

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

**Organisation:** NSW Department of Education

**Date received:** 27 September 2016

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# Department of Education submission to General Purpose Standing Committee No. 3 - inquiry into enrolment capacity in inner city public primary schools

## ***Introduction***

The Department of Education uses a range of strategies to manage fluctuating enrolment demand in the short, medium and longer term including enforcing the Department's school enrolment policy to restrict out of area enrolments, reviewing school catchment boundaries to improve utilisation across schools in a local area, conversion of existing school buildings and providing demountable classrooms.

The expansion of the existing Ultimo Public School is part of the Department's current strategy to meet projected demand for teaching spaces from increasing student enrolments across the inner city.

Other projects currently underway or planned to address primary school enrolment capacity in the inner city of Sydney include:

- An upgrade of Bourke Street Public School, which will increase its capacity to accommodate up to 440 students. The project is currently in construction and is anticipated to be completed by mid-2017.
- An upgrade and expansion of Fort Street Public School, which was approved in the 2016-17 State Budget. The project is anticipated to be completed by early 2021.
- Redevelopment of the Alexandria Park Community School to provide a K to 12 school that will accommodate up to 2,200 students, as announced by the Minister for Education in May 2016.

Information and supporting documentation in response to each of the Committee's terms of reference is detailed below.

### ***(a) The total costs of the Ultimo Public School redevelopment project to date including consultancy fees***

The Department's total expenditure on the Ultimo Public School project as at 31 August 2016 is \$2.408 million, with payments spread over a period of nearly four years. This includes expenditure to date for:

- initial planning, design and project management fees for the project to construct a new school on the City of Sydney's Fig and Wattle Street site
- redevelopment of the existing Ultimo Public School
- the temporary school on Wentworth Park.

Breakdowns of the Department's estimated expenditure for the project as at 31 August 2016 are provided in the following tables:

<b>Expenditure on Fig and Wattle Street site as at 31 August 2016</b>	<b>Estimated Costs</b>	<b>Notes</b>
Fig and Wattle Site - Master Planning fees and Business Case Preparation	\$298,980	These costs were associated with the development of a site Masterplan and Business Case for the original Fig and Wattle site. The costs were associated with the decision to not proceed with the purchase and development of that site because of the higher than expected contamination and remediation costs.
Fig and Wattle Site – Project Management Fees	\$378,000	These costs were associated with project management fees for the Fig and Wattle site including extensive stakeholder consultation, design management and project development.
GAO (Government Architects Office) Fig and Wattle site – Design Fees and sub consultant fees	\$352,062	This includes GAO concept design fees, site investigation works, prior to the closure of the GAO office and the requirement to undertake a Design Excellence competition due to this being a state significant project.
Internal Program Office Costs	\$95,000	Internal Program Office costs spent to date.
<b>TOTAL</b>	<b>\$1,124,042</b>	

<b>Expenditure on Ultimo PS redevelopment at Quarry St site as at 31 August 2016</b>	<b>Estimated Costs</b>	<b>Notes</b>
Quarry Street site – Design Fees and sub consultant fees	\$200,841.00	This includes GAO concept design fees, site investigation works prior to the closure of the GAO office and the requirement to undertake a Design Excellence Competition due to this being a state significant project.
Quarry Street site – Design Competition Fees and charges	\$105,133.00	These are fees associated with the Design Excellence Competition being undertaken for the main school site as required by the Department of Planning and Environment State Significant Development Policy.
Quarry Street site Project Management Fees	\$495,311.50	These are project management fees associated with the new Quarry Street site development including extensive stakeholder consultation, design management and project development.
Internal Program Office Costs	\$125,000.00	Internal Program Office costs spent to date.
<b>TOTAL</b>	<b>\$926,285.50</b>	

Expenditure on Temporary School at Wentworth Park as at 31 August 2016	Estimated Costs	Notes
Temporary school Design Fees	\$93,970.00	These are the head design consultant costs to date for the temporary school on the Wentworth Park site.
Temporary school GAO design fees	\$70,436.00	These costs are associated with the GAO fees expended on design of the temporary school prior to GAO closure.
Temporary school Project Management fees	\$192,782.50	These are project management fees associated with the temporary school development.
<b>TOTAL</b>	<b>\$357,188.50</b>	

***(b) The estimated costs of the alternative sites for a new Ultimo Public School***

In December 2013 the work of the Department’s Inner City Schools Working Party (Working Party) contributed to the production of the *Inner Sydney Primary and Secondary Schools Asset Planning Strategy (2014 to 2026)*. The purpose of the strategy was to guide the development and redevelopment of inner Sydney schools to accommodate projected increases in public school student populations to the year 2026. This Strategy formed part of the Department’s broader planning strategy and action plans for schools across Sydney.

