

Submission
No 27

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

Organisation: City of Sydney
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THE LORD MAYOR OF SYDNEY
CLOVER MOORE

The Hon. Natasha Maclaren-Jones MLC
Deputy Chair, General Standing Committee No. 3

Dear Deputy Chair

Inquiry into Inner City Primary School enrolment capacity and redevelopment of Ultimo Primary School

I refer to the Inquiry into *Inner city public schools enrolment capacity*. The City of Sydney welcomes the opportunity to provide input to this important discussion about the current enrolment capacity of inner city schools and more specifically the Minister for Education and Communities' decision not to proceed with the purchase of the City owned site at Fig and Wattle Street, Ultimo to provide a new school that will provide for the current and future children of the Ultimo/Pymont community.

Inner city school capacity

Over the past decade, the City has experienced the fastest residential growth of any local government area in NSW. Over the next 10 years (2015-2025), the number of primary school aged children is forecast to increase by over 50 per cent and secondary school aged children by one-third – and this doesn't include Bays Precinct (which we understand is planning for more than 10,000 new residents).

Our inner city schools are full or close to full, and options for expanding or opening new schools are limited and expensive. However, new primary and secondary schools are urgently needed to support the new families living in in our LGA – and the many families who will move into the area following the urban renewal plans of the NSW Government.

In recognition of the need to plan for more inner city schools, the Inner City Working Party was established following a meeting between the Minister for Education and the Member for Sydney, Alex Greenwich. The working party was made up of representative from the City of Sydney, the Department of Education and the community. This group was set up to identify alternative options to ensure a new school could be built that would cater for the growing demand for school places in the inner city

On 15 October 2013, the Working Party unanimously agreed that the construction of a new school on the City's former depot site at Fig and Wattle Street, Ultimo was the preferred option to deliver the much needed additional primary school spaces in the area. In November 2013, negotiations commenced between the City of Sydney and the Department of Education for the acquisition of this site.

Redevelopment of Ultimo Primary School

Pymont/ Ultimo is one of the densest area in the country and school enrolments in the City area have increased by more than 13 per cent since 2012, nearly 3.5 times the state average. The City of Sydney's position remains strongly in support of the development of a new primary school in Ultimo/Pymont area and is happy to work cooperatively with the Department of Education to achieve this.

In December 2015, the City agreed to sell the land to the Department for \$74 million, a heavily discounted price that was well below the market value of \$100 million and included an additional \$9.5 million discount for the remediation costs and \$8 million for a new childcare facility.

Despite the City's efforts since August 2013 (see attachment 1) to work with the Department of Education and the Minister's pre-election commitment to provide a new 1,000 place school, the community are now getting a much smaller school (up to 800 students) which is not a solution.

Contamination and Remediation of the site

The Minister and the Department were always aware that the site would need remediation – standard practise for any inner-city site - and the claim that this would cost \$53 million to be made safe for the proposed use has been shown to be a wild overstatement.

Remediation costs were agreed by both the City and the Department of Education at \$9.5 million, based on a scope of work that substantially exceeds guidelines from the EPA for an educational use.

There have also been false and mischievous claims that the City of Sydney refused access to the site following agreement of the terms and conditions of sale in March 2015. In July 2014 the City granted on-site access for the Department's consultants to undertake investigations that included 15 drilling holes for sub-surface testing. .

The City granted the Department access for non-invasive works in early 2015 but having issued notices to vacate the site to its tenants to meet the 31 July date of vacant possession the City had concerns that the invasive works would interfere with the current occupations potentially giving rise to extensions of time by the commercial occupants and slowing the City's relocation of its operations to a new location. This would have placed at risk the City's ability to deliver a vacant site by the due date.

On 24 April 2015, the City and Department's representatives agreed access to the site for the proposed invasive works would be 23 June 2015, being the day after the tenants had vacated the site.

Financial cost of Government's decision

The City has been working exclusively, collaboratively and in good faith since an initial meeting on 8 August 2013 with the Department's senior staff including a considerable body of work to facilitate the Department's due diligence and master planning.

The Education Act, Part 4 19(c), explicitly makes the Minister for Education responsible for establishing public schools; it is not function of local government in NSW. As a result, the City can't directly fund the building of a new school. To facilitate the project, the City proposed to fund local community facilities, specially an 80-place childcare centre facility on Fig and Wattle through an in-kind provision at an agreed value. The City was also keen to consider additional community facilities but the Department of Education and Government Architect indicated at that time that only a single childcare centre could be accommodated on the site.

