

SUBMISSION

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POWERHOUSE MUSEUM

**Inquiry into the structure and funding of the arts, music,
night-time economy, and transport portfolios
Submission of the Public Service Association of NSW**



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Introduction

The Public Service Association (PSA) represents state public servants from across all government Clusters, Departments and State-Owned Corporations, inclusive of the tertiary education sector within NSW. In total we represent some 40,000 public servants in New South Wales, including employees across all the cultural institutions run by the NSW Government. We are the primary union for employees in the portfolio areas under consideration in this review and, despite sharing coverage with other Unions, the largest union in Transport for NSW.

The PSA has watched as the Minns Labor government has worked through the many issues related to the Arts portfolio. We don't wish to underplay the problems they inherited in this area, a focus on polish over substance, a move to private equity over public funding, and the general run down of public service workers. Yet many of the bright promises of the new government, and its new Minister remain outstanding, or in some cases even further away.

We have watched with sadness as the Powerhouse Museum continues to diminish before our eyes and stood by our members as the costs of a massive expansion of the Art Gallery of New South Wales was pursued at the cost of investment in the people who made the gallery great.

Similarly within Transport, we are deeply concerned about the way this Agency has been Managed and how this reflects on this government's failures to clean up the mess of the previous government. Transport for NSW is the canary in the coal mine for this government on what happens when it fails to address the debt bomb that is a bloating Executive service.

Below we respond to each of the points contained in the Terms of Reference however we note the interconnectivity of many of the terms of reference points. We have tried to place information within its appropriate areas but note that many of our comments and statements apply across other areas than where they appear. We also note that the Department of Cultural Industries, Tourism, Hospitality and Sport (DCITHS) is not mentioned by name in the terms of reference, despite being the Department with oversight for most of the agencies mentioned. Obviously this Agency, and its Secretary, has a key role to play in the Minister's portfolio and decisions emanating from the Ministerial office.

We have also included specific comments regarding what has been occurring within Destinations NSW at the end of our submissions, noting the similarities to the other Agencies that form part of this Inquiry.

Stewart Little
General Secretary

Response to the Terms of Reference

- (a) the processes, rationale and governance structures underpinning budget, resource allocation and organisational restructure decisions within these portfolios**
- (b) the role of central agencies and ministers in determining allocations and approving organisational changes**
- (c) the transparency, timing and communication of decisions to affected agencies, employees and stakeholders**

The PSA is deeply concerned about the way that the government has managed these Agencies. The past three years have been a frustrating time for the PSA as it has seen numerous undertakings from the Minister not play out as they should have. Decisions announced have not materialised on the ground, either through a lack of coordination, not being properly resourced or from a failure to follow through with the goals of the government. Where the fault lies in some of these instances is unclear but sometimes it has been all three.

We are concerned that undertakings provided by the Minister are seemingly disregarded in the actions of agency heads. This is particularly prevalent in Agencies where the structure of the organisations remain largely unchanged from prior to the last election. Of particular concern to us is the fact that a Ministerial commitment to ensuring that front line roles would be retained appears to be ignored by the Senior Executives entrusted with the implementation of the decision. We are unable to determine if the Minister, or his office, actually do anything more than a cursory review of any proposals put to them for implementation. It appears to us that the Minister's office review of operational decisions poses no more than a rubber stamp to the decision of Agency heads.

The PSA has also been seeking a clearer understanding of the budget allocation process where decisions or announcements are made in individual agencies around government announcements. Particularly in the case of the Art Gallery of NSW, Treasury appears to be the primary driver of the current restructure, with justification for the restructure being placed at the feet of a Budget shortfall. However there remains a lack of transparency around the change in allocation and projected impacts and it is difficult to assess the correlation to the current restructuring. It is our member's understanding that the proposal was created following a questionable benchmarking exercise by the government. Treasury compared the Art Gallery of NSW to the National Gallery of Victoria.

As one of our members points out, ***“These two institutions are completely different Cultural Institutions with the National Gallery of Victoria revenue mainly generated via external sources.”***

It is our fear that management at the Art Gallery of NSW either were not engaged in defining the parameters of this benchmarking program, or were ignored by Treasury in the relevance of the comparison. The fear is that this was an economic decisions being made without the input from the Agency affected, which are then expected to just make them work.

