



PLANNING PROPOSAL

Amendments to Blacktown LEP 2015 for the Blacktown
Health and Education Precinct



Planning Proposal

Amendments to Blacktown LEP 2015 for the Blacktown Health and Education Precinct.

Prepared for

Blacktown City Council

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Table of Contents

1	INTRODUCTION	1
2	BACKGROUND	3
2.1	The Health Precinct Strategy	3
3	Site Context and Description	5
3.1	Location	5
3.2	Current Uses	6
3.3	Land Ownership	7
3.4	Traffic and Transport	8
3.5	Drainage and Flooding	9
3.6	Heritage	10
3.7	Current Planning Controls	11
3.7.1	Existing Zoning	11
3.7.2	Existing Heights	11
3.7.3	Other Controls	12
4	Part 1 – Objectives and Intended Outcomes	13
5	Part 2 – Explanation of Provisions	14
5.1	Land Zoning and Uses	15
5.1.1	Proposed changes to land zoning and permissible uses	15
5.2	Building Heights	17
5.3	Additional Local Provisions	17
5.3.1	Site Amalgamation	17
5.3.2	Incentivising Redevelopment of Key Sites	18
5.4	Land Acquisition	19
5.5	Classification and Reclassification of Land	20
6	PART 3 JUSTIFICATION FOR OBJECTIVES, OUTCOMES AND PROVISIONS, AND PROCESS FOR IMPLEMENTATION	21
6.1	Need for proposal	21
6.1.1	Blacktown Private Hospital Independent Market Assessment (O’Connell Advisory, 2018)	21
6.1.2	Blacktown Health Precinct Potential Market Assessment (Macro Plan, 2019)	24
6.1.3	GTA Traffic Advice Constraints	26
6.1.4	Catchment Simulation Solutions advice	27

6.2	Relationship to strategic planning framework.	28
6.3	Environmental, social and economic impact	43
6.4	State and Commonwealth interests	43
7	PART 4 MAPPING	46
7.1	Amendment of Land Use Zoning Map	46
7.2	Amendment of Height of Building Maps	47
7.3	Amendment of Incentive Height of Buildings Map	48
7.4	Key Sites Maps	49
7.5	Land reservation and acquisition map	51
8	PART 5 DETAILS OF COMMUNITY CONSULTATION TO BE UNDERTAKEN ON THE PLANNING PROPOSAL	53
9	PART 6 PROJECT TIMELINE	54
10	COMMUNITY BENEFIT	55
11	CONCLUSION	56
12	GLOSSARY AND ABBREVIATIONS	57

Tables

Table 1	Land uses from Macro Plan Report permissibility review	16
Table 2	Summary of uses and GFA demand in BHP Market Assessment	26
Table 3	Applicable state environmental planning policies	39
Table 4	Applicable Ministerial Directions	41
Table 5	Project Timeline	54

Figures

Figure 1	Blacktown Health and Education Precinct (identified in dashed orange line)	5
Figure 2	Medical and non-medical uses within the Blacktown Health Precinct	7
Figure 3	Land ownership arrangements within Precinct	8
Figure 4	Traffic Volumes for surrounding intersections	9
Figure 5	Existing Flooding within Precinct	10
Figure 6	Heritage Map identifying location Russian Orthodox Church (Local Heritage Item I8)	10
Figure 7	Zoning within the Precinct (identified in orange dash)	11
Figure 8	Extract of existing height of building control map (Precinct identified in orange dash)	12
Figure 9	Total growth in projected demand for private hospital services	22
Figure 10	Private Hospital Market Share Assumptions for Statistical Area Level 3	23
Figure 11	Indicative Private Hospital Scenarios	24
Figure 12	Traffic Solutions	27



Figure 13 Flooding Solutions	28
Figure 14 Structure Plan for the metropolis of three cities	29
Figure 15 Extract of Structure Plan for the Central City District	31
Figure 16 Maturity pathway for health and education precincts	32
Figure 17 Indicative location of existing job infrastructure	34
Figure 18 Extract from Council's LSPS showing the LGA Structure Plan	36
Figure 19 Summary of proposed roads and intersections including level of service	44
Figure 20 Existing Land Zoning Map Extract (Sheet LZN_014)	46
Figure 21 Proposed Land Zoning Map Extract	46
Figure 22 Existing Height of Buildings Map Extract (Sheet HOB_014)	47
Figure 23 Proposed Height of Buildings Map	47
Figure 24 Existing Incentive Height of Buildings Map Extract (Sheet IHOB_014)	48
Figure 25 Amended Incentive Height of Building Map	48
Figure 26 Existing Key Sites Map Extract (Sheet KYS_0014)	49
Figure 27 Amended Key Sites Map	50
Figure 28 Existing Land Reservation and Acquisition Map (Sheet LRA_0014)	51
Figure 29 Amended Land Reservation Acquisition Map	51
Figure 30 Amended Land Reclassification (Part Lots) Map	52

