How were they chosen?

**Mr PARRY:** Through the same competitive process.

**The CHAIR:** You might enlighten us as to why KPMG were not engaged to take it from preliminary to final?

**The Hon. GREG PEARCE:** Can we let KPMG out of the room?

**Mr DAVID SHOEBRIDGE:** I think KPMG indicated it was a crowded market.

**Mr PARRY:** It is a crowded market and it is a competitive market. Each time we go through a procurement process, we look for the best value for money and the best firm for the job, and that was the decision we came to this time round. It certainly was not a reflection on KPMG's work, that is for sure.

**Mr DAVID SHOEBRIDGE:** Ms Merrillees, there could not be anything more important in this project than protecting the museum's collection, could there?

**Ms MERRILLEES:** I would agree.

**Mr DAVID SHOEBRIDGE:** What internationally recognised expertise has been engaged to ensure that the collection will be protected from flooding as a result of this proposed move?

## CORRECTED PROOF

**Ms MERRILLEES:** The preliminary business case considers geotechnical hydrology, engineering, financial economic analysis, concept designs, and looks at the flood mitigation strategies that would be required for the museum as well as risk assessments around the collection.

**Mr DAVID SHOEBRIDGE:** What you got in the preliminary business case is what you were satisfied with?

**Ms MERRILLEES:** No, this is the final business case.

**Mr DAVID SHOEBRIDGE:** You said preliminary business case.

**Ms MERRILLEES:** My apologies, I meant final business case.

**Mr DAVID SHOEBRIDGE:** Surely you have not done the kind of rudimentary assessment that was done for the preliminary business case of relying upon a one-in-100 flood level? Surely you have not done that because that would be effectively setting up the collection for destruction, would it not?

**Mr PARRY:** No, it is not setting up the collection for destruction.

**Mr DAVID SHOEBRIDGE:** So you have relied upon the one-in-100 flood level?

**Mr PARRY:** No, we have not. As you would expect, a final business case goes into detail across all areas of the business case with a much finer level of detail than you do in a preliminary business case. It has taken into account an incredible amount of detail in respect of flood engineering.

**Mr DAVID SHOEBRIDGE:** Did it take into account climate change impacts?

**Mr PARRY:** You are asking me to provide detailed information that is in the final business case, which I cannot reveal.

**Mr DAVID SHOEBRIDGE:** You are aware, are you not, of the fact that the Phillip Street level is the level at which you can expect a one-in-100-year flood?

**Mr PARRY:** What I can confirm is that the flooding impacts were taken into account in the planning, which is in the final business case.

**Mr DAVID SHOEBRIDGE:** Mr Parry, you are paid by the people of New South Wales to look after the best interests of the MAAS collection and the Powerhouse. Do you understand that?

**Mr PARRY:** I do and I take that responsibility very seriously.

**Mr DAVID SHOEBRIDGE:** Are you aware of the fact that the Phillips Street level is the level of a one-in-100-year flood?

**Mr PARRY:** I am aware of that fact.

**Mr DAVID SHOEBRIDGE:** Do you know what a one-in-100-year flood means in terms of the statistical likelihood of a flood?

**The Hon. SHAYNE MALLARD:** Trick question.

**The Hon. GREG PEARCE:** He has been trying to find out all day

**Mr DAVID SHOEBRIDGE:** If you do not know, I will give you some advice.

**Mr PARRY:** I am not a flood engineer by any stretch, I can tell you that.

**Mr DAVID SHOEBRIDGE:** Do you know that it means that in any given year there is a 1 per cent chance of that flood level? Do you know that?

**Mr PARRY:** What I do know is that we have employed highly qualified engineers to give the correct advice to ensure that we can maintain the collection as secure and safe.

**Mr DAVID SHOEBRIDGE:** You have engineers. Do you have anyone who has an expertise in protecting priceless collections?

**Ms MERRILLEES:** Yes, our own staff are experts in protecting a priceless collection. We have amongst the world's best registrars and conservators.

**Mr DAVID SHOEBRIDGE:** What experience do they have in designing buildings to withstand floods when those buildings are being proposed to be constructed next to a river?