It's worth noting that each new strategy that is launched within the portfolio under review does not come with any detailed plan of implementation, many announcements have been met by Management seeking time to prepare a briefing to the PSA as if the announcement is news to them too. Staff Impact statements are not ready for the announcement, nor have organizational charts always been forthcoming until well after the announcement been made by the Minister. It appears that it is only at the Agency level that any sort of work is being carried out on how to fund and staff new initiatives.

The result of this is that the Agency usually comes up with a plan within the budget allocation, or within its existing budget in some cases, which inevitably affects existing operations. Many times, existing operations suffer or our members become overburdened in their workloads as they struggle to adjust to additional work.

This backwards way of working often leads to short term thinking, with the hiring of contingent labour, consultants or contractors being procured to fill the shortfall and get the initiative up and running. Not only is this a financially expensive option but also contrary to government policy. This is an issue the PSA has continuously raised with the Minister to no avail.

(d) the operational, staffing and program impacts of budget and restructuring decisions on:

(i) Create NSW

Create NSW underwent a restructure between May and September 2026, involving a 35.5% reduction in role numbers (110 to 71 – as per the *Create NSW Consultation outcomes 19 August 2025*, sent to staff) and a change of structure across all areas. Part of the proposal was to create additional streams to incorporate additional strategies through the Minister’s whole-of-government Creative Communities policy.

Despite this, the ‘restructure’ cut 40% of roles while introducing the four new strategies on top of the existing service areas. We note that within one of these existing teams, Creative Infrastructure, this figure rose to a 57% reduction in staffing numbers, with no change in responsibility or incoming workload.

As a result, one PSA member responded that, ***“our members have little faith in the new structure that has been created to implement the new policy.”*** Their view is that the policy is designed purely to placate the sector and there was never a proper, informed discussion as to how to deliver it within a reduced staffing footprint.

Staff suspect that as the Executive Director had just been appointed to the role, the restructure was being run out of DCITHS and the Minister’s Office. It was made clear to them from the briefings that senior CNSW staff remained in the dark about the plans until the last minute and had limited knowledge throughout the process. The PSA is unclear if the Minister interrogated the feasibility of the restructure with the incoming ED or any other senior staff at CNSW or relied solely on the advice of the Secretary of DCITHS or other external bodies.

(iv) The Art Gallery of New South Wales

In March 2024 a restructure program commenced that reduced the establishment at the Gallery by almost 40 roles. However by March of this year, and with a new Director having been appointed, the Gallery was apparently again in need of cuts to stay within Budget. When challenged on this, the Minister stated the 2024 cuts did not address the Budget issues. Yet it is apparent that the benchmarking process against the National gallery of Victoria, mentioned above, occurred after the 2024 restructure. This can not, in our members view, be categorised as anything other than a Budget cutting exercise at the expense of the Arts sector, and the Art Gallery of NSW.

The result is another restructure that proposed to cut 51 roles from non Executive staffing numbers. Following consultation and action from the PSA, this number has now

been reduced to 44 roles. Yet this still represents a cut of more than 1 in 10 employees from the Gallery, at a time when it is larger than ever.

Our members at the Art Gallery, recognised as a world class institution, struggle to understand how such an asset can be developed and then almost overnight undermined in such a drastic manner. From a budgetary perspective, we are concerned with the reduction of \$6m in operating funding and \$15.5m for capital projects for the Art Gallery of NSW in the financial year 2025-26 are having a devastating and destructive impact on this newly renovated site.

The views of our members are summarised thus:

- Top-Heavy Structure

The restructure creates multiple new or regraded senior roles, including Chief Curator (SEB1), Senior Curator (Film), Senior Curator (First Nations) and expanded director-level posts. These are effectively promotions for existing positions, increasing the number of high-salary executive positions at a time when frontline delivery roles are being cut. This results in a “top heavy” organisation that prioritises senior management layers over the practical, technical, and creative expertise required to realise exhibitions and maintain the collection.

