

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

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New Ultimo/Pymont Public School – Withdrawing from negotiations with the City of Sydney for the acquisition of a site for a new public primary school

The Department intends to withdraw from negotiations with the City of Sydney for the acquisition of a site for the new Ultimo/Pymont Public School at the corner of Wattle, Jones and Fig Streets, Ultimo. The Department intends pursuing other options to meet the demand for public primary school places in the Ultimo/Pymont area.

Key Information

Negotiations with the City of Sydney on the purchase of the Wattle, Jones and Fig Street site for the construction of a new Ultimo/Pymont Public School have been on-going since November 2013 and have so far been unsuccessful. The Department has determined that the costs involved in the acquisition of this site as proposed by the City of Sydney do not represent value for money and, due to site contamination levels, represent an unacceptable financial risk to the Department.

The current offer from the City of Sydney for the acquisition of the site is \$82.5 m. This amount is net of site decontamination costs, estimated to be up to \$25m, and the cost of construction of an 80 space childcare centre, estimated to be \$8m. Council has made the provision of a childcare centre a condition of the sale. The Department considers that the acquisition of the site, followed by remediation and construction does not represent value for public money. Even allowing for the disposal of the existing Ultimo Public School site, the total development cost of relocating the school is forecast to exceed \$110m.

As a contingency, the Department has, over recent months, been examining possible alternative options for the future Ultimo/Pymont Public School. The two most promising options under consideration are:

- Item 1(f) & 4(a), (c), (d) & 5(e)
- 2. a new school on the existing Ultimo Public School site.

Further details of these options are contained in the rationale section of this briefing. Details of negotiations with the City of Sydney are contained in DGS 14/1416 attached at **TAB A**.

Item 1(f) & 4(a), (c), (d) & 5(e)

Item 1(f) & 4(a), (c), (d) & 5(e) Option 2 could see a new school operational for D1T1 2018. Holding options for Ultimo Public School are outlined in the rationale.

Financial Implications

Item 1(f) & 4(a), (c), (d) & 5(e)

[Redacted content]

Recommendation

The Minister notes that the Department intends to withdraw from negotiations to purchase the City of Sydney site at the corner of Fig, Jones and Wattle Street, Ultimo and pursue Option 1, in the first instance, with the Ultimo/Pymont community and Urban Growth NSW.