Section 2.2.2 of the Strategy considered long term options for meeting demand for additional teaching spaces in inner city primary schools, including possible alternative sites for a new school. A copy of the relevant section of the Strategy is attached at **Item B, Tab 1**.

The Strategy assessed seven options for providing additional new permanent teaching spaces to meet primary school demand in the inner city. Three options involved construction of a new school on alternative sites to the existing Ultimo Public School. The Working Party assessed each option by ranking them in a value matrix table based on a range of criteria. It then provided comment and recommendations on the costs and benefits of each option, as detailed below.

***Option 1: New Ultimo/Pymont Public School on City of Sydney land at Wattle, Fig and Jones Street, Ultimo***

This was the preferred option identified by the Working Party, primarily because the 1.2 hectare site was large enough to build capacity and meet long term enrolment demand. The Working Party noted that its preference for this option was dependent on the final implications of land acquisition and cost, which were subject to negotiations with the landowner, City of Sydney Council. The Working Party was aware the site was contaminated.

This option was initially actioned as a viable option by the Department, however this was before the extent of contamination on the site, and associated remediation costs, were known. Further information about why the Department advised the Minister for Education not to proceed with the acquisition of the Fig and Wattle site is detailed from page 6.

***Option 2: New Ultimo/Pymont Public School at 100 Harris Street, Pymont***

Acquisition of a site at 100 Harris Street, Pymont for the construction of a new primary school was not preferred by the Working Party because it was a constrained site containing a partially heritage listed building. The building was also occupied by multiple tenants and not advertised as available for acquisition. Consequently, this option was not costed.

***Option 3: Glebe Public School expansion***

Glebe Public School is on a relatively small site and is near full utilisation. Its expansion was not considered viable by the Working Party and was therefore not costed. This option is one that the Department will consider in the future, if necessary, as part of its planning to increase capacity in Sydney's inner city.

***Option 4: Expansion of existing Ultimo Public School***

The existing Ultimo Public School is also on a relatively small site of 0.54 hectares. As with Option 3, the Working Party concluded that, without a major redevelopment of the school, it had limited capacity for expansion to meet enrolment demand. Consequently, this option was not costed by the Working Party.

***Option 5: Redevelopment of existing Ultimo Public School for high rise mixed use with new school***

Option 5 involved the redevelopment of the existing Ultimo Public School site into a high rise mixed-use development with a new primary school on lower levels under a mix of commercial and/or residential uses in high rise towers. This option had been previously rejected by the local school community, and therefore was not costed by the Working Party.

***Option 6: New Ultimo/Pymont Public School (other potential sites in Pymont)***

The Working Party considered the feasibility of constructing a public school on four other sites in Pymont:

- the former Pymont Public School
- Terminus Hotel
- 102 Miller Street, Pymont
- 21-43 Harris Street, Pymont.

These sites were not considered viable by the Working Party for the reasons detailed below. Consequently, no costings or further examination were undertaken.

- The former Pymont Public School is being used as a child care facility, and the heritage listed building was considered not likely to meet school facility standards without substantial modification.
- The Terminus Hotel was a heritage listed building and not fit for purpose without substantial modification.
- 102 Miller Street was developed as an apartment building.
- 21-43 Harris Street was being developed for high density development.

A table containing a summary of the Working Party's examination of these sites is attached at **Item B, Tab 2**.

***Option 7: Expansion of Fort Street Public School into adjacent Crown land.***

The Working Party investigated the option of expanding Fort Street Public School by utilising vacant Crown land adjacent to the school. This option has now been actioned as it was an additional viable option.

A project to upgrade and increase capacity of Fort Street Public School was approved in the 2016-17 State Budget. The project will provide the school with additional permanent classrooms to meet anticipated future demand beyond 2031. On completion of the project the catchment boundaries between Ultimo Public School, Fort Street Public School and other local schools will be reviewed to ensure local schools support local enrolments.

The Fort Street Public School project is anticipated to be completed by early 2021. The estimated total cost of the project is Commercial in Confidence as the project has not gone out for tender.