- Misalignment Between Program and Cuts

The 2026 exhibition program shows a minimal reduction in scale, with 12 exhibitions compared to 15 in 2025 - with still many collection shows, changeovers, and touring shows. While the Gallery has indicated a shift toward collection-based shows spread across Naala Badu, Naala Nura and Brett Whiteley Studio, this change does not justify eliminating critical operational roles. The removal of positions such as Installation Officer Grade 2, Collection Registrar, Exhibitions Registrar, Assistant Exhibitions Registrar, and several Design Department roles undermines the Gallery’s ability to deliver even this reduced program effectively. If a reduced exhibition program is cited as the rationale for job cuts, it is inconsistent that the Exhibitions Department itself remains untouched.

- Career Pathways

The proposed cuts disproportionately affect assistant and mid-level roles such as Assistant Registrars, Junior Designers and Assistant Programs Producers. These roles are essential entry points for new staff and provide career progression for developing expertise within the Gallery. Without them, the Gallery risks undermining succession planning and losing institutional continuity.

- Loss of Institutional Memory

Particularly concerning are the proposed cuts to Installation and Registration. These are not interchangeable roles — they are highly specialised, technical fields where staff build knowledge over many years of direct experience. These teams hold critical institutional memory about art handling, storage, exhibition logistics, collection systems, and compliance. Once lost, this expertise cannot easily be replaced, and the Gallery’s ability to safeguard its collection and deliver complex exhibitions will be severely weakened.

- Health and Safety Risks

The removal of the dedicated Risk & Safety Manager position is a major concern. This role is essential for ensuring compliance, staff wellbeing, and visitor safety in a high-risk environment that involves public access, art handling, installation, and building operations. Transferring or absorbing safety responsibilities without a dedicated specialist increases both legal liability and practical risk to staff and visitors.

- Efficiency vs Reality

Although efficiency is cited as the rationale for these changes, the restructure does not simplify reporting lines or improve delivery capacity. Instead, it adds new management layers (e.g., Chief of Staff, Associate Directors, Heads of departments) while removing frontline delivery roles. This creates greater bureaucracy and reduces the Gallery’s ability to execute programs smoothly. Efficiency should mean resourcing the staff who deliver the work, not expanding executive management at the expense of operational teams.

(vi) The Museum of Applied Arts and Sciences (Powerhouse Museum)

Prior to the 2023 state election, a number of promises were made by the Labor party to the people of NSW regarding the Powerhouse Museum. The (then) Shadow Minister’s pre-election declaration of 22 March 2023 that, “*Only Labor will save the Powerhouse Museum*” no doubt swung many votes to the Labor party.

Labor promised to keep the Powerhouse Museum at Ultimo open, retain the Wran building, maintain Ultimo as the flagship of the institution, give the Parramatta project its own identity and name, return the museum to its focus on science, engineering, transport, the technical arts and education. and end the secrecy around the project.

Yet none of the promises have been kept by the Minister once they took office. The new Government and Minister has continued with the previous government’s policies. The new Minister maintained the same Liberal-appointed executive to oversee the Museum, despite knowing her hiring by the previous government had been mandated specifically to shutter the Ultimo site and break up the museum.

The results have been predictable for our members. Ultimo is now shut and the world class collection it housed is now in storage, much of it never likely to ever be seen again. Meanwhile the Minister has shown no regard for the government's election promises, or any interest in engaging with the PSA over a resolution to this vandalism.

The impact here will be felt by the citizens of NSW who will ultimately have an inferior experience with this institution. The CEO of the Museum has been aggressive in implementing her mandate for change, if now wrapped within the language of the government's paper policy of renewal. Staff turnover at the Museum has been high and valuable knowledge has been lost.

In addition, the culture of the workforce has been attacked. The position of Artistic Associates have been introduced to the Powerhouse Museum structure as a form of consultancy. There have been instances reported to the PSA of staff being directed by Artistic Associates, and also being directed by management to present work to Artistic Associates. Much of the work the Associates are performing at the Museum has been reported to the PSA as work that forms part of the duties of a curator at the Powerhouse Museum. This has clearly been outsourcing by stealth. It is also clear that the cost of these roles is a major concern. In the course of the past four years, spending on these roles has sky rocketed.

