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BUDGET ESTIMATE HEARING UNVEILS YEARS OF SUPERVISION INACTION

From: Save the Powerhouse Museum <savethepowerhouse@gmail.com>

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Subject: BUDGET ESTIMATE HEARING UNVEILS YEARS OF SUPERVISION INACTION

Hi everyone,

The NSW Government launched an advertising blitz to announce the opening of the “Parramatta Milkcrate”, its “Opera House of the West”, planned for 7 November 2026.

It finally attracted far more media attention than they ever expected...but for all the wrong reasons. It follows the abrupt stepping aside of MAAS CEO Lisa Havilah on 27 August, “pending investigations into governance and procurement.”

In just five days, we found **at least 15 articles on this subject across some of Australia’s most respected media outlets**, including the ABC, the Sydney Morning Herald, The Australian, The Guardian, and the Australian Financial Review, an impressive level of coverage, although perhaps not quite the kind of publicity the NSW Government had hoped for.

Most of the articles focus on the same pressing questions:

- Why did it take so long for action to be taken after the NSW Government was alerted by a whistle-blower in March 2025?
- Why has the CEO stepped aside only on 27 August 2026, just over two months before the planned grand opening of the Parramatta project?
- And, generally, who knew what? And when?

The Upper House Portfolio Committee No.6 (Transport and the Arts) had similar questions when they grilled John Graham, Special Minister of State, Minister for Transport, Minister for the Arts, and Minister for Music and the Night-time Economy during their budget estimates hearing session of 31 August.

The Committee is chaired by The Greens MLC Cate Faehrmann and co-chaired by SFF MLC Mark Banasiak.

Read the full hearing transcript here

[https://files.parliament.nsw.gov.au/fileapi/ParlFiles/GetArtifact/Transcript%20-%20UNCORRECTED%20-%20PC6%20\(Graham\)%20-%20Budget%20Estimates%202026-2027%20-%2031%20August%202026.pdf?serverRelativeUrl=%2Fdocs%2Ftranscripts%2F3841%2FTranscript%20-%20UNCORRECTED%20-%20PC6%20\(Graham\)%20-%20Budget%20Estimates%202026-2027%20-%2031%20August%202026.pdf](https://files.parliament.nsw.gov.au/fileapi/ParlFiles/GetArtifact/Transcript%20-%20UNCORRECTED%20-%20PC6%20(Graham)%20-%20Budget%20Estimates%202026-2027%20-%2031%20August%202026.pdf?serverRelativeUrl=%2Fdocs%2Ftranscripts%2F3841%2FTranscript%20-%20UNCORRECTED%20-%20PC6%20(Graham)%20-%20Budget%20Estimates%202026-2027%20-%2031%20August%202026.pdf)

So what did we learn on 31 August? (transcript page 8)

- That the Minister “became aware of the governance and procurement matters now being investigated at the Powerhouse” before 2023.
- That in March 2025 he “approved and delegated authority to DCITHS (*the Department of Creative Industries, Tourism, Hospitality and Sport* headed by

Secretary Melanie Hawyes) to progress a **fact-finding assessment**" and that "there was also, at that time, a **referral to ICAC**."

- That DCITHS finalised their fact-finding report and "in late December 2025 (the Minister) approved the agency conducting a **formal misconduct investigation**. (page 8)

The fact-finding report is not public and it is not known whether ICAC is investigating.

- That DCITHS "engaged Lander and Rogers, a Sydney-based law firm early in 2026 whose "misconduct investigation is ongoing."

- That "in April, July and August, a range of (new) allegations were put to a number of Powerhouse executives (which) is the matter that has led to the recent changes" (*i.e. the CEO stepping aside*).

- That "last Thursday (27 August) Ms Havilah and (Agency Secretary Melanie Hawyes) had a conversation about further allegations that had come to light" and that "on that basis, (they) agreed that **it would be appropriate for her to step aside**."

- That the COO (*it is unclear whether the Minister refers to the "historical" Chief Operating Officer Mark Weldon or to Treasury executive Cassandra Wilkinson who has temporarily replaced him since the end of July?*) "is also providing significant information as a part of this process."