***Powerhouse Museum site***

After the NSW Government announced that the Powerhouse Museum would be relocated to new facilities in Parramatta, the Department investigated the possibility of relocating Ultimo Public School to the Museum site. However, the site continues to be occupied by the Museum and there have been no announcements about a timeframe for its relocation. Due to the size and complexity of the Museum's relocation, the Department is aware that the site may not be available for a considerable length of time, and therefore this option was considered unviable. This option also does not provide access to open play space like Wentworth Park. The future use of the site is a matter for the NSW Government to consider.

Attached documents related to the Working Party's assessment of options are detailed below:

Item.Tab	Document Title/Explanation	Date	Author/Creator
B.1	Section 2.2.2 of Working Party's Asset Planning Strategy report	3 Dec 14	Inner City Schools Working Party
B.2	Inner City Schools Working Party – Status of Planning Options for Ultimo Public School	3 Sep 13	Inner City Schools Working Party

*(c) The reasons the alternative sites were dismissed by the Government*

The only options considered in detail by the Department were the acquisition of the City of Sydney's Fig and Wattle Street site and the construction of a new Ultimo Public School on the site; and redevelopment of the existing Ultimo Public School. Other options were not considered because these had been dismissed by the Working Party as unviable.

**Construct a new school on City of Sydney's Fig and Wattle Street site**

As per the Working Party's recommendation, the Department initially actioned the option to construct a new school with capacity for up to 1,000 students on the Fig and Wattle Street site, pending successful acquisition negotiations with the City of Sydney Council. Negotiations between the Council and the Department for the site's sale started in late 2013.

Initial site investigations by the Department found the site to be more highly contaminated than initially indicated. In March 2014 the Council indicated it would consider the sale of the site to the Department less the estimated cost of decontaminating the land. Negotiations reached an impasse when the Council only offered to discount off the site's sale price the cost of decontamination works suitable for a commercial development. The Department required the site to be decontaminated to a level acceptable for a school. A sale price for the site of \$74 million was eventually agreed.

A further site contamination investigation conducted by the Department's project consultant team led by McLachlan Lister Hill International found greater than anticipated site contamination and associated remediation costs. This report, dated 23 June 2015, is attached as **Item C, Tab 1**. This report was made public.

As a result of the information that came to light through the investigations undertaken in preparation of the expert report, it became clear that the site was not a viable option for a school, both in terms of risk to health and safety of students and staff and the cost of remediation.

McLachlan Lister Hill International advised the Department that all partial remediation options for the site would require ongoing venting of noxious gases produced by residual in-ground contaminants. This venting would most likely take the form of vent stacks up the side or through the buildings and, depending on the

actual concentrations of gas-generating contaminants encountered, a mechanical extraction system may also be required. In the circumstances of this site (tucked into the side of a hill), even a mechanical system may find it difficult to dissipate the gas successfully.

In light of this information the only option to guarantee the safety and wellbeing of current and future students and staff, and to meet the expectations of the local community, would be to fully remediate the site. This would entail the removal of all contaminated material on the site, and the installation of an impermeable boundary wall around the whole site.

The expert advice indicated that the cost of removing and disposing of all contaminated soil and groundwater from the Fig and Wattle site, and the installation of an impermeable boundary wall, could exceed \$53 million. If this were the case, the full redevelopment cost of a new school on the site could be as high as \$177 million (on average a primary school costs between \$25 and \$40 million to construct). Consequently, the Department decided that building a school on the Fig and Wattle Street site would come at an unreasonable cost to the public purse, and advised the Minister for Education not to proceed with the purchase of the site.

The table on page 2 sets out the Department's expenditure on the Fig and Wattle Street site, before the decision was made not to proceed with the site acquisition.

Attached documents related to the Fig and Wattle Street site (including sale negotiations, site investigations, remediation considerations and associated costs) are detailed below:

<b>Item.Tab</b>	<b>Document Title/Explanation</b>	<b>Date</b>	<b>Author/Creator</b>
C.1	Fig and Wattle St Remediation Action Plan Development Status Report	23 June 15	McLachlanLister
C.2	Letter from City of Sydney to DoE	19 Sep 14	Council A/CEO Kim Woodbury
C.3	Letter from Minister for Education to Lord Mayor, City of Sydney	19 Sep 14	Minister for Education
C.4	Letter from Lord Mayor to Minister for Education	5 Nov 14	Lord Mayor of City of Sydney
C.5	Letter from Lord Mayor to Minister for Education	9 Dec 14	Lord Mayor of City of Sydney
C.6	Letter from Minister for Education to Lord Mayor	12 Dec 14	Minister for Education
C.7	Letter from Lord Mayor to Minister for Education	18 Dec 14	Lord Mayor
C.8	Letter from DoE to CEO City of Sydney	12 June 15	Tony McCabe, R/Exec Director, Asset Management, DoE