In 2021-22 financial year, four Artistic Associates cost the Agency \$142,000 in total. This year, the costs are on track to be over \$750,000 for just two positions. That represents a ten-fold increase in the cost for each Artistic Associate in just four years. Additionally, not one of the Artistic Associates from 2021 is still with the Powerhouse. The PSA has serious concerns about the costs of these roles, while ongoing curator roles are cut from the organisation, and the potential for corruption given the lack of oversight over how these roles are appointed and paid.

In addition, there have been several senior role appointments at the Museum that have raised serious concerns from staff. One appointment, Director of Programs, requires extensive experience of Museum practice but was filled by someone with no experience working in Museums. Staff are constantly dealing with Operational issues caused by a lack of experience amongst their senior managers. Meanwhile, the constant uncertainty around the Ultimo site and the direction of the Museum means that staff continue to leave and not be replaced adequately.

The curatorial department at the Museum has gone through a realignment, altering the reporting lines, and the creation of new teams. What was formerly the Public Programs team is now named Program Curators. The pre-existing curatorial team was split in to two teams: Exhibition Curators and Collection Curators. In the time from 1988 until the current CEO executed the split of the curatorial teams in 2024, curators performed both

exhibition development and collection research, and this was reflected in the role descriptions.

In meetings with senior management leading up to the split of the team, curators were assured that their skills, and particularly collection knowledge will be retained after this realignment. However, as long-term staff have been leaving, their knowledge is not being retained via succession planning.

Examples include, but are not limited to, the Museum's Curator of Astronomy being replaced by an applicant with no museum curation experience, and a background as an artist specialising in glass-working. Curators of Health and Medicine and Australian Cultural History being replaced by applicants with backgrounds in sound design and contemporary art.

It is clear that this deliberate altering of the skill-base, and strategic curatorial direction is an oblique departure from the Museum's Act and purpose. The vast collection knowledge built up by the curatorial team is being methodically removed.

In correspondence from the Museum CEO provided to the PSA, the CEO states: "The Powerhouse curatorial team is actively developing exhibition concepts for Ultimo, with detailed design work set to commence later this year." The PSA has asked the curatorial team who is currently working on the Ultimo project but can identify none who are working on projects for Ultimo. One can only assume that the CEO has assigned this task to an Associate or other consultant not employed by the NSW government.

Below is a list of the curatorial skills and institutional knowledge lost via restructures leading up to the decision to move the Museum to Parramatta, and lost by attrition under the current CEO. Many have not been replaced, or have been replaced with inappropriately skilled staff.

Lost Science and Technology curatorial and other roles:

- Senior Curator of Engineering and Design
- Curator of Engineering and Design
- Curator of Energy and Power Technology
- Curator of Biotechnologies
- Senior Curator of Sciences
- Curator of Computing and Mathematics
- Senior Curator of Transport
- Curator of Transport - Aviation
- Curator of Space Science and Technology
- Curator of Health and Medicine
- Curator of Philately and Postal Technology
- Curator, Design and Built Environment
- Engineering Conservator (3 positions)
- Manager, Interactive Exhibits and the entire staff of the department (about 5 positions)

- Plant Operators (3 positions)

Lost Decorative Arts and Design and Social History curatorial roles:

- Senior Curator Social History - domestic history
- Curator Social History – arts and design
- Curator Social History – architecture, lifestyle
- Curator Social History – culture, music
- Curator Australian Indigenous Culture
- Senior Curator Australian Contemporary Decorative Arts & Design: architecture, furniture, lifestyle
- Curator Australian Contemporary Decorative Arts & Design - crafts, crafts practice
- Curator Australian Contemporary Decorative Arts & Design – graphic design, photography
- Senior Curator Australian Historical Decorative Arts & Design
- Curator Australian Historical Decorative Arts & Design – textiles, dress
- Curator Archaeology and Numismatics
- Senior Curator International Decorative Arts & Design Curator International Decorative Arts
- & Design – furniture, architecture & design
- Curator International Decorative Arts & Design – juvenilia, textiles and dress
- Curator International Decorative Arts & Design - Asian arts
- Curator West, Central, South and Southeast Asia, Africa and the Pacific - textiles, dress
- Curator West, Central, South and Southeast Asia, ceramics & metalwork
- Assistant Curator Decorative Arts & Design – textiles, dress, lace
- Assistant Curator Decorative Arts & Design – general
- Curator Egyptology
- Curator Lace
- Curator Music
- Conservator of Musical Instruments

(vii) Transport for NSW

In July this year the government announced it would be cutting 950 jobs from Transport for NSW, out of a total workforce of just 16,000 people. Initially, all these cuts were to come from front line roles, with the 1,100 Public Service Senior Executive (PSSE) positions exempt from the cuts. This was despite Transport for NSW having 1 in 4 of all PSSE's in the Public Sector for only 16,000 workers out of a total of more than 400,000 public servants across the sector.