Appendices

Appendix A: Land Owners Map
Appendix B: Land Use Audit
Appendix C: Blacktown Private Hospital Independent Market Assessment
Appendix D: Blacktown Health Precinct Market Assessment
Appendix E: Traffic Assessment
Appendix F: Amended LEP Maps



1 INTRODUCTION

The NSW Government recently invested \$700M into Blacktown Hospital to facilitate a new emergency department, intensive care unit, eight new operating theatres, new purpose built wards, paediatric services, medical imaging, sterilising and non-clinical support services and over 600 hospital beds. This significant investment is a catalyst for rethinking the purpose and function of the Blacktown Health and Education Precinct (the **Precinct**) within which the Hospital is located.

Following the completion of several preliminary studies and initial consultations with key landowners, Council resolved on 14 October 2020 to prepare a Planning Proposal to facilitate the transformation of the Precinct from a single storey, mainly residential area to a higher density, mixed use offering that supports allied health services including hospital services, medical practices, assisted living, aged care and secondary support services including cafes, car parking facilities and incidental business that are envisaged within the Precinct.

The Precinct is a key Transformation Project for Blacktown City. It will provide space for health and allied health development and allow the expansion of health and allied services to meet the demand of the growing population.

This Planning Proposal has been accordingly prepared to amend the Blacktown Local Environmental Plan 2015 (**BLEP 2015**) and seeks changes to the land use zoning and maximum height of building controls to accommodate additional floor space and encourage the transformation of the Precinct. To support the future redevelopment of the Precinct and improve access and connectivity, drainage infrastructure will need to be upgraded and augmented and new road connections and intersection upgrades will need to be completed. These works will require some land acquisition.

More specifically, proposed key amendments to BLEP 2015 include:

- Up-zoning of land to B4 Mixed Use and SP1 Special Purpose (Health Services Facility and Educational Establishments) to enable a mix of health, education, commercial, retail and higher density residential uses.
- Changes to planning controls that relate to building heights to allow up to 14m, 26m, and 32m with a bonus height provision on key sites, subject to a design competition and maximum height achieved where amalgamation results in a minimum site area of 2,000m².
- Identification of land to be acquired by Council for drainage and road purposes.
- Classify the RE1 Public Open Space zoned land and land currently zoned R2 Low Density Residential that is proposed to be rezoned to RE1 Public Open Space and SP2 Local Road to be operational land.

Corresponding changes to Blacktown Development Control Plan 2015 (**BDCP 2015**) will be required to support the proposed amendments to BLEP 2015. These relate to built-form controls, streetscape, access and movement, car parking, public domain, landscaping and open space outcomes. Council is also preparing a new contributions plan for the Precinct.

GLN has prepared this Planning Proposal on behalf of Blacktown City Council (**Council**). The Planning Proposal has been prepared in accordance with Section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act) and "*A guide to preparing Planning Proposals*", August 2016 (the PP Guidelines). This Planning Proposal is structured as follows:

- Section 1 – Introduction
- Section 2 – Background
- Section 3 – Site Context and Description
- Section 4 – Objectives and intended outcomes
- Section 5 – Explanation of provisions
- Section 6 – Justification
 - Need for the Planning Proposal
 - Relationship to strategic planning framework
 - Environmental, social and economic impact
 - State and Commonwealth interests
- Section 7 – Mapping
- Section 8 – Community Consultation
- Section 9 – Project Timeline
- Section 10 – Community Benefit
- Section 11 – Conclusion

Market assessments prepared by both Macro Plan and O’Connell Advisory as well as a Traffic Statement accompany this Planning Proposal.



