

Submission
No 67
Item C, Tab
24

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

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

Partially
Confidential

Ultimo Public School – Revised sale proposal offer from City of Sydney for Wattle, Fig and Jones Streets, Ultimo

On the recommendation of the Inner City Schools Working Party (ICSWP), the Department proposes to accept in principle the recently received offer from the City of Sydney for the sale of its Wattle, Fig and Jones street site (refer **TAB A**).

Key Information

Following protracted negotiations, the Department made an offer to purchase the City of Sydney’s Wattle, Fig and Jones Street site for \$74 million in September 2014. This offer was rejected by the City of Sydney and subsequently the Department withdrew from negotiations and commenced investigating other alternatives for the provision of a new school for the Ultimo/Pymont area. The background of the negotiations and options are outlined in the Rationale.

On 9 December 2014 the City of Sydney resolved to accept the Department’s offer of \$74 million for the Wattle, Fig and Jones Street site, net of the cost of construction of an 80 space childcare centre (a condition of sale), estimated to be \$8 million, and the cost of decontaminating the site, estimated to be between \$18 million and \$25 million. Details of negotiations with the City of Sydney are contained in DGS14/1416 attached at **TAB B**.

The final terms of the sale are yet to be agreed however, the Department does not foresee any insurmountable barriers to a successful outcome.

Financial Implications

The Department will be pursuing terms that allow for the \$74 million to be paid in two equal instalments – the first by 31 July 2015 and the second by 31 July 2016. The Department’s forward 4-year property acquisitions program will be adjusted to ensure the purchase can be met within current and anticipated capital authorisation limits. The purchase price will be offset by the sale of the existing Ultimo Public School site, which has been valued at up to **item 1(f) & 4(a), (c), (d) & 5(e)** is envisaged that the property will be taken to market in the 2017/18 financial year.

The childcare and decontamination costs will be met from the approved Ultimo/Pymont Public School funding of **item 1(f) & 4(a), (c), (d) & 5(e)**. Depending on the cost of the decontamination, the Department may need to seek additional funding to complete Stage 1 of the project, to accommodate between 600-800 students.

Recommendation

That the Minister approves the purchase of the City of Sydney’s Wattle, Fig and Jones Streets site and signs the attached letter to the Lord Mayor (**TAB C**).

Endorsed
Anthony Perrau, Executive Director, Asset Management,

Murat Dizdar
Executive Director, Public Schools NSW, Public Schools NSW,

Approved
R/Deputy Secretary,
Education and Communities,

Deputy Secretary,

SECRETARY

MINISTER PICCOLI

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Rationale

Negotiations with City of Sydney for the purchase of the Wattle, Fig and Jones Street site had been on-going since November 2013, with no meaningful progress. In November 2014 the Department determined that City of Sydney's most recent proposed purchase price of \$82.5 million did not represent value for money and withdrew from negotiations for the purchase of the Wattle, Fig and Jones Streets site.

Over recent months the Department has been examining potential alternatives to the construction of a new school on the Wattle, Fig and Jones Streets site. The two options being considered were building a new Ultimo/Pymont Public School on:

1. The existing Ultimo Public School site

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

Further details on these options are as follows.

Build a new public school on of the existing Ultimo Public School site

The Department has been investigating the construction of a multi-storey primary school on the existing Ultimo Public School site. The school would accommodate up to 800 students and be built in-line with current multi-storey school designs.

While plans for this option have not been developed, this proposal would require students to be temporarily located in demountable facilities for up to two years, most likely situated on Wentworth Park.

This option is not supported by the ICSWP.

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

ICSWP Resolution

The ICSWP unanimously supports the construction of a new school on the Wattle, Fig and Jones Street site for up to 1,000 students. The ICSWP accepts that the cost of decontaminating the site (up to \$25 million) and construction of an 80 space childcare centre (\$8 million) will be funded from the approved project budget of \$42 million.

The ICSWP further accepts that this will mean that the construction of the new school will need to be staged over a number of years, depending on the availability of funding and competing State-wide priorities. Refer **TAB D** for ICSWP resolution.

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Consultation	Murat Dizdar, Executive Director Public Schools NSW Sylvia Corish, Director Public Schools NSW
Media release/ Communication Strategy	<input type="checkbox"/> Not required <input checked="" type="checkbox"/> Media Unit briefing attached <input type="checkbox"/> This briefing sent to <u>Media Unit</u> <input type="checkbox"/> Communication Strategy attached

TAB D

An extraordinary Inner City Schools Working Party – Ultimo Pyrmont was held on 10 December 2014 at 1:00pm at Ultimo Office. The accepted and usual protocols of confidentiality were agreed by those present. Present were:

- Mr Murat Dizdar, Executive Director, Public Schools, NSW, Ultimo
- Mr Anthony Perrau, Executive Director, Assets Management
- Dr Sylvia Corish, Director, Public Schools, NSW, Port Jackson Principals Network
- Mr Nic Accaria, Principal Ultimo PS
- [Redacted]
- [Redacted]

Site options for a new Ultimo/Pyrmont PS were discussed. After discussion the P&C and community representative confirmed their preference to progress the purchase of City of Sydney Wattle/Jones and Fig site for the construction of a new school of up to 1000 students. The P&C and community did not support the construction of a new school on the current Ultimo PS site for up to 800 students.

The Wattle/Jones and Fig site was the preferred option given understanding of the following conditions:

- Decontamination of the site to an acceptable level for the Department of Education and Communities.
- Decontamination costs will be covered within the current project budget (\$42 million).
- A master plan will be created for the site.
- The new school will be constructed in stages if necessary to meet budget requirements.
- Sale of the current Ultimo PS site is a condition of the purchase of the new school site to offset the acquisition costs for the Wattle/Jones and Fig site.