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Culture Art & design

Parramatta Powerhouse costs surge as opening looks set for 2024

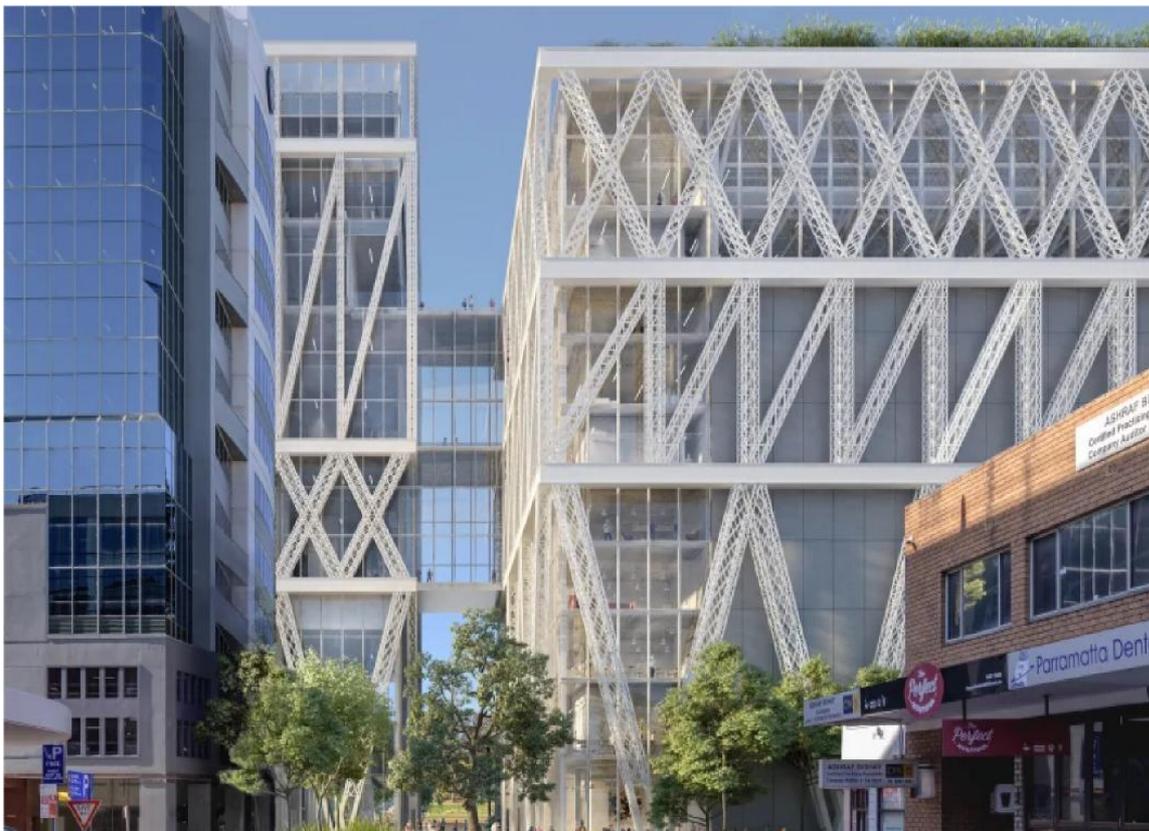


By **Linda Morris**

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The building costs of the NSW government's flagship Parramatta Powerhouse have surged beyond half a billion dollars, the signed contract shows.

Lendlease has been contracted to deliver the museum's western Sydney headquarters for \$553 million, inclusive of GST. This exceeds the \$400 million base build costs originally [identified in the stage 1 brief](#) to the project's 2019 design competition.



The build costs of the Parramatta Powerhouse have surged past half a billion dollars

The summary of the contract signed between Infrastructure NSW and the winning contractor was due to have been released to the public late Friday in line with statutory requirements.

Construction begins January 24, 2022, with the museum to be completed by May 2024, suggesting an opening date later that year.

An Infrastructure NSW spokesperson said the contract sum was within the budget originally set for the museum project. The \$400 million construction cost target was nominated for the design competition to guide the design teams in the preparation of their concept design and design fee proposals.

The Lendlease contract value of \$502.8 million, less GST, reflected the delivery by mid-2024 of the approved design and includes cost escalation, design fees and some fit-out scope.

"Powerhouse Parramatta is one of the largest structural engineering and architecturally complex projects underway in Australia and we are confident Lendlease will build the world-class museum in accordance with the contract," the Infrastructure NSW spokesperson said.

But Greens MP David Shoebridge, deputy chairman of the long-running inquiry into the Powerhouse, said the project was \$150 million over budget before the first sod had been turned.

"It was inevitable we would see a cost blow-out because of the difficulty of building on a flood-prone site," he said. "With the escalated cost of construction, if the project is to be delivered on budget, there will need to be a significant compromise in the fit-out and function."

Powerhouse Parramatta is the NSW government's largest investment in cultural infrastructure since the Sydney Opera House. Lendlease is contracted to deliver more than 18,000 square metres of museum, exhibition and public spaces.

The project will create more than 4000 direct and indirect jobs during construction with hundreds more to be supported upon completion, providing a much-needed boost to the local economy, Infrastructure NSW said.

The government has already spent \$200 million since former premier Mike Baird announced plans in 2015 to relocate the Powerhouse Museum from Ultimo to the Parramatta River. This includes the \$140 million purchase of the 2.5 hectare site.

Powerhouse management has been set a target of \$75 million to raise from private philanthropists and corporations to meet the capital cost of the museum, including its fit-out.

Board member and developer Lang Walker made a sizeable \$20 million philanthropic donation towards the funding of a live-in residential campus and in-school programs from 2022 for schools in the Blacktown, Campbelltown, Liverpool, Bankstown, Penrith and Parramatta LGAs.

Western Sydney University has contributed \$10 million to become the museum's foundation partner. Of the \$30 million committed in total, \$23 million will go towards the building's costs, the rest in programs.

In budget estimates, Arts Minister Don Harwin said he had every confidence that the \$75 million would be exceeded given the success of philanthropic campaigns.

"We have not only reached our \$100 million target for Sydney Modern but we exceeded it," Mr Harwin said. "We have reached our targets for Walsh Bay — they had philanthropy targets as well. We have exceeded it. For Project Discover at the Australian Museum, we exceeded that target. I think you should assume that we will do well and maybe even exceed both targets at the Powerhouse."

French-Japanese firm Moreau Kusunoki and Australian-based Genton [were selected by an international panel](#) from a shortlist of six teams in 2019 for the winning design.

In July 2020, the NSW government scrapped plans to mothball the Ultimo Powerhouse, committing \$500 million to [regenerate the iconic building](#) while remaining committed to building the Parramatta Powerhouse.

Linda Morris is an arts writer at The Sydney Morning Herald Connect via [Twitter](#), [Facebook](#) or email.

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