Estimates are that despite the incoming Government's election commitment to cutting the PSSE by 15% across its first term. That Transport's Executive was growing at the rate of around 2 new positions a week. All of this led to one member commenting to us,

“There’s Exec(utive)s who report to Exec(utive)s on projects no one has ever heard of.” When announced, staff expressed concern that they were now going to be made to pay for this Executive profligacy.

So it was no surprise to our members when the target of the restructure was revealed to not be based on operational issues or realignment, but had at its core a need to save \$600 Million a year from the transport budget. It was also established that despite the growth in senior roles, around 2,700 existing roles on the establishment were currently vacant. Further, that removing these roles would not represent any saving as many of them had already had their funding diverted to other uses within the budget. The PSA feels it doesn’t take much to see where the funding went.

During consultation on the cuts, the Secretary of Transport nominated a figure of \$279 Million as the amount earmarked for staff savings from the process, with the 950 jobs target being an “estimate” of how many positions would have to be cut to make the budget savings required. This was clearly a backwards process from the point of view of operational needs, with the dollars driving the cuts rather than vice versa.

It also seemed to suggest the Agency planned to continue to hollow out the workforce by cutting front line roles while ring fencing the PSSE roles from the cuts.

Adding insult to the injury for our members, through a dispute process before the IRC, the PSA and other unions were able to uncover over 700 labour hire workers employed by the Agency who were not being examined or assessed in this process. In addition, many short term roles were still being filled by contractors and contingent labour, despite there being alternative, cheaper ways to fill the roles.

With the assistance of the IRC, the PSA is hopeful that the vast majority of roles will be retained by finding savings in other areas of the Transport for NSW budget. However we note that, only once the fight to save roles is concluded, will the Agency and the PSA commence discussions on what the operational structure of Transport for NSW will be look like.

- (e) the retention of professional expertise and institutional knowledge, including the adequacy of processes for knowledge transfer, mentoring and succession planning**
&
(f) the extent to which restructures and workforce reductions have affected technical capacity, project delivery and service quality

As shown above, there are multiple processes ongoing with the Agencies under review that have led to serious issues with continuity of knowledge and skills. Service delivery has been severely affected by the loss of positions or work overload in many teams at Create NSW for instance while the massive turnover of staff at the Powerhouse Museum has shown that essential knowledge of the collection and how to curate a Science based Museum are being lost. In terms of the later, our concern is that this appears to be a deliberate policy to deskill certain areas of the workforce and drive a policy change by stealth. As such, Ministerial inaction to address these concerns is either negligence or complicity with an agenda against the stated policy of the government.

Given the uncertainty amongst all the agencies, it is not unsurprising that staff are already seeking more secure employment opportunities elsewhere. Government policies that have been designed to protect and re-establish lost corporate knowledge across government don't seem to apply to these Agencies.

Create NSW is struggling to deliver on its areas with inadequate staff while the Art Gallery of NSW is being expected to manage expanded facility with less staff than they had before the expansion. If current management at these institutions can not bring forward plans to the Minister that meet the expectations of government policy, then it is the role of the Minister to intervene to ensure they can.

As noted above for Transport for NSW, there is no knowing at this stage what damage will be done in long term to this Agency as a result of the restructure. What can be noted at this stage is that a program designed to reduce positions based on an expression of interest by staff themselves, the potential for gaps and skill shortages is immense.

Members have also highlighted that older members are more likely to be interested in taking voluntary redundancies, this represents a clear risk to succession planning, especially where knowledge gaps are not even being identified until after the redundancy program is finalised.

The Art Gallery of NSW restructure has worked on a similar basis with 25 staff accepting voluntary redundancies prior to any positions being filled. Inevitably, the majority of these staff are the oldest, and most experienced staff. When the expectation is that the remaining staff do more with less, to lose your most experienced operators is not a good starting point.