Throughout the process a number of issues slowed and unnecessarily complicated the finalisation of negotiations regarding the sale of the Fig and Wattle site and as a consequence resulted in a unnecessary financial costs to Council and ratepayers. Some of the issues included:

- not engaging NSW Property at the start to negotiate despite a commitment to the process;
- ignoring City's request to agree assumptions on remediation and valuation;
- 12 months for the Department to issue an offer
- 2 months to receive the electronic version of the Department's environmental report;
- 3 months to receive cost schedule for Department's preferred remediation approach;
- 10 months to identify potential land swap – a single, landlocked parcel in an existing school
- withdrawal during the previously agreed process to collaboratively bridge the remediation cost gap

These indecisions and the ultimate renegeing on the agreed purchase means that the funds from the sale of the asset are not available to fund further local community facilities. Moreover the City has lost actual revenue of \$125,000 per annum generated from tenancies that were terminated to provide vacant possession as per the agreement with the Department of Education and to expedite the process to mean their desired timelines. The City also continues to incur annual costs for on-site maintenance of \$150,000 per annum.

Wentworth Park temporary 'pop-up' school

The Department of Education and Communities claimed that the reasons for not going ahead with the purchase of the Fig and Wattle site was because of land contamination and that the costs of remediated were too great.

In light of recent revelations that the Wentworth Park site is contaminated, the City's contention is that if the NSW Government and Department of Education and Communities can afford to remediate that site for a temporary school, they can afford to build the school properly on Fig & Wattle, where they'll be able to build a bigger school and won't need to disrupt students while construction is underway.

Urban renewal and the provision of schools

The City of Sydney has experienced the fastest growth of residents of any LGA across NSW over the past 10 years, particularly in areas like Ultimo/Pymont and Green Square – a \$13 billion, 278 hectare urban renewal area that will be home to more than 61,000 residents and 22,000 employees by 2030.

In 2010, the NSW Government's Metropolitan Plan for Sydney 2036 required an additional 61,000 dwellings to be delivered above the existing 86,000 dwellings in the local government area (2006). Between 2006 and 2015, 26,000 additional dwellings were delivered (42% of the target achieved in just one-third of the 2036 timeframe) and a further 27,000 are expected to 2020 (achieving 86% of the target in just 14 years of the original 2036 timeframe).

The City estimates that from 1996 to 2016, the total stamp duty revenue collected by the State Government across the City of Sydney local government area is around \$8 billion (allowing for exemptions and concessions). Of this total, it's estimated up to \$0.5 billion has come from the Green Square area and up to \$0.7 billion from the Ultimo/Pymont area. Major investment in physical and social infrastructure is being undertaken by the City and developers, but investment by the NSW Government has failed to keep up with the pace of development despite this windfall over the past 10-20 years.

Estimated school capacity

An independent study completed by SGS Economics and Planning, which applied indicative infrastructure benchmarks to population forecasts, estimated that the Green Square and City South Village group would need at least one new primary school by 2016 and four new primary schools by 2031 (attachment 2).

It also recommended that by 2031 an additional secondary school may be required, or an expansion of the Alexandria Park Community School. However, even with the recent announcement of the Alexandria Park school expansion, this analysis suggests that a new primary school in Green Square for at least 600 students is needed to cater for projected increases in primary school student numbers in this area.

Schools represent essential social infrastructure

The importance of high quality schools to the social sustainability of the city and the wellbeing of its communities cannot be underestimated.

Fundamentally, access to high quality education facilities is essential to enable children and young people to thrive and to realise their potential in accessing the future education, training and employment opportunities our global city offers. Beyond this, schools play an essential role in our communities in supporting community cohesion, wellbeing and resilience.

Inadequate supply of schools – or the overdevelopment of existing schools sites to the detriment of environmental quality, liveability and access to open space afforded to young people – will have severely detrimental effects on the social sustainability of our city.

Conclusion

The inability of inner city school to adequately cater for the growth of enrolments is a result of the Department of Education not keeping pace with the predicted population growth and compounded by short-sighted decisions to close and sell inner-city school sites by former Labor and Liberal governments.

The City of Sydney's sustainable approach to meeting the State's residential targets for our local government area protects our heritage urban villages by focusing higher residential density in urban renewal areas such as Green Square. For urban renewal to be successful there must be a provision of adequate social infrastructure and facilities.

The City delivers the local community facilities and physical infrastructure that local government is responsible for and is required to support our growing population. The State Government should also provide infrastructure that it is responsible for, especially schools and public transport, given the revenue gained from the consistent growth within the City of Sydney.

The inner city urgently requires new schools and the City is ready to work with the NSW Government to assist in providing for the needs of our communities and in particular to secure a new primary schools for the Ultimo/Pymont and Green Square communities.

Yours sincerely



Clover Moore
Lord Mayor of Sydney