2 BACKGROUND

2.1 The Health Precinct Strategy

The Health Precinct Strategy has been a project for Council since the announcement of the NSW Government's investment in Blacktown Hospital and is listed as one of several 'Transformation Projects' within Council's Local Strategic Planning Statement (**LSPS**). Under Local Planning Priority 10, Action 34 of the LSPS, Council commits to collaborating with the NSW Government and the private sector to promote health, medical research and innovation, and education opportunities in the Blacktown and Mount Druitt Strategic Centres and implement the Health Precinct Transformation Project. It is acknowledged in the Blacktown Housing Strategy as an area of focus for economic growth around health and education opportunities in the Blacktown Strategic Centre. The Precinct is also linked to identified planning priorities in the Central City District Plan and A Greater Sydney Regional Plan – A Metropolis of Three Cities.

Council has completed Phase 1 of investigations for the Precinct that included analysis of the demand for private hospital and allied health business as well as urban design studies that were underpinned by a review of existing land use zones, development heights, traffic, flooding and open space. The current Phase 2 of the investigations includes refining infrastructure costing and amendments to the planning framework via this Planning Proposal.

The demand for a private hospital, other allied health service facilities as well as supporting commercial activity in the vicinity of the Blacktown Hospital has been outlined in various economic studies. The need for a private hospital in the Blacktown LGA has been explored within the O'Connell Advisory "Blacktown Private Hospital Independent Market Assessment" (2018), while the "Blacktown Health Precinct Potential Market Assessment" (2019) prepared by Macro Plan identifies the types of land uses and typical floor space demands for associated land uses that would establish within a health precinct. The full range of studies are discussed in more detail in **Section 6.1** of this report.

A key recommendation of the work summarised above is the need to expand the range of permissible uses and scale of development to both incentivise and encourage transformative change in the Precinct. The expanded uses recommended by Macro Plan as appropriate in the Precinct include child care centres, commercial premises, conference facilities, student and short term accommodation, motel accommodation, senior housing and retail. It is noted that some of these uses are already permissible across the Precinct, or could already be approved if ancillary to and incorporated into a larger development permissible on the land under the existing land uses or through the State Environmental Planning Policy (Infrastructure) 2007, State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017, or State Environmental Planning Policy (Infrastructure (Housing for Seniors or People with a Disability) 2004. Car park is the single land use that is not currently permissible under the existing legislative framework and is therefore proposed to be introduced as an additional permissible use as discussed at **Section 5** of this Planning Proposal.

The reports commissioned by Council confirm future investment and development within the Precinct is possible. There are some benefits in private medical and education facilities locating adjacent to existing public facilities and indeed close to each other. However, the successful transformation of this Precinct requires a robust framework for investment which address the following components:

- Reinforcement of a land use zoning that is “transparent” in that there is planning certainty that the proposed development is clearly articulated as a permissible use and is expected to occur within this area i.e. remove reliance on the doctrine of ancillary uses or other environmental planning instruments that could thwart or create uncertainty as to what is proposed in the Precinct.
- Controls that permit the level of investment to establish private hospitals, allied health uses or education establishments in the area. Major health and education facilities with high levels of investment need a scale of development that is supported by the built form controls in the area without need for amendment.
- Place making initiatives so that businesses will want to locate in a high amenity environment that is easy to get to, has the required infrastructure and is free of constraints.
- The costs for development including contributions are not excessive such that it disincentivises investment in the area to the benefit of other areas.

As discussed in the following section, the existing planning framework requires review if transformative change is to occur.

3 Site Context and Description

3.1 Location

This Planning Proposal relates to the Blacktown Health and Education Precinct as identified in Figure 1. The Precinct is located south east of the Blacktown CBD and comprises approximately 20ha of urban land bounded by the Western Railway to the north, Griffiths Street and Blacktown Hospital to the east and Bungaribee Road to the south.



Source: Nearmaps 2021 (as marked up by GLN)

Figure 1 Blacktown Health and Education Precinct (identified in dashed orange line)