## CORRECTED PROOF

**Ms MERRILLEES:** They have expertise in the handling and movement and safeguarding of collections.

**Mr DAVID SHOEBRIDGE:** Handling and movement and safeguarding is quite different from constructing a whole new building next to a river on flood prone land. Do you accept that?

**Ms MERRILLEES:** If you are asking me if they are architects and engineers, no they are not.

**Mr DAVID SHOEBRIDGE:** That is not what I was asking. I am saying that handling and moving a site and dealing with objects in situ in a museum is a fundamentally different skill base to working out how to build a site to protect it from flooding next to a river.

**Ms MERRILLEES:** Which is why the museum would be working with experts in that field.

**Mr DAVID SHOEBRIDGE:** We seem to be going in a circle here, Ms Merrillees. Mr Parry said it was an engineer. I asked you whether there was anyone from the museum sector with expertise in building these kinds of sites. You said it is your staff and you now say they do not have the expertise. What is it? Who is it who has the expertise?

**Ms MERRILLEES:** I am really not clear on your question, if you would like to try to rephrase that.

**Mr DAVID SHOEBRIDGE:** There is a 1 per cent chance that everything from Phillip Street up will get flooded in any given year.

**The Hon. SHAYNE MALLARD:** Phillip Street down.

**Mr DAVID SHOEBRIDGE:** Everything from Phillip Street up will get flooded in a given year and everything below it will absolutely be flooded. It is likely that over the next century a flood will rise above the Phillip Street level. Who on your staff has the relevant skills to advise the architects and the engineers on how to build a museum to protect it?

**Ms MERRILLEES:** The museum has staff who are very experienced in the care and handling of collections. We have taken that into account, as Mr Parry previously said, in terms of flood mitigation strategies that would be required to safeguard the collection.

**Mr DAVID SHOEBRIDGE:** So it is a hope and pray strategy, is it?

**The CHAIR:** We will call an end to the questioning. Thank you very much for coming. I note that you have taken a number of questions on notice. The Committee has resolved that answers to questions on notice be returned within 14 days. The secretariat will contact you in relation to that. Also please note that after this we will have a deliberative in relation to a number of the matters that were discussed and questions that were not answered. We may well have you recalled. Thank you.

**(The witnesses withdrew)**

## CORRECTED PROOF

**PETER ROOT**, Senior Project Consultant, Root Projects Australia, affirmed and examined

**The CHAIR:** Would you like to start with making a short opening statement?

**Mr ROOT:** Yes, please. My name is Peter Root. I am the managing director of Root Projects Australia, a professional project management services business founded by me in 1993. My business provides services throughout Australia across a wide range of industry sectors including transport, education, health, industrial, commercial, tourism, civic and cultural projects. Our services cover project feasibility, the management of design and the delivery of construction and fit-out. Our project feasibility work is usually undertaken within commercial-in-confidence or Cabinet-in-confidence environments. I understand that my presence here today is to respond to questions the Committee may have regarding the proposal to relocate the Powerhouse Museum to Parramatta.

My involvement with the Powerhouse relocation proposal commenced in May 2000 when Root Projects Australia was commissioned by the Museum of Applied Arts and Sciences to undertake a preliminary analysis of a list of potential sites in Parramatta that might be suitable for the development of a substantial museum. Then in late 2015 to early 2016 we formed part of a consortium led by KPMG that was commissioned to prepare a preliminary business case for the proposed move of the Powerhouse Museum to Parramatta. Our contracted deliverables within the KPMG consortium included scope definition sufficient to support high level blocking and stacking options and budget assessment together with the preparation of a master program.

We were again commissioned by the Museum of Applied Arts and Sciences in August 2016 to prepare a collection logistics plan focused on the relocation of the MAAS collection currently stored or displayed in Ultimo to in part Parramatta and also to the MAAS facilities in Castle Hill. I am informed that all of the reports prepared by us in relation to this matter are Cabinet in confidence. I have sought and received independent legal advice that such documents are to be considered a subject of public interest immunity and are therefore privileged. Thank you.