Endorsed
Anthony Perrau, Executive Director, Asset Management,

30/9/14

Approved
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30/9/14

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7/10/14

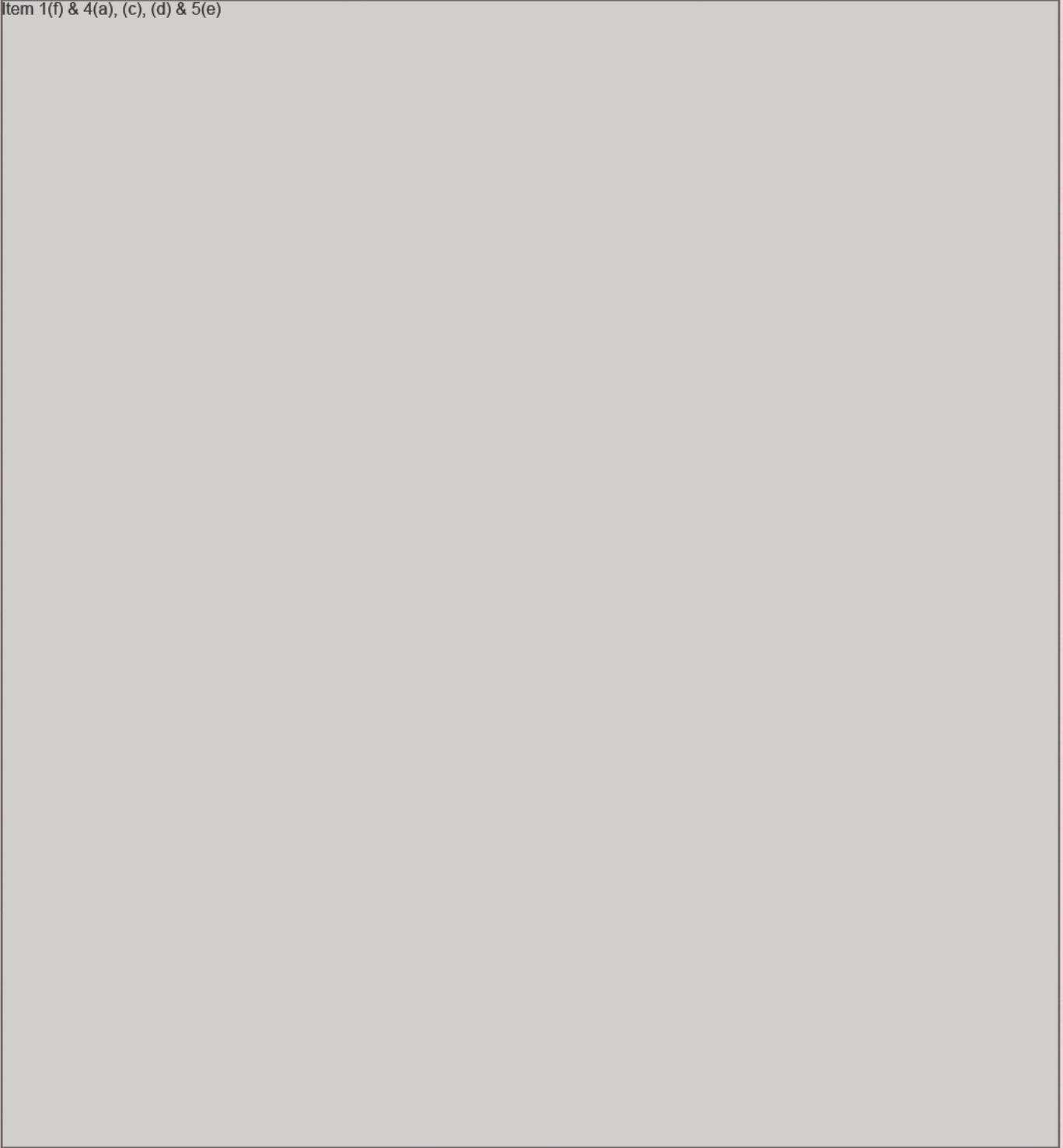
SECRETARY
7/10/14

Ultimo/Pymont Public School – Withdrawing from negotiations with the City of Sydney over the acquisition of a site for a new school

Rationale

The City of Sydney's Wattle, Fig and Jones Street site was offered up by Council during the community consultation for the new Ultimo/Pymont Public School. The 28 November 2013 media announcement by the Minister (**TAB B**) committed to a new school of up to 1,000 students in the Ultimo/Pymont area. The Council site was, at the time, the preferred option, pending successful acquisition negotiations.

Item 1(f) & 4(a), (c), (d) & 5(e)



Item 1(f) & 4(a), (c), (d) & 5(e)

Option 2 – A new primary school on the existing Ultimo Public School site.

The Department has previously investigated upgrading the existing Ultimo Public School to accommodate up to 600 students. This option was considered as part of the Inner City Schools Working Party (ICSWP) but passed over in favour of a new 1,000 student school. The Minister's announcement of 28 November 2013 indicated that the ICSWP's preferred option was for a new 1000 student school was on the Fig, Jones and Wattle Street site.

Note that a 'high rise', mixed use development on the existing site was rejected by the community and was the catalyst for the formation of the ICSWP. Although current multi-storey school options being considered by the Department do not include mixed use development, the final form and nature of a new school on the existing site would need to be workshopped with the Ultimo/Pymont community.

While plans for Option 2 are still to be developed, the proposal would require students to be temporarily located in demountables, most likely situated across the road on Wentworth Park. Locating temporary demountables on Wentworth Park has been previously canvassed as part of the ICSWP investigations and was supported by the City of Sydney Council.

Pending community support, the new Ultimo/Pymont Public School would be targeted to open for D1T1 2018. The forecast construction cost in 2014 dollars for the construction of a new school on the existing site Item 1(f) & 4(a), (c), (d) & 5(e) There would be no land costs as part of Option 2.

Ultimo Public School – Holding position for each Option

The latest enrolment projections for Ultimo Public School indicate that the school will need one demountable per year for the next three to four years, commencing in 2016.

Option 1

The preferred approach would be to locate up to two demountables on the current Ultimo Public School car park, one in 2016 and one in 2017. Beyond 2017, the intent would be to approach City of Sydney Council to allow a small number of demountables to be temporarily located on Wentworth Park until the new school is complete and operational.

Option 2

The preferred approach would be to temporarily place a demountable school on Wentworth Park (as previously discussed with Sydney City Council) to allow the rebuild works to proceed. The number and type of demountables would be assessed as part of the project planning phase. Enough demountables would be placed to cater for any growth that occurs during the construction phase.

Risks and Mitigation

Item 1(f) & 4(a), (c), (d) & 5(e)



Fall-back position – the fall-back position will be Option 2

Option 2 – Upgrade Ultimo Public School

Risk	Mitigation strategy
Small site (0.54ha)	The Department is currently developing new school models for highly urbanised, densely populated areas of the State. These models indicate that a 700 - 900 student school could be accommodated on a 0.54ha site, in a multi-storey configuration. Further consultation will be required to gain the support of the local community.
Community rejection	This Option was considered as part of the 2013 ICSWP (Ultimo) investigation and planning process and passed over in favour of a new 1,000 student school on the Wattle, Jones and Fig Street site offered up by City of Sydney Council. However, the option was not rejected by the community

	<p>and, combined with the fact that the Department still intends to construct a new "up to 1,000 student" school, it is viewed as the lowest risk alternative to not developing the Wattle, Jones and Fig Street site.</p> <p>With the extensive work done on multi-storey school models, the Department would re-commence detailed community consultation with the aim of securing support for an upgraded, Future Focused school for the Ultimo/Pymont area.</p>
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Fall-back position

1. Commence a property search for an alternative site in the Ultimo/Pymont area, including options to lease a new school site in a similar fashion to the new Cammeray Public School, funded by the sale of the existing school site;
2. Upgrade the existing Ultimo Public School to cater for 600 students and look at upgrades to item 1(f) & 4(a), (c), (d) & 5(e) to cater for future demand.

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Media release/ Communication Strategy	<input type="checkbox"/> Not required <input checked="" type="checkbox"/> Media Unit briefing attached <input type="checkbox"/> This briefing sent to Media Unit <input type="checkbox"/> Communication Strategy attached