<b>Item.Tab</b>	<b>Document Title/Explanation</b>	<b>Date</b>	<b>Author/Creator</b>
C.9	Letter from Minister for Education to Councilor Christine Forster, City of Sydney	7 Aug 15	Minister for Education
C.10	Letter from Minister for Education to Lord Mayor	11 Feb 16	Minister for Education
C.11	Letter from Lord Mayor to Minister for Education	25 July 16	Lord Mayor
C.12	Letter from Minister for Education to Lord Mayor	15 Sep 16	Minister for Education
C.13	Summary of Site Investigations and Proposed Site Remediation Works	5 Aug 14	DoE
C.14	Site Remediation Cost Estimate, Option 4, Fig and Wattle St Site	11 May 15	McLachlan Lister
C.15	Ultimo Pyrmont Primary School Preliminary Remediation Options	11 May 15	McLachlan Lister
C.16	Site Remediation Cost Estimate, Option 3, Fig and Wattle St Site	11 May 15	McLachlan Lister
C.17	Site Remediation Cost Estimate, Option 2, Fig and Wattle St Site	11 May 15	McLachlan Lister
C.18	Letter from McLachlan Lister to DoE	15 May 15	McLachlan Lister
C.19	Douglas Partners Remediation Action Plan for Fig and Wattle St Site	12 March 15	Douglas Partners
C.20	Peer review of Douglas Partners draft Remediation Action Plan	March 15	CETEC
C.21	Briefing to Minister – Ultimo Public School, Site Acquisition for New School	17 Sep 14	DoE
C.22	Briefing to Minister – Withdrawing from negotiations with Council for acquisition of a site for a new public primary school	7 Oct 14	DoE
C.23	Briefing to Minister – Meeting with Lord Mayor regarding proposed new school at Ultimo	18 Nov 14	DoE
C.24	Briefing to Minister – Revised proposal offer from City of Sydney	11 Dec 14	DoE
C.25	Briefing to Minister – visit to Ultimo Public School	17 Dec 14	DoE

Item.Tab	Document Title/Explanation	Date	Author/Creator
C.26	Briefing to Minister – recommendation not to acquire Fig and Wattle St site	24 June 15	DoE
C.27	Briefing to Minister – Inner Sydney Public School provision to meet growth	11 June 16	DoE
C.28	Briefing to Minister – Ultimo/Pymont Public School, decontamination and possible venting of noxious gas	14 July 15	DoE

### ***Temporary relocation and redevelopment of existing Ultimo Public School***

After construction of a new school on the Fig and Wattle Street site became unviable due to excessive site acquisition and remediation costs, the Department focused on redeveloping the existing Ultimo Public School and surrounding public schools (including Fort Street Public School). The expansion of other existing primary schools was identified by the Department as another option to meet projected demand from increasing student enrolments in inner city primary schools.

The expansion of Ultimo Public School and Fort Street Public School were preferred over the expansion of other inner city primary schools because they have the greatest demand from projected increases in student enrolments and capacity for expansion. Wentworth Park is also ideally situated adjacent to Ultimo Public School to provide additional outdoor space for students. The school currently utilises around 0.5 hectares of Wentworth Park for outdoor space and recreation. An existing pedestrian bridge, which will be retained through the redevelopment, provides safe access to the Park. It is noted that a number of Sydney City schools such as the International Grammar School and St Andrew's Cathedral School also use Wentworth Park for outdoor space.

The redevelopment of Ultimo Public School involves the expansion of the existing school from over 320 students to a capacity of up to 800 students. The design of the new school will maximise the site's accommodation capacity and open play space.

The 320 plus students that currently attend Ultimo Public School will be relocated to temporary accommodation at Wentworth Park for the construction period of the new school, which will be approximately two years. This option was unanimously supported by the Project Reference Group, including the parent and community representatives. A report setting out the Project Reference Group's consideration of relocation options is attached at **Item C, Tab 29**.

The total cost of the Ultimo Public School redevelopment is Commercial in Confidence, as it has not yet gone to tender.

The project is currently in its design phase, with the redeveloped school anticipated to be completed by mid-2019.