**The CHAIR:** Thank you.

**Mr DAVID SHOEBRIDGE:** Mr Root, you said you were engaged by MAAS in August of 2016 for the second part—or is it August 2015? I am trying to read my handwriting—I am sorry.

**Mr ROOT:** It is okay. We were engaged in May 2015—

**Mr DAVID SHOEBRIDGE:** Initially.

**Mr ROOT:** —initially, and then as part of the KPMG consortium in late 2015 through to early 2016.

**Mr DAVID SHOEBRIDGE:** And then did your involvement with the Powerhouse and riverside project end in 2016?

**Mr ROOT:** No, we were subsequently engaged to prepare a report on the collection logistics plan which was looking at the relocation of the collection held at Ultimo to Parramatta and to Castle Hill.

**Mr DAVID SHOEBRIDGE:** And that was in August of last year.

**Mr ROOT:** That was in August 2016.

**Mr DAVID SHOEBRIDGE:** Had you completed that work?

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** That was to relocate the collection to Castle Hill and potentially also to Parramatta—is that right?

**Mr ROOT:** That is right.

**Mr DAVID SHOEBRIDGE:** Has your company had previous experience with relocating something like that extraordinary steam engine that we find on the basement level of the Powerhouse—that kind of fragile piece of our industrial heritage?

**Mr ROOT:** I have certainly had experience of that. I was the project director for the Powerhouse Museum when it was first built in the 1980s. In that process a number of experts were engaged to handle that process and a lot of that expertise sat within the museum itself.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** Was your work with the Powerhouse about costing the relocation? That was a separate contract to the one you had about the preliminary business case.

**Mr ROOT:** What we were looking at was the cost and the logistics associated with relocating the collection—that is correct—and that was separate from the preliminary business case.

**Mr DAVID SHOEBRIDGE:** And that was not part of the work from Johnstaff and co who are doing the final business case.

**Mr ROOT:** We have not been involved with the Johnstaff team.

**Mr DAVID SHOEBRIDGE:** What is the estimated cost of the relocation of the collection? What sort of figures are we talking about?

**Mr ROOT:** As I said in my opening statement I am informed that that information is Cabinet in confidence and is therefore privileged.

**Mr DAVID SHOEBRIDGE:** But that is not part of the business case that is going before Cabinet. That is not part of the preliminary business case. That is a separate piece of work. How are you asserting that that is Cabinet in confidence?

**Mr ROOT:** As I said, I have been informed by our client that that is Cabinet in confidence.

**Mr DAVID SHOEBRIDGE:** Who is your client?

**Mr ROOT:** The Museum of Applied Arts and Sciences.

**Mr DAVID SHOEBRIDGE:** And who from the Museum of Applied Arts and Sciences said that that piece of work is Cabinet in confidence.

**Mr ROOT:** I do not remember the name of the individual who signed the letter but it was a representative from the museum.

**Mr DAVID SHOEBRIDGE:** Could you provide us with a copy of that letter?

**Mr ROOT:** I do not have it with me.

**Mr DAVID SHOEBRIDGE:** Could you provide it on notice?

**Mr ROOT:** Yes. I would be happy to provide it on notice.

**Mr DAVID SHOEBRIDGE:** Were you at any point advised in the course of this most recent contract work that the work you were doing was part of a Cabinet-in-confidence process?

**Mr ROOT:** I believe we were.

**Mr DAVID SHOEBRIDGE:** When and by who?

**Mr ROOT:** In the tender documentation and in the contract that we signed it makes that quite clear.

**Mr DAVID SHOEBRIDGE:** This is for your most recent work in August.

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** When you were looking at the relocation of, say, the steam engine, what is the size of the steam engine.

**Mr ROOT:** I do not have those details.

**Mr DAVID SHOEBRIDGE:** Were you given schematics that showed that the steam engine could be accommodated in the Parramatta site?

**Mr ROOT:** No.

**Mr DAVID SHOEBRIDGE:** How can you relocate something to a site at which you do not know whether it will be accommodated? How do you work out the cost of that?