But the Minister insists that the CEO and COO temporary replacements are unrelated matters. To the question of Chris Rath Liberal MLC "what was the need for the Treasury intervention? Was that all relating to concerns around procurement?" the Minister answered "No. I wouldn't even characterise it that way, because we've run a similar process with the Art Gallery of NSW, then with Museums of History. They've really been about getting the operational model right as institutions are expanding...it's really about getting that future financial model right for these institutions."

In summary, issues were identified "before 2023" but are **still under investigation four years later**.

The contract for the destructive "Powerhouse Museum Ultimo Revitalisation" was awarded in June 2025, two and a half years after the Trust and the Minister, both in charge of supervising the organisation's management, were made aware that major governance problems plagued the "Powerhouse" organisation. **They chose not to act for years**.

This was also a time when we, with many others including the Public Service Association of NSW (PSA) spoke of the problems.

Due diligence could easily have preserved the Wran heritage (Wran building and Galleria) in Ultimo and saved the NSW taxpayers hundreds of millions.

Save the Powerhouse respects DCITHS Secretary's position that "the interim arrangements put in place **should not be taken as any sort of sense of a sanction or a finding**. These allegations that have come to light need to be tested, and that is what this investigation will do" she said (page 9), everybody is "innocent until proven guilty." We simply wonder why this investigation takes so long.

Regardless of what the findings will be, "Save" does not believe Havilah should be allowed to become the only scapegoat for what is, in reality, a **collective failure of governance** (refer to our previous post "Havilah stands aside, but the scandal runs far deeper").

We also believe that, although “governance and procurement” are important issues, the current investigation is missing the main point: **How the transformation of a respected, world-class Applied Arts and Science Museum into two inferior function/entertainment centres at an astronomical cost of around \$2 billion to NSW taxpayers has ever been allowed to happen?** Irreplaceable heritage in Ultimo and Parramatta has also been destroyed in the process.

It is also obvious that the **concerns about the “Milkcrate” financial operational sustainability** which we, with many others, have raised for years, have finally caused the Treasurer to intervene. “In the course of the most recent budget, there was a recognition that we’re moving from construction to ongoing operation...It’s entirely timely to assess what the ongoing operational funding requirements will be for that brand-new cultural institution” said Melanie Hawyes (page 23).

And what about the **TRUE** Powerhouse Museum in Ultimo which the Arts Minister promised at first “to keep open”, then closed it but “only” for a **maximum period of 3 years?** (page 24)

To a question of Chris Rath MLC: “in 2024, you issued a media release saying it would be complete by 2027. Are you now saying we can expect it to open in, say, 2028?” the Minister responded “Three years from the commencement of that construction, so yes, it won’t be 2027.”

“Construction started in March 2026?” pursued Rath (*which would translate into an opening in March 2029, **more than 5 years after the closure on 5 February 2024***).

But even that date is not firm: “I’m not second-guessing your (*date*), why don’t we take that on notice for you, if you’re asking for a confirmation?” concluded the Minister.

ARE WE TO BELIEVE ANY OF THIS MINISTER’S PROMISES AGAIN?

Finally, in our previous post we asked “Who else (apart from the CEO) must answer for the Powerhouse debacle?”

We listed the successive Governments and Arts Ministers, the Treasurer and the MASS board of Trustees but should add an essential actor of the Wran heritage destruction: **The Heritage Council of NSW and its supervising Minister, Penny Sharpe**, Minister for Climate Change, Energy, Heritage and the Environment. They choreographed a 2-stage listing of the “Powerhouse Museum Complex” on the state heritage list in July 2024.

The listing seemed to include the protection of the Wran heritage (Wran Building and Galleria) but in fact allowed its entire demolition with 13 exemptions introduced at the last minute.

More information to come.

Save the Powerhouse





NSW Minister for Transport John Graham. Picture: NewsWire / Nicholas Eagar.
Mr Graham also acknowledged that when he issued a media release on August 23 promoting the Powerhouse's opening program, he knew there were "broad issues" concerning the institution.

The Australian, 31 August 2026