



The Honourable Don Harwin MLC

Leader of the Government in the Legislative Council
Special Minister of State, Minister for the Public Service and Employee Relations,
Aboriginal Affairs, and the Arts
Vice-President of the Executive Council

Mr David Blunt
Clerk of the Parliaments
Parliament House
Macquarie Street
SYDNEY NSW 2041

Dear Mr Blunt

Please find attached the Government response to the report entitled *Museums and galleries in New South Wales – Final report* by Portfolio Committee No. 4 – Legal Affairs for tabling in the Legislative Council.

Yours sincerely

Don Harwin MLC

Leader of the Government in the Legislative Council
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Vice-President of the Executive Council

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NSW Government response to the Final Report of the Legislative Council Portfolio Committee No. 4 – Legal Affairs Inquiry into Museums and Galleries

Finding	Response
<p>Finding 1</p> <p>That the <i>Final Business Case for the Powerhouse Museum in Western Sydney Project</i> did not comply with NSW Treasury's Guide to Cost-Benefit Analysis.</p>	<p>Not Supported</p> <p>Since February 2016, Infrastructure NSW has undertaken six independent reviews of the New Museum in Western Sydney project, conducted by more than 30 independent reviewers including specialists in design, planning and economics.</p> <p>The Final Business Case for the project demonstrates the expertise, time, detail, rigor and due diligence underpinning the planning of this project. Highly qualified consultants in cultural infrastructure, museum logistics, urban planning, construction and operations contributed via peer review processes and governance panels. The document includes an economic appraisal for the project, produced in accordance with NSW Treasury's Government Guide to Cost-Benefit Analysis.</p> <p>The key parameters of the Economic Appraisal were endorsed by the Project Steering Committee which included a representative from NSW Treasury. The INSW Business Case summary indicated that it provided a sound basis for government decision making.</p>

Recommendation	Response
<p>Recommendation 1</p> <p>That the NSW Government not proceed with the relocation of the Powerhouse Museum from Ultimo to Parramatta.</p>	<p>Noted</p> <p>The Final Business Case for the new museum was approved by cabinet in April 2018 and the NSW Government announced that the Powerhouse Museum will relocate from Ultimo to new premises on the banks of the Parramatta River.</p>

Recommendation 2	Response
<p>That the NSW Government restore the Powerhouse Museum at Ultimo, by providing a significant injection of funding for refurbishment and expansion.</p>	<p>Noted</p> <p>The government plans to retain a creative industries presence at Ultimo following the relocation of the Powerhouse Museum to Parramatta.</p>
<p>Recommendation 3</p> <p>That the NSW Government, instead of relocating the Powerhouse Museum, establish a world class cultural institution in Parramatta that reflects its own extraordinary history.</p>	<p>Noted</p> <p>The Final Business Case for the new museum was approved by cabinet in April 2018 and the NSW Government announced that the Powerhouse Museum will relocate from Ultimo to new premises on the banks of the Parramatta River.</p>
<p>Recommendation 4</p> <p>That the NSW Government consider establishing a Museum of Applied Arts and Sciences satellite site in Western Sydney.</p>	<p>Noted</p> <p>The NSW Government remains committed to growing the arts and cultural sector in Western Sydney and across the state. This includes the relocation of the Powerhouse Museum to Parramatta, as announced originally in 2015 and when the Final Business Case was approved by cabinet April 2018.</p>

Recommendation	Response
<p>Recommendation 5</p> <p>That the NSW Government exempt state-owned museums from the annual efficiency dividend.</p>	<p>Noted</p> <p>Since 2004, the efficiency dividend has not been applied to expenses relating to donations, private sector grants and other non-Government revenue received by what were then the five Cultural Institutions – the Art Gallery of NSW, the Australian Museum, the Museum of Applied Arts and Sciences, the State Library of NSW, and the Sydney Opera House. From 2017-18, this exemption was extended to revenue generated by the then Cultural Institutions from the sale of their goods and services.</p>
<p>Recommendation 6</p> <p>That the Legislative Council, in the 57th Parliament, establish a Select Committee to inquire into and report on the governance of the arts and culture sector in New South Wales, with particular reference to the governance and management of the Powerhouse Museum relocation project.</p>	<p>Noted</p> <p>The Museum and Galleries in New South Wales inquiry was established on 23 June 2016 and has spent two and a half years inquiring into the NSW Government agencies responsible for the organisation, structure and funding of museums and galleries in NSW. This has included the governance of the Museum of Applied Arts and Sciences, and of the Powerhouse Museum relocation project.</p>