**Mr ROOT:** Our understanding is that the Boulton and Watt steam engine—I assume that is the one you are talking about—the premise for the work was that that being an icon object of the MAAS collection it would be on display in Parramatta.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** But you were not shown anything that showed it could be accommodated on the Parramatta site.

**Mr ROOT:** We were provided with a list of icon artefacts from the museum that would definitely be on display at the Parramatta site. Yes.

**Mr DAVID SHOEBRIDGE:** Apart from the Boulton and Watt steam engine, what other iconic items were going to be on display?

**Mr ROOT:** I do not remember the detail. The Catalina was one of those. Sorry. I do not recall any of the other details.

**Mr DAVID SHOEBRIDGE:** If possible, could you provide us with that list on notice? Because obviously the public have enormous affinity with those iconic objects. If you could provide us with that list on notice we would appreciate it.

**Mr ROOT:** I will need to take advice on that. My understanding is that information is captured by Cabinet in confidence, but I will take it on notice.

**Mr DAVID SHOEBRIDGE:** Do you understand why the secrecy? Was it explained to you what the purpose of such secrecy is? We are not building a nuclear reactor or a defence facility; We are relocating a museum. Have you met this level of secrecy before?

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** Is it part of doing the work of government now—everything is secret and hidden?

**Mr ROOT:** It is quite common with both commercial and government clients.

**Mr DAVID SHOEBRIDGE:** So as a general rule when you are contracting with government is it kind of standard for everything to be covered by a blanket confidentiality clause?

**Mr ROOT:** I cannot comment on that. I am commenting on work that we have done for government and it is often in a Cabinet-in-confidence environment.

**Mr DAVID SHOEBRIDGE:** I am asking you about your experience. You gave us some detail about your experience in your opening statement. Is it now the standard play from governments that when they contract with you you get a boilerplate confidentiality clause on it?

**Mr ROOT:** It would depend upon the work.

**Mr DAVID SHOEBRIDGE:** In the scope of your work is it standard or not standard?

**Mr ROOT:** No, I am not saying it is standard. I am saying it is regular. It is not unusual.

**Mr DAVID SHOEBRIDGE:** Is it more often the case or less often the case.

**Mr ROOT:** It is more often the case.

**Mr DAVID SHOEBRIDGE:** Is it very, very common?

**Mr ROOT:** I would not say it is very, very common.

**Mr DAVID SHOEBRIDGE:** What would you say?

**Mr ROOT:** I would say it is often the case.

**The Hon. WALT SECORD:** Mr Root, you mentioned that you did some work involving moving the collection to Castle Hill and to Parramatta. What size of the collection as part of that work will go to Castle Hill and what will go to Parramatta?

**Mr ROOT:** I am sorry. I do not remember the details. They are in our report. I am quite happy to take that on notice.

**The Hon. WALT SECORD:** I would like to know what percentage of the collection will go to Parramatta and what percentage will go to Castle Hill. You referred earlier to iconic artefacts that will make the trip from Ultimo to Parramatta. You mentioned the Catalinas. What other iconic artefacts are on the list?

**Mr ROOT:** As I said earlier, I do not remember those details. I have taken that on notice.

## CORRECTED PROOF

**The Hon. WALT SECORD:** Have you been to the Powerhouse?

**Mr ROOT:** Have I been to the Powerhouse museum in Ultimo?

**The Hon. WALT SECORD:** Have you walked around the museum?

**The Hon. SHAYNE MALLARD:** He was the director of the relocation in 1988.

**The Hon. WALT SECORD:** I am asking a question. Let me finish my question.

**Mr ROOT:** Yes, I have.

**The Hon. WALT SECORD:** Are there any iconic artefacts that are not making the journey to Parramatta?

**Mr ROOT:** I do not know the answer to that. I am happy to take it on notice.

**The Hon. WALT SECORD:** Moving was an area of the work that you undertook earlier?

**Mr ROOT:** My firm undertook it; yes.

**The Hon. WALT SECORD:** Were there decisions that certain displays, certain objects or certain collections would not make the journey to Parramatta?

