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**(Questions: 19 June; Answers: 10 July 2024)**

## 2461 - Arts - POWERHOUSE MUSEUM ULTIMO COSTING

**Borsak, Robert to the Special Minister of State, Minister for Roads, Minister for the Arts,  
Minister for Music and the Night-time Economy, and Minister for Jobs and Tourism**

- (1) Does the Government still claim that the cost of the Powerhouse Museum Ultimo project, as detailed in the recent Environmental Impact Statement, State Significant Development, and Ecologically Sustainable Development reports, is \$250 million as repeatedly stated in the Parliament?
- (2) Does the Government claim that the significant Building Prices Index uplift, as announced on 12 June for major New South Wales hospital projects, does not apply to the two major Museum projects in Ultimo and Parramatta?
  - (a) To what degree has there been Building Prices Index inflation with these projects?
- (3) Does the Government agree with the official Ultimo Project quantity survey by Slattery's that states that the figure quoted in the Environmental Sustainability Design Report, part of the Environmental Impact Statement for the State Significant Development, is outdated at a cost of \$350.4 million?
- (4) Does the Government agree with Slattery's published statement that 'value engineering' can reduce this figure by approximately \$100 million?
- (5) What are the costs of previously removing all the objects from the Harwood Building and the main Powerhouse Museum site?
  - (a) What damage has eventuated as a result of these object movements?
    - (i) Why have these damage reports been redacted in the enforced document provision, required by the NSW Civil and Administrative Tribunal, to Ms Jennifer Sanders?
- (6) What will be the cost of removing the (mainly large) remaining objects from the Powerhouse Museum in Ultimo?
  - (a) What are the risk assessments for doing so?
  - (b) Which company or individual has been retained to oversee and manage this programme of works?

- (i) What are their qualifications?
  - (ii) Have they taken out appropriate insurances?
  - (iii) What is the time frame for this programme?
- (7) What were the costs estimated to carry out appropriate maintenance for the existing Powerhouse Museum fabric, including the Harwood Building?
  - (a) Who made these cost estimates?
- (8) What is the brief for demolition of almost all of the Wran-era interventions and smaller-scale display spaces, such as the mezzanine floors, etc?
  - (a) What are the estimated costs of all project demolitions as described in the Environmental Impact Statement?
  - (b) What are the costs of removal and sustainable handling of demolition materials?
  - (c) Who has quantity surveyed those costs?
- (9) What are the costs of the new build as described in the Environmental Impact Statement and State Significant Development documents?
  - (a) Who has quantity surveyed those costs?
- (10) What is the justification for reducing the length of the Wran Building and the Galleria, by approximately 12 metres in both cases?
  - (a) What is the cost and carbon load calculations of this demolition work?
- (11) What commercial justification has been made to underpin the creation of student accommodation in the Environmental Impact Statement plans?
  - (a) What marketing surveys have been undertaken in the educational domain?
  - (b) What are the economics as identified in a detailed B/C?

## Answer -

I am advised

- (1) The total budget for revitalisation of the Powerhouse Museum, Ultimo is \$300 million, comprising a \$250 million commitment from the NSW Government and \$50 million in philanthropic capital campaign donations to be secured by the Powerhouse, as cited in the NSW Budget 2024-25 Budget Paper No.03 Infrastructure Statement p 2-28 (available at <https://budget.nsw.gov.au/2024-25/budget-papers>).
- The estimated development cost for the project has been independently assessed by quantity surveyor Slattery Australia as \$297,819,000, as listed in the Estimated Development Cost Report in the Environmental Impact Statement (Appendix EDC).

- (2) For the Powerhouse Museum Ultimo, the project cost plan has been developed with appropriate escalation allowances. The estimated development cost as independently assessed by a quantity surveyor includes allowance for estimated cost increases over the life of the project.

The contract for the delivery of the Powerhouse Parramatta project is a Guaranteed Maximum Price contract, with the Contractor taking the risk on escalation.

- (a) For the Powerhouse Museum Ultimo, the project cost plan has been developed with appropriate escalation allowances. The estimated development cost as independently assessed by a quantity surveyor includes allowance for estimated cost increases over the life of the project.

The contract for the delivery of the Powerhouse Parramatta project is a Guaranteed Maximum Price contract, with the Contractor taking the risk on escalation.

- (3) The figure of \$350.4 million from the Ecologically Sustainable Development Report (Appendix BB) refers to the project's estimated embodied carbon calculation and is not a correct reference for the estimated development cost for the project. It will be updated in due course as part of Response to Submissions process.

The estimated development cost for the project has been independently assessed by quantity surveyor Slattery Australia as \$297,819,000, as listed in the Estimated Development Cost Report in the Environmental Impact Statement (Appendix EDC).

The budget for the project is outlined in the NSW Budget 2024-25 Budget Paper No.03 Infrastructure Statement p 2-28 (available at <https://budget.nsw.gov.au/2024-25/budget-papers>).

- (4) The figure of \$350.4 million from the Ecologically Sustainable Development Report (Appendix BB) refers to the project's estimated embodied carbon calculation and is not a correct reference for the estimated development cost for the project. It will be updated in due course as part of Response to Submissions process.