(g) the reliance on external contractors and private consultants within the relevant agencies

The issues around the use of external contractors and consultants are now well chronicled by both Commonwealth and NSW Parliamentary Inquiries. The PSA made its position on these matters very clear both in written and oral submissions to the NSW Parliamentary Inquiry in 2023.

A clear sign that current management of these Agencies can not develop efficient plans going forward, or is adequately dealing with the issues of staff retention, institutional knowledge, service delivery and quality is the continued reliance on contingent labour, contractors and consultants across the portfolio.

Given the ongoing financial pressures and staffing issues, at, for example the Powerhouse Museum, we are extremely concerned that the institutions annual report for 2023-24 shows expenditure on consultants of \$363,000 – an increase of \$59,000 over the previous year – despite the loss of positions and restructure. Any restructure of an Agency that fails to incorporate all needs of an Agency into the ongoing workforce of the organisation is a failure. This is a pattern replicated across the cultural institutions.

Transport for NSW is clearly a large user of contingent labour, contractors and consultants. Yet with a PSSE count of 1,100 out of a total workforce of 16,000 there is little reason to suspect that it should struggle to offer the high wages needed to attract the specialist skills often claimed as the reason for outsourcing external expertise.

The Government's own *Core NSW Public Service Work Policy*, negotiated with Public Sector Unions in 2025, stipulates that Agencies need to be actively reducing their use of all forms of external labour hire, in favour of building capacity in house. It recognizes that the best way to achieve this goal is through the development of in house, ongoing roles that deliver a quality service to the people of NSW. The PSA looks forward to this policy being rolled out in these areas.

(h) the adequacy of consultation with employees, unions and other stakeholders during periods of change

Staff and their unions, including the PSA, have consistently been blindsided by restructures within this portfolio area. Contact with the Minister's Office is usually one way and there has been no warnings or briefings provided ahead of public announcements to staff or their representatives.

The PSA has done all it can to obtain information on the restructures, particularly as it affects staff, as early as possible by requesting meetings with decision makers. Across the portfolio, the response has been slow and opaque. As raised elsewhere in this submission, the PSA is left with the impression that many of these actions are a result of a disjointed method of announcing and following through with restructures.

The situation with Create NSW is illustrative of the deficiencies which are endemic around consultation within this portfolio. The consultation process was inadequate and not in accordance with a proper consultative process – we would contend that the process has not:

- involved Executive up front or supported them to guide staff through the rationale.
- provided the missing requested information on rationale when requested.
- ensured all staff have equitable inclusion and information.
- Timeframe extension and information briefings and workshops have had to be requested by PSA on behalf of members.
- Additional workshops/briefings have not provided the required information.
- The rationale and reasons for change have consistently been kept from staff, with Transformation Team advising staff they have 'no information on the decisions behind the proposed structure'.
- Staff conclude the Executive and Executive Director have done their best but have no understanding of the change rationale and new priorities to be shared with staff.
- The process is contradictory: requests to show staff how feedback has been incorporated into a redrafted changed structure have been declined, whilst new change commitments in response to feedback in some areas are announced (such as retainment of all First Nation positions) part-way through the process. Whilst well intended, such actions have contributed to confusion and inconsistencies.

- Director/Staff Workshops and Executive Director Briefings implemented as part of the consultation have not been implemented to ensure equitable staff access or consistent objective information sharing:
 - some workshops were in person only with no notes to follow, excluding part time, on leave and work from home staff,
 - staff report different information was provided at different workshops,
 - no-recording of the Executive Director briefing or communicated formalised opportunity for absent staff to be engaged,
 - inadequate time in the Executive Director briefing for genuine discussion and questions.
 - PSA Delegate questions not addressed in the Executive Director all-agency briefing.
- The Executive Director briefing excluded any reference to the change rationale and focused comments and ideas not on the proposed structure but on post structure strategic planning.

The entirety of the Powerhouse Museum project in relation to shuttering the Ultimo home of the Museum, moving the collection into storage and creating a new 'flagship' institution at Parramatta has unarguably been fraught with secrecy and a lack of public consultation, or at least actively dismissing public and stakeholder opinion. The PSA has represented the workforce of the Powerhouse Museum all through this saga, and through numerous senior management changes, and a change of government. Disappointingly, the secrecy and dismissal of issues has continued with the current government, despite promises to the contrary prior to the state election.