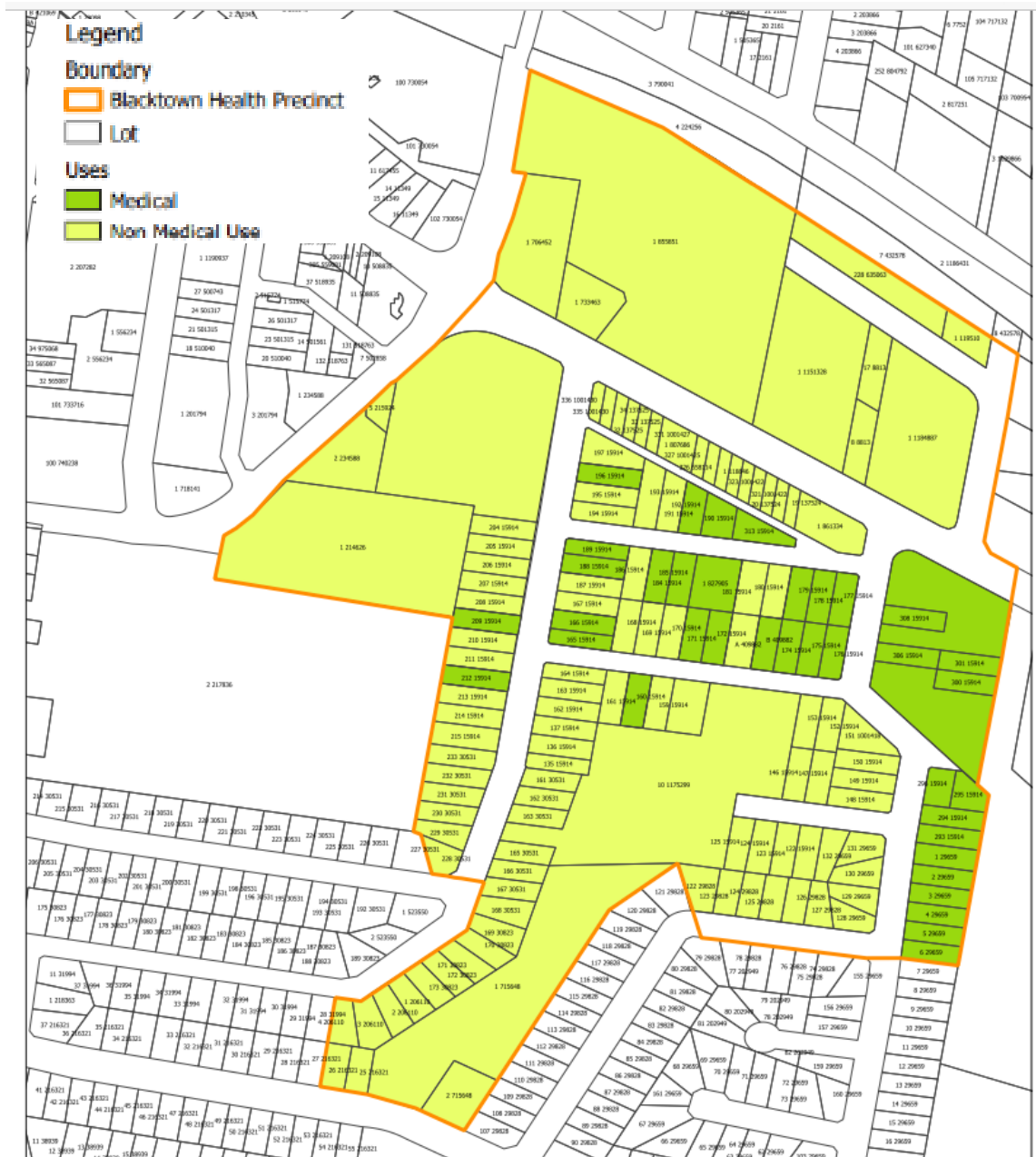


3.2 Current Uses

Blacktown Hospital was first established in its current location in 1965 and has developed progressively since then, with demolition of the former main hospital building and the construction of the current building occurring in the 1990's. The growth and expansion of the Hospital has attracted and fostered the maturation of synergistic uses, outside of the core Blacktown Hospital site. The Precinct currently accommodates over 30 health service facilities which primarily occupy approximately 120 former residential dwellings constructed on allotments generally between 500m² and 700m² in size.

Figure 2 identifies medical and non-medical uses within the Precinct. A land use survey conducted by Council (Appendix B) identifies the range of medical uses that have located within the existing Health Precinct, which include:

- Specialist medical services;
- Dentists;
- Family Development Services;
- Pathology;
- Dermatology;
- Lifestyle Centres;
- Eye Centre;
- Speech Pathology;
- Neurologists;
- Women's health facility;
- Psychology;
- Nutritionist; and
- Iridologist.

