



Powerhouse Museum back in black after cash squeeze

Linda Morris

The Powerhouse Museum is one of the state's few cultural institutions to survive COVID-19 in the black after months earlier running out of cash, financial figures show.

The squeeze facing cultural institutions has been documented in the annual reports tabled in State Parliament before Christmas.

The Art Gallery of NSW had an operational deficit of \$6.8 million for 2019-20 in what director Michael Brand called an unprecedented year of changes and challenges.

The Sydney Opera House deficit was \$7 million. Attendance fell by a third across the two institutions. In March, the Powerhouse at Ultimo joined all cultural institutions in shutting its doors. Visitor numbers fell 31 per cent as a result.

But COVID-19 proved an unexpected bonus - the museum emerged from lockdown with a net profit of more than \$4 million.

It made significant savings by shuttering exhibitions, hibernating programs and redirecting staff to a project to digitise its collections, which is funded separately.

It was a reversal of fortunes for the museum whose budgeted net loss of \$3 million doubled to \$6.2 million in 2018-19 and which ran out of cash in June last year.

The financial statements show the Museum of Applied Arts and Sciences received from the Department of Premier and Cabinet a \$5.32 million grant as a "funding adjustment" to "address the museum's cash position".

It's not common for government agencies to go into "bank overdraft", the NSW Audit Office said.

Powerhouse chief executive Lisa Havilah said staff should be congrat-

ulated for working hard to deliver a surplus in the toughest of years. "We were able to retain our staff, including our casual team members, during the shutdown of the museum's sites and transition many of our services online in a short period of time," she said.

"There is a huge amount to look forward to."

Lisa Havilah, Powerhouse

"With the delivery of Powerhouse Parramatta ahead of us as well as the renewal of Powerhouse Ultimo there is a huge amount to look forward to in 2021."

The museum had been waiting on a \$3.5 million reimbursement from the Department of Planning and Environment in relation to expenditure incurred on the relocation. The reimbursement had come just after the end of the financial year, Ms Havilah said.

The \$5.32 million grant was a cash buffer adjustment facilitated

by NSW Treasury, an annual process that applied to all cultural institutions, she said.

The costs of the relocation project did not come out of the MAAS budget but had been independently funded by Create NSW.

All three cultural institutions predict revenues will continue to be affected by the pandemic.

In relation to the Powerhouse Museum, Professor Percy Allan from the Institute for Public Policy and Governance at the University of Technology Sydney said the government appeared to have increased its recurrent grant in 2019-20 by \$5.3 million to help the museum repay almost all its borrowings and restore its cash holdings.

The Art Gallery of NSW closed its doors for 10 weeks from March 23. Just over 1 million people visited the gallery, Brett Whiteley Studio, and attended its touring exhibitions in 2019-20, compared with 1.5 million the year before.