The attached document related to the consideration of options for the temporary school site is detailed below:

Item.Tab	Document Title/Explanation	Date	Author/Creator
C.29	Project Reference Group Relocation Options Report	24 Sep 15	McLachlan Lister

***(d) The costs of rehousing Ultimo Public School students in Wentworth Park while the school is rebuilt***

The current total estimated cost of temporarily rehousing Ultimo Public School students on Wentworth Park for two years while Ultimo Public School is redeveloped is approximately \$6 million. Work to reduce this cost through value engineering is ongoing.

The table below provides an explanation of the estimated costs. Specific estimated costs have been redacted because they are Commercial in Confidence.

Wentworth Park Temporary School Breakdown of Costs	Estimated costs (redacted)	Explanation
Temporary School - Construction Estimate		The Department is currently in the design development phase.
Contingency and Escalation Allowance		
Wentworth Park Leasing Costs to City of Sydney Council and Wentworth Park Trust and make good costs following removal		The leasing costs are currently being finalised with City of Sydney and Wentworth Park Trust.
Temporary School Consultant and Authority Fees		This includes costs associated with project management, design works, statutory planning to allow permissible development on Wentworth Park, site investigation work associates.
Temporary School Design Fees		These are the head design consultant costs to date for the temporary school on the Wentworth Park site.
Temporary school GAO (Government Architects Office) design fees		These costs are associated with the GAO fees expended on design of the temporary school prior to GAO closure.
<b>TOTAL</b>	<b>Approx \$6 million</b>	

### *(e) The impact of the Bays Precinct development on future enrolment capacity in the inner city*

The Department is continuing to review school enrolment projections for inner city primary schools and develop appropriate strategies to manage current and future enrolments.

The Department's current enrolment projections are consistent with NSW Population and Household Projections (NSW Planning & Environment 2016) and Sydney Metropolitan Housing Supply Forecasts (NSW Planning & Environment 2016).

NSW Population and Household Projections and Sydney Metropolitan House Supply Forecasts so far have not included detailed information on private dwellings in the Bays Precinct. School infrastructure requirements and planning need to be based on school enrolment projections, which will not be available until details of the anticipated development in the Bays Precinct are available.

The Bays Market District within the Bays Precinct Urban Transformation Program is located within the Ultimo Public School catchment area. Although official housing projections have not been released, a potential outcomes document (provided by UrbanGrowth NSW to the Department of Education in 2015) indicates that up to 2,760 dwellings could be located in the Bays Market District. Children from these dwellings would generally be expected to attend government and non-government schools. Based on historical trends, it is anticipated that approximately 200 primary school children could be generated from this development. Approximately 115 of these children could be expected to attend a government school based on current enrolment shares.

### *(f) Any other related matters*

#### ***Contamination remediation of the Wentworth Park site***

The Department engaged a consultant to carry out an Environmental Site Assessment prior to commencing work to provide a temporary school on the site while the Ultimo Public School site is redeveloped. This Assessment, along with an Additional Environmental Site Assessment, are attached at **Item F, Tabs 1 & 2**.

Soil testing as part of the Assessment found some lead and polycyclic aromatic hydrocarbons, similar to that which would be found in the majority of properties, commercial and residential, in the inner western suburbs of Sydney.

A consultant has recently completed a detailed Human Health Risk Assessment for the site, in accordance with relevant standards and guidelines, to ensure the appropriate action is taken to make the site safe for students, staff and visitors. This detailed Assessment corroborated the Environmental Site Assessment and found that the site is suitable for use as a temporary primary school. The report identified lead levels at one location only. This location will be outside the school security fence, covered by decking and inaccessible to students and staff of the school. The detailed Assessment is attached at **Item F, Tab 3**.

The Department will now develop a remediation action plan in response to the consultant's findings. A final report will be prepared and publically released on completion of the remediation works.

Attached documents related to contamination remediation of the Wentworth Park site are detailed below:

<b>Item.Tab</b>	<b>Document Title/Explanation</b>	<b>Date</b>	<b>Author/Creator</b>
F.1	Stage 1 and Preliminary Stage 2 Environmental Site Assessment for Proposed Temporary School	2 June 16	Environmental Investigation Services
F.2	Additional Environmental Site Assessment for Proposed Temporary School	15 July 16	Environmental Investigation Services
F.3	Human Health Risk Assessment – Temporary Public School, Ultimo NSW	30 Aug 16	En Risks