The PSA is grateful that the Minister has taken time to meet in good faith with the PSA and delegates; however, the members' genuine issues raised with the Minister remain unremedied. The senior management at the Museum continues to use a privatised, consultancy-led model for exhibition development and collecting strategies. And there is a sharp departure from the Powerhouse Museum's Act and purpose.

As evidenced by four years' worth of People Matter survey results, change management is executed very poorly at the Museum. The PSA, the PSA's members and other staff are consulted with minimally, and late in the process. Members and other staff's suggestions are ignored and the Museum has rock-bottom morale with PSA members and other staff report that working at the Powerhouse is like working at a privately owned art gallery. They feel the current CEO acts like a private owner answerable to none. Staff feel she is clearly outside the parameters of the Museum's Act and has altered the Museum to reflect her own personal tastes. No other NSW state government department has a leadership that appears to dictate the direction of the

organisation to the Minister, rather than following the legislative and charter requirements of the public institution they lead.

k) any other related matters

Destination NSW

We specifically want to draw the Inquiry's attention to the situation at Destination NSW (DNSW) which is a related agency to DCITHS and in the same portfolio until March 2025.

Following administrative changes in 2024, Destination NSW staff are employed by DCITHS which indicates the increased centralisation of governance across the department's portfolio.

Destination NSW is currently affected by a restructure and change management process, similar to other agencies listed in the inquiry.

Most points in the Terms of Reference are pertinent to the changes occurring to Destination NSW, including:

- governance structures underpinning budget,
- resource allocation and organisational restructure decisions,
- concerns for retention of professional expertise and institutional knowledge,
- the adequacy of consultation with employees,
- the extent to which restructures and workforce reductions have affected technical capacity, project delivery and service quality,
- reliance on external contractors,
- and impact of budget and organisational decisions on services and programs across NSW.

The launch of the NSW Visitor Economy Strategy 2035 was listed as the main factor for restructures at Destination NSW. However, as Destination NSW is no longer a staffing agency, decision making processes appear centralised with DCITHS for related changes.

Given this overlap of experiences, it could be recommended for the inquiry to consider a broader examination into the role of DCITHS in these matters and its support for related agencies including Destination NSW.

Specifically for Destination NSW in relation to the Inquiry's terms of reference, we submit:

(e) the retention of professional expertise and institutional knowledge, including the adequacy of processes for knowledge transfer, mentoring and succession planning

The Inquiry's terms of reference include the adequacy of processes for knowledge transfer, mentoring, and succession planning.

The Destination NSW Change Management Plan 2025 will lead to the departure of key staff with deep technical expertise and extensive Visitor Economy experience. This poses significant risks in:

- Market intelligence and data analysis: Reduced technical capability to interpret and apply insights critical for strategic decisions.
- Stakeholder engagement: Lower capacity to provide tailored, high-value support to industry partners.
- Digital and technology systems: Loss of in-house expertise to manage, integrate, and evolve core platforms.
- Knowledge transfer: No plans have been communicated for departing roles, which are potentially due to exit within weeks. DNSW Members have requested continuity and knowledge transfer measures to mitigate service delivery risks and maintain stakeholder confidence.
- Mentorship: The 2023–24 mentor program is now defunct following reductions in the People & Culture team.
- Succession planning: No current initiatives are in place.

(f) the extent to which restructures and workforce reductions have affected technical capacity, project delivery and service quality

The Destination NSW Change Management Plan 2025 has reduced technical capacity, affecting project delivery and service quality. DNSW Members flagged:

- Service continuity: Loss of institutional knowledge will impact consistent service standards.
- Program delivery: Reduced capacity to meet commitments, including major initiatives and partnerships.

DNSW Members note that agency performance may fall short of targets during transition, and in some cases, visitor expenditure returns could contract in affected program areas. Detailed planning is essential to address delivery risks, ensure continuity, and maintain DNSW's ability to meet obligations and strategic priorities.

(g) the reliance on external contractors and private consultants within the relevant agencies

DNSW Members note that Destination NSW relies heavily on contractors to deliver core 'business as usual' functions.