The estimated development cost for the project has been independently assessed by quantity surveyor Slattery Australia as \$297,819,000, as listed in the Estimated Development Cost Report in the Environmental Impact Statement (Appendix EDC).

The budget for the project is outlined in the NSW Budget 2024-25 Budget Paper No.03 Infrastructure Statement p 2-28 (available at <https://budget.nsw.gov.au/2024-25/budget-papers>).

- (5) The assessment, documentation, conservation, digitisation and transfer of 344,000 objects from the Powerhouse Collection from the basement of the Museum's Harwood Building to new international standard storage and conservation facilities in Castle Hill is now complete.

The total cost of the Collection Relocation and Digitisation Project is \$66.97 million. The relocation of the Collection, including very large objects that have been on display and exhibition in the Museum, is currently underway and final costs will be known once associated procurement processes and works are finalised.

- (a) Out of 344,000 objects relocated and digitised from the Museum's Harwood Basement, it is estimated that 97 tickets raised in the museum's operational ticketing system related to or could be attributed to a change in object condition. Of those

tickets, 19 related to object conditions in existing storage in the Harwood Basement. 74 tickets related to object handling. I am advised that the Museum has published a summary of these changes on its website.

(i) I am informed that Ms Sanders commenced proceedings in the NSW Civil and Administrative Tribunal in relation to the Museum of Arts and Applied Sciences' determination of an application that she made under the Government Information (Public Access) Act 2009. The Tribunal has not ordered the Museum to produce documents to Ms Sanders in those proceedings. The proceedings are ongoing, and it is not appropriate to comment further.

(6) Final costs will be known once associated procurement processes and works are finalised.

(a) The Powerhouse Museum has one of the world's most highly skilled teams who are experts in taking care of the Collection. This includes extensive experience in registration, conservation and logistics. These teams are augmented with industry specialists as required to complete the movement of objects from Ultimo to Castle Hill.

I am advised that utilising plans from the 1988 install and object documentation from the museum's Collection Management System, the Powerhouse has developed individual object movement plans for the large and complex objects. These plans are developed with input from Registration, Conservation, Powerhouse Logistics and specialist engineers, advisors and contractors. An ongoing risk assessment and risk mitigation program is integrated into these plans.

(b) The program of works is being managed by the Powerhouse Museum.

(i) I am advised that the Head of the Collection Relocation and Digitisation responsible for the day-to-day operation of the project has 18 years of museum and project management experience and holds a Master of Museum Studies with Merit.

(ii) Yes.

(iii) I am advised that decant of Powerhouse Museum Ultimo will be completed by August 2024 in preparation for Heritage Revitalisation Works to commence.

(7) The estimated development cost for the project allows for the replacement, maintenance or reconditioning of all building fabric and systems, as required. The Harwood building is not part of the revitalisation project.

(a) The independent quantity surveyor engaged by Infrastructure NSW was Slattery Australia.

(8) The creation of flexible exhibition spaces capable of supporting diverse museum exhibitions is reflected in the design submitted as part of the State Significant Development Application.

(a) Isolating demolition costs is not possible as several elements require some level of demolition before it is possible to undertake repair work, or replacement of existing building fabric.

(b) Isolating demolition costs is not possible as several elements require some level of demolition before it is possible to undertake repair work, or replacement of existing building fabric.

(c) The independent quantity surveyor engaged by Infrastructure NSW was Slattery Australia.

(9) The estimated development cost for the project has been independently assessed by quantity surveyor Slattery Australia as \$297,819,000, as listed in the Estimated Development Cost Report in the Environmental Impact Statement.

(a) The independent quantity surveyor engaged by Infrastructure NSW was Slattery Australia.

(10) This adjustment to the Wran will clarify and centralise visitor circulation. Necessary internal work will include alignment between the Wran building and adjacent Heritage Halls (Turbine Hall and Engine House, and Boiler House), will expose the currently concealed Switch House heritage facade, and will provide the opportunity for clear circulation and connection between the Harris Street entry and The Goods Line forecourt.

(a) The 'NABERS Embodied emissions materials form' is appended to the project's Environmental Impact Statement as Appendix BB.

It is noted that the NABERS framework for calculating embodied carbon in NSW does not yet exist. A pilot tool was released on 14 June 2024. The actual framework and tool for calculating embodied carbon of a development is expected to be released at the end of 2024.

Detailed embodied carbon calculations will be generated as part of the Green Star rating application (both design application and as-built application) as prescribed by the rating tool, including considering any demolished structures. These calculations apply only to structures that are less than 50 years old and the embodied carbon is amortised over the 50-year life. The Powerhouse Museum buildings built in 1988 are approximately 36 years old, so amortisation is approximately 62 per cent.

(11) The project's Environmental Impact Statement does not seek approval for student accommodation. The EIS includes dedicated spaces designed for the Powerhouse learning programs, enabling the museum to create immersive educational experiences, workshops and programs catered to students and learners of all ages.

(a) Not applicable.

(b) Not applicable.

Question asked on 19 June 2024 (session 58-1) and published in [Questions & Answers Paper No. 276](#)

Answer received on 10 July 2024 and to be published in Questions & Answers Paper No. 290