

Costing dispute throws Powerhouse-Riverside Theatre deal in doubt

By [Linda Morris](#)

June 15, 2020 — 12.08am

The financial deal underpinning the relocation of the Powerhouse Museum could be in doubt with Parramatta City Council and the Berejiklian government in dispute over the costs to expand the nearby Riverside Theatres.

Parramatta Council's chief executive Brett Newman last week disclosed plans to build a performing arts centre across the river from the Parramatta Powerhouse came with no guarantee of government funding.

[The Riverside Theatres in Parramatta.]

The admission surprised councillors who had expected the government's arts agency, Create NSW, to contribute to the theatre redevelopment under an agreement to create a cultural precinct along the river.

Some councillors now want government to return the \$100 million that had been set aside for the theatre renovations on its behalf out of the proceeds from its 2017 sale of the new Powerhouse Museum site.

Under the Heads of Agreement signed in July 2017, council can trigger an official dispute by issuing written notice to government. If a resolution cannot be reached between the mayor and department secretary the matter goes to the relevant minister and eventually the courts.

[The refined design of the new Parramatta Powerhouse Museum.]

Construction of the Parramatta Powerhouse site can proceed only with an approved development application free of legal challenge and with full control over the land.

Tensions between the parties date to 2017 when Parramatta Council received \$140 million from the government for the parcel of riverfront land.

A total of \$40 million was to be set aside to deliver council's 20-year arts and culture plan, now in development, and to construct an art bridge across the

Parramatta River. The pedestrian walkway is envisioned to form one of the largest public art commissions in NSW.

The balance of \$100 million was set aside to enlarge and enhance the Riverside Theatres.

A draft plan for the theatre redevelopment, prepared by KPMG at a cost of \$800,000, was presented to council late last year.

Options modelled a 1500-seat lyric theatre capable of drawing international musical productions. Under this framework, a commercial operator would run the complex and its income stream would subsidise community arts.

Council is understood to prefer the model of a regional performing arts centre like The Concourse in Chatswood, including a 1200-seat theatre, 600-seat multi-purpose space and a 100-seat cinema guaranteeing access to homegrown performance companies such as the National Theatre of Parramatta and Form Dance Projects.

Costs of such a plan are believed to be about \$160 million but the parties have yet to reach agreement over who pays the extra cost and additional annual operating expenses once the theatre complex opens.

Some councillors want the \$100 million returned to council in cash so it can renovate the theatre complex itself.

They are also bristling because any expenditure of the \$40 million cultural fund, including help for arts companies struggling to reestablish themselves after the lockdown, requires the consent of the arts minister.

A source close to government but not authorised to speak said Parramatta had been the beneficiary of significant state investment in infrastructure including the Parramatta Light Rail, WestConnex, the Powerhouse Museum itself and Western Sydney Stadium.

Any additional government contribution to Riverside would be difficult given the extraordinary impact on the state's budget of drought, summer fires, and COVID-19, they said.

A government spokesperson said it was committed to working with Parramatta Council on the redevelopment of Riverside Theatres. Investment in the redevelopment was subject to approval of a business case in accordance with the agreement with Parramatta Council.

RELATED ARTICLE

Powerhouse Museum in dispute over staff jobs

Asked if it had asked for its \$100 million back, Parramatta City Council said it remained committed to the redevelopment of Riverside Theatres as part of a new cultural precinct in Parramatta. "We are continuing to work with the NSW government on the development of a business case for this city-significant project," a spokesperson said.