

**Submission
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**INQUIRY INTO ENROLMENT CAPACITY IN INNER CITY
PUBLIC PRIMARY SCHOOLS**

Name: NSW Department of Education

Date received: 27 September 2016



The Hon. Adrian Piccoli MP
Minister for Education

Ms C Moore
Lord Mayor
City of Sydney
GPO Box 1591
SYDNEY NSW 2001

DGS14/1416

Dear Lord Mayor

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I write in regards to the stalled negotiations between the Department of Education and Communities and the City of Sydney over a site for a new school at Wattle and Fig Streets, Ultimo.

As you would recall, the Inner City Schools Working Party was established following a meeting between ourselves and the Member for Sydney, Alex Greenwich. The working party looked at options to provide additional primary school places in the Ultimo area. As per our discussion, the working party was made up of Department representatives, members of the community and Council.

On 15 October 2013, the Working Party unanimously agreed that the construction of a new school on land at Wattle and Fig Streets, Ultimo, owned by Council, was the preferred option to deliver additional primary school places. In November 2013, the Department commenced negotiations with Council to acquire the Wattle and Fig Street site.

I am advised that the Department has accepted Council's condition that negotiations are based on the value of the site at its highest and best use, not at the much lower price if it was valued as an educational site. This puts the cost of the land at \$100 million, more than double its value as a school site, its intended purpose. It has also been agreed that a reduction in price will be made for contamination.

I am further advised that during due diligence the proposed site has been found to be highly contaminated, a fact that is not in dispute. What is now in dispute is the level of decontamination that is needed.

The Department has engaged independent experts and NSW Public Works to establish the estimated costs to remediate the site to a level acceptable for a school. The advice puts the remediation costs at \$25 million. In the spirit of cooperation for the benefit of the community the Department has agreed to discount this figure to \$18 million.

Council has taken a position that they are only willing to consider decontamination works suitable for a commercial development, a cost of \$5 million.

The Department always places the safety of students and staff as its highest priority. It will not compromise on reducing the level of remediation works that are necessary for a school site by adopting a 'minimalist' approach.

It is unacceptable that the students of Ultimo would be made to use a school that is contaminated to a greater degree than is acceptable anywhere else in the State.

The Department is committed to having a new school open by the start of the 2017 school year. However, if Council is unwilling to accept the Department's offer of \$74 million, a purchase price which recognises the proper level of decontamination required for a school by the end of September 2014, the Department will need to go back to the community to attempt to find an alternative site. I am advised that this process would make the 2017 opening date impossible to meet.

Your assistance with the negotiations to ensure a new school for the Ultimo/Pymont area is open for the start of the 2017 school year would be appreciated.

Yours sincerely



Adrian Piccoli MP
Minister for Education

19 SEP 2014