**Mr ROOT:** The museum identified a set of iconic objects that would definitely be on display at Parramatta, at this point in time.

**The Hon. WALT SECORD:** When was the iconic list drawn up?

**Mr ROOT:** It was provided to us when we commenced that commission in August 2016.

**The Hon. WALT SECORD:** Has it been revised, altered or changed since then?

**Mr ROOT:** Not that I know of, but it could have been. There has been a lot of work going on that we have not been involved with.

**The Hon. WALT SECORD:** With the transport of the objects, did your work extend to prevention of water damage?

**Mr ROOT:** In the transportation?

**The Hon. WALT SECORD:** No, when it makes the journey to the new site?

**Mr ROOT:** All of the logistics surrounding the movement of the collection were taken into account in our work.

**The Hon. WALT SECORD:** Did any of your work extend to once the objects arrive at Parramatta?

**Mr ROOT:** No; not in this report.

**The Hon. WALT SECORD:** Were there any issues that arose that had to be taken into consideration on the transport from Ultimo to Parramatta?

**The Hon. SHAYNE MALLARD:** Are you talking about putting it on a barge?

**The Hon. WALT SECORD:** Let me ask my questions.

**Mr ROOT:** Perhaps you could repeat the question.

**The Hon. WALT SECORD:** How will the objects be transported from Ultimo to Parramatta?

**Mr ROOT:** There are numerous ways. That collection is in the order of 500,000 artefacts. They range from very large engineering objects, such as the Boulton and Watt steam engine to very small objects—large collections of small objects. All of those objects will need to be properly assessed by qualified conservators and detailed plans drawn up as to whether they need dismantling and how they would be dismantled. They would all then need to go through a process of treatment. In this case the museum sees it as an opportunity to digitise those aspects of the collection that are not yet digitised. They then have to be packed, stored, then transported.

**Mr DAVID SHOEBRIDGE:** Have you seen any comparable projects, moving half a million heritage objects from one site to another site 20-odd kilometres away? Have you seen an international comparator?

**Mr ROOT:** Yes. I have seen two projects in Australia that have done that.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** Which projects are they?

**Mr ROOT:** The original Powerhouse Museum.

**Mr DAVID SHOEBRIDGE:** The collection at the time was not anything like the size that it is now.

**Mr ROOT:** It was very substantial.

**Mr DAVID SHOEBRIDGE:** That is one.

**Mr ROOT:** The other is the Melbourne Museum project

**Mr DAVID SHOEBRIDGE:** How many objects were there in the Melbourne Museum?

**Mr ROOT:** Probably 500,000. It would have been equivalent.

**Mr DAVID SHOEBRIDGE:** Do you know what the cost of the relocation was for the Melbourne Museum?

**Mr ROOT:** I do not recall that. I could take that on notice.

**Mr DAVID SHOEBRIDGE:** Were you part of that project?

**Mr ROOT:** Yes, we were.

**Mr DAVID SHOEBRIDGE:** Take the Boulton and Watt steam engine. Some witnesses have suggested that that is a very fragile industrial artefact. It is probably one of the most important industrial artefacts that Australia holds. Were you advised about that?

**Mr ROOT:** In the work that we did on this most recent report on the collection logistics there was substantial consultation with museum staff. Those people who are in charge of looking after that artefact were involved, and were consulted.

**Mr DAVID SHOEBRIDGE:** Were you in a position to satisfy yourself that the movement of an object as large and fragile as the Boulton and Watt steam engine could be done with a guarantee that it would not be harmed?

**Mr ROOT:** I cannot guarantee that, no. I rely on the advice of relevant experts. It is the same sort of expertise that I have relied on in many similar projects.

**Mr DAVID SHOEBRIDGE:** The Boulton and Watt engine is just one of a number of iconic objects. I suppose you cannot give a guarantee about any of them. Is that right?

**Mr ROOT:** Of course not.

**Mr DAVID SHOEBRIDGE:** Were you aware of a risk analysis being done to inform the decision to move them?

**Mr ROOT:** No, I am not.

**Mr DAVID SHOEBRIDGE:** Don't you think before you upend the single most important, I would suggest, museum collection in the country that a risk analysis would be essential?

