

Submission
No 67
Item C, Tab
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**INQUIRY INTO ENROLMENT CAPACITY IN INNER CITY
PUBLIC PRIMARY SCHOOLS**

Name: NSW Department of Education
Date received: 27 September 2016

Partially
Confidential



Minister meeting with Lord Mayor Clover Moore – Proposed New School at Ultimo – Thursday 13 November 2014 10AM

The Minister will meet with Lord Mayor Clover Moore on 13 November 2014 to discuss the proposed site for the new Ultimo Public School.

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 of Education and Communities has determined that the purchase price proposed by the City of Sydney does not represent value for money and, due to site contamination levels, represents an unacceptable financial risk to the Department.

The current proposal from the City of Sydney for the acquisition of the site is \$82.5 million, which is net of \$9.5 million for decontamination costs and \$8 million for the construction of a childcare centre. The Department's own investigations and decontamination standards indicate a cost of decontamination of between \$18 million and \$25 million. 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 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 \$110 million.

If the City of Sydney is unwilling to accept the Department's offer of \$74 million, then the Department will need to go back to the community to attempt to find an alternative site. This process would make the targeted 2017 opening date impossible to meet.

Details of negotiations with the City of Sydney are contained in DGS 14/1416 attached at TAB A.

Lord Mayor Clover Moore sent a letter to the Minister on 5 November 2014, advising that Council resolved to approve the sale of the City's former depot site to the Department, subject to fair and reasonable conditions. The letter is attached at TAB B.

The Lord Mayoral Minute, including Council's resolution and proposed terms and conditions of sale for 14-26 Wattle Street Ultimo, is attached at TAB C.

Financial Implications

The Department has made a last and final offer of \$74 million, representing the Department's highest and best use valuation of \$100 million less an estimated cost of decontamination (negotiated down to \$18 million) and an allowance for the construction of an 80 space childcare centre (\$8 million).

Recommendation

That the Minister notes this information.

Endorsed
Anthony Perrau
Executive Director, Asset Management

Approved
R/Deputy Secretary, Education and Communities

19/11/14

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