Currently, more than 95 contractors - around 40% of the workforce - are engaged across various arrangements, including contingent workers, direct contracts via

procurement, temporary employees, and Vivid Sydney staff (employed for approximately 10 months annually). Many are not engaged for short-term projects but for ongoing operational work.

Common contracting arrangements include:

- Temporary employees (under Crown Conditions)
- Contingent workers (via labour hire agreements)
- Direct individual contracts via ABN (including overseas arrangements)
- Procured contractors (general procurement)
- Procurement scheme contractors (e.g., ICT and Professional Services schemes)
- Project-based staff employed by vendors but working onsite at DNSW

Many contractors have held long tenure - often 5-10 years - and numbers continue to rise year-on-year.

DNSW Members note the NSW Government's commitment to reduce spending on agency-hire contractors by 25%. DNSW Members have requested clarification on:

- How the DNSW Change Management Plan 2025 addresses this requirement while maintaining operational sustainability.
- Whether long-term contracted roles should be reviewed for conversion to ongoing positions where appropriate.

(h) the adequacy of consultation with employees, unions and other stakeholders during periods of change

Destination NSW maintained dialogue with employees and unions during the Change Management process, as required by the NSW Government's *D2011_014 Agency Change Management Guidelines*.

However, consultation did not extend to the agency's stated reasons for change outlined in its Change Management Plan 2025, nor were further details provided when requested. Key gaps include:

1. Limited involvement in Visitor Economy Strategy 2035 (VES2035)

- Only three DNSW staff were seconded to the formal review. Broader staff engagement in shaping the strategy was minimal.
- Staff were not given opportunities to provide input, review recommendations, or contribute to drafting outcomes. No details have been shared on implementation or action planning to enable teams to commence related projects.
- Staff have been asked to consider their role in delivering a 10-year strategy amid ongoing organisational change, creating uncertainty.

- General staff report difficulty understanding VES2035 implications alongside existing workloads, with limited communication or support.
 - Members are concerned that meaningful engagement was lacking without clarity on delivery actions.
- 2. No outcomes communicated for a Corporate Services Functional Review**
- The Office of the CEO undertook a review of DNSW Corporate Services and adjacent roles (corporate services staff sitting in other DNSW divisions), facilitated by an external party.
 - Findings were not communicated beyond Director level.
- 3. Lack of involvement and transparency in whole-of-agency functional review**
- The Change Management Plan references that FY25 budget allocation depends on completing a whole-of-agency functional review.
 - External consultants were engaged for a limited review of Corporate Services, while the remainder was conducted internally. No outcomes have been shared with staff.

(i) the impact of budget and organisational decisions on services and programs across metropolitan and regional New South Wales

Like many across the NSW Government, Destination NSW was provided only budget certainty for the current year, which has impacted the ability for the agency to complete long term planning around many of its program including event investment and partnerships across the visitor economy.

Destination NSW represents the NSW Government in tourism and events, supporting more than 100,000 businesses in the Visitor Economy - many of them small to medium enterprises - and works directly with regional Destination Networks.

Recent organisational changes, including staff reductions under the Change Management Plan coupled with lower funding availability and lack of future budget certainty, have tangible impacts on both metropolitan and regional NSW. These include:

- Reduced capacity to deliver programs and services at scale.
- Loss of specialist expertise and technical knowledge critical to maintaining quality and innovation.
- Flow-on effects to industry support and stakeholder engagement, which may limit DNSW's ability to meet its mandate effectively.

(j) the alignment of government decisions with stated policy objectives in cultural development, creative industries, and the safe and sustainable operation of the transport system

The Department of Cultural Industries, Tourism, Hospitality and Sport (DCITHS) identifies Destination NSW as playing a crucial role in 'maximising the intersection' between the Visitor Economy and the cultural and creative industries. Cuts to staff, programs, and technical capability, combined with reduced budgets, risk undermining this alignment. DNSW's efforts are central to:

- Driving demand and visitation to the cultural and creative industries, particularly from interstate and international markets.
- Amplifying cultural development and creative industry initiatives through strategic partnerships.
- Supporting projects that deliver social and community benefits for NSW through cultural and creative engagement.