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** But you were not shown one.

**Mr ROOT:** No.

**Mr DAVID SHOEBRIDGE:** Did you ask for one?

**Mr ROOT:** No. It was not part of our scope of work.

**Mr DAVID SHOEBRIDGE:** It would ordinarily be the case, would it not, that the most competent institutions would do that kind of risk analysis? Working out the risk to your collection would be a core business for a museum, is it not?

**Mr ROOT:** I agree with you.

**Mr DAVID SHOEBRIDGE:** Obviously a risk analysis would be helpful when you are doing the kind of work that you are doing, about moving the objects.

## CORRECTED PROOF

**Mr ROOT:** Our work was primarily focused on the logistics associated with that. Of course, the issues of risk were taken into account by the people on our team who are experts in that field, and by the people in the museum who we consulted. We did not prepare a risk analysis, ourselves.

**Mr DAVID SHOEBRIDGE:** But if you are looking at the logistics of moving objects 20 kilometres—or 30-odd kilometres away if we are talking about the Castle Hill site—surely a risk analysis is the first thing you look at. That would be about whether they can be moved safely at all, and what the risk to the collection is in that kind of holus bolus movement.

**Mr ROOT:** Sure. We rely on the museum making a determination as to whether those artefacts are able to be moved or not. That is their role.

**Mr DAVID SHOEBRIDGE:** If you are trying to work out the most cost effective way of moving them—I assume that is part of your work.

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** It might be cheaper to whack them all in the back of a taxi and send them out to Parramatta, but that might be highly risky. Surely you have that kind of risk analysis in your work.

**Mr ROOT:** As I said, there was extensive consultation done with those people responsible for the care of those artefacts—for their conservation and their treatment. Any requirements that dealt with their fragility would have been communicated with my team and incorporated into our considerations.

**Mr DAVID SHOEBRIDGE:** So, for something like the Boulton and Watt engine, were you told, "This is the way it will have to be moved because it has the following features."

**Mr ROOT:** Yes.

**Mr DAVID SHOEBRIDGE:** That was the same for all of the other artefacts?

**Mr ROOT:** Yes.

**The Hon. SHAYNE MALLARD:** Just to reconfirm, did you say that you were the director, either employed or contracted by the Powerhouse in 1988 to relocate?

**Mr ROOT:** I was the project director. I was employed by the museum to head up that project.

**The Hon. SHAYNE MALLARD:** It is good that your skills are still here to look at that project again. Can you outline briefly the challenges you dealt with then and the parallels with today's challenges? I have not heard about the 1988 move.

**Mr ROOT:** Sure. I think the major challenge in 1984, when I went to that project, was that it was probably the first project of its kind for 100 years in Australia. It was very much a ground-breaking project. At that time no major contemporary museum of that ilk existed in this country. So the whole team on that project, both those of us who were employed by the museum and consultants who were engaged, did quite a lot of research on international trends at that time. The project was done in an environment where, a lot of the time, we were breaking new ground.

**The Hon. SHAYNE MALLARD:** Have those skills sets, where they still exist, expanded to support the new proposal?

**Mr ROOT:** Since that time, the Melbourne Museum, which is a very substantial project, followed about a decade later, and then other major museum projects around the country have occurred, like in Brisbane. There is one occurring in Perth right now. But Melbourne Museum and the Powerhouse were pretty much alone in terms of the scale. On the expertise around those projects, I think expertise and experience in this country in this type of project is certainly much greater than it was in 1984.

**The Hon. SCOTT FARLOW:** Have there been any technological advances that have persisted in terms of being able to carry out such a significant move?

**Mr ROOT:** Museum projects comprise two fundamental components. One is the design and construction of the building. The other one, which is probably less well understood but far more complex, is the conceiving, development and realisation of the content. In terms of the design and construction of the building, the building industry has certainly progressed in the last 30 years, but it is basically the way it always has been. In terms of the development of content for museums, that has been greatly impacted by digitisation and the advent of the digital world. When we built the Powerhouse in the 1980s, it was really pre-digital. If another one

## CORRECTED PROOF

is built, it will be in a post-digital world. The way in which information is delivered, the way in which visitors interact with both the collection and the body of knowledge that exists in that place, will be very different.

**Mr DAVID SHOEBRIDGE:** When you were doing the relocation for the original Powerhouse, you were moving much of the collection a couple of hundred metres up the road, were you not, from the Harris Street site?

**Mr ROOT:** No, some of the collection was in the old building in Harris Street in Ultimo. But in fact by the time I got there in 1984, that had been moved out of Harris Street and most of the collection was in storage, my recollection is, in Alexandria or somewhere like that.

**Mr DAVID SHOEBRIDGE:** It is quite a different project, is it not, moving stuff that is already in storage and putting it in a museum than it is moving stuff that is actually there, much of it in working order on display in an existing museum?

**Mr ROOT:** Not necessarily, no.

**Mr DAVID SHOEBRIDGE:** The Boulton and Watt steam engine, for example, is not in storage. It is a live artefact on the floor of the museum. That is quite a different project, is it not?

**Mr ROOT:** I certainly do not want to talk outside my field of expertise, but one of the things that we did in the original Powerhouse project was that we steamed up that steam engine. It has been running on steam since we put it in, and I would expect that its condition is probably equal to or better than it was when we first put it in.

**Mr DAVID SHOEBRIDGE:** Was the work that you did in the preliminary business case informed by a set of criteria given by the museum, or was it informed by a set of criteria given by Treasury? Do you remember?

**Mr ROOT:** By the museum.

**Mr DAVID SHOEBRIDGE:** Do you remember if the criteria changed over time, or were they set criteria?

**Mr ROOT:** It changed over the period that we were working on the business case, not in any major way but for example the floor space requirements, the relationships between functional areas, changed. My view is that is exactly what you would expect to happen, because part of the process is interaction between consultants and client.

**Mr DAVID SHOEBRIDGE:** From your experience on museum projects and museums, you have a floor space for a museum but only a proportion of that can be used as exhibition space. Is that your understanding?

**Mr ROOT:** That is correct.

**Mr DAVID SHOEBRIDGE:** A normal proportion is that the public non-exhibition space is normally about one part in three or one part in four of the floor space, and those are the kinds of constraints you work on. Is that right?

**Mr ROOT:** It varies greatly from museum to museum. It depends upon the nature of the collection.

**Mr DAVID SHOEBRIDGE:** With the collection of the Powerhouse, were those the kinds of ratios you were working with—one to three to one to four for the public non-exhibition space?

**Mr ROOT:** I cannot answer that question right now. I am happy to take it on notice.

**Mr DAVID SHOEBRIDGE:** In that context we have the existing floor space at the Powerhouse, which is about 20,000 square metres.

**Mr ROOT:** For the front of house?

**Mr DAVID SHOEBRIDGE:** I am just going off the Powerhouse's website. It says that the space for the museum is 20,000 square metres. Would that be about right?

**Mr ROOT:** My recollection, and it is only a recollection and it is a 30-year-old recollection, is that we created about 12,000 square metres of front-of-house space when we built that museum.

## CORRECTED PROOF

**Mr DAVID SHOEBRIDGE:** I have just found the reference. "How big is the Powerhouse? Approximately 20,000 square metres of public space, which is the equivalent of three international competitions soccer fields."

**Mr ROOT:** I dare say that is including external public space, plazas and those sorts of things, not just exhibition space.

**Mr DAVID SHOEBRIDGE:** Please take that on notice.

**Mr ROOT:** Of course.

**Mr DAVID SHOEBRIDGE:** The advice I have received is that would ordinarily equate to about 14,000 to 15,000 square metres of exhibition space, because of the standard ratios. You might be able to shed some light on that on notice.

**Mr ROOT:** Happy to do so.

**The CHAIR:** Thank you very much for coming today. Please note the Committee has resolved that answers to questions taken on notice be returned within 14 days. The secretariat will contact you in relation to questions you have taken on notice.

**(The witness withdrew)**

**The Committee adjourned at 12:26**