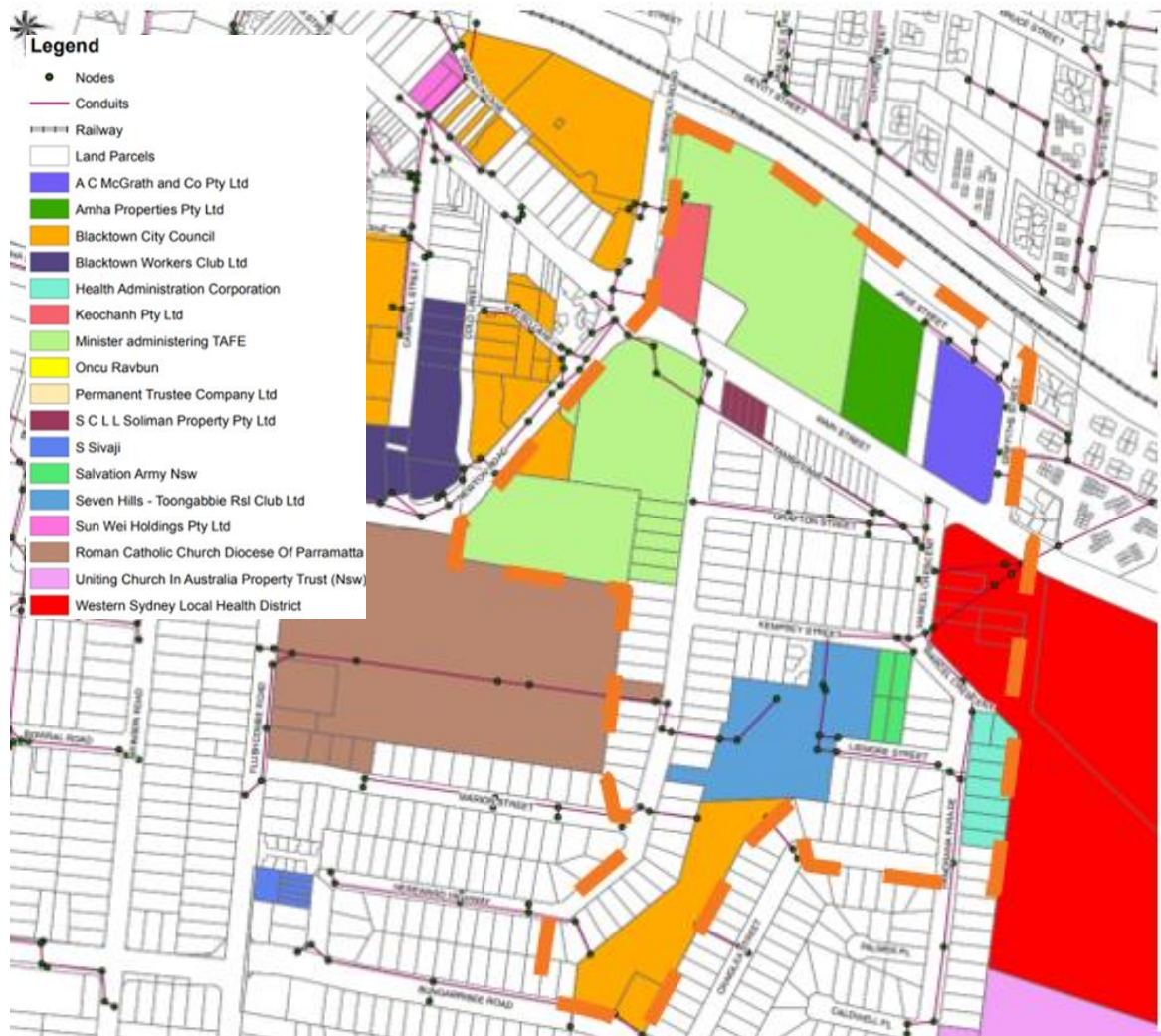


Source: Map by GLN prepared using information from Blacktown City Council

Figure 2 Medical and non-medical uses within the Blacktown Health Precinct

3.3 Land Ownership

Figure 3 identifies the larger landowners within the Precinct, which include the Minister administering TAFE, Seven Hills – Toongabbie RSL Club, and Council among others. The smaller lots are generally held in private ownership.



Source: Blacktown City Council

Figure 3 Land ownership arrangements within Precinct

3.4 Traffic and Transport

The surrounding road network includes several key arterial and State Roads including the M7 Motorway, M4 Motorway, Old Windsor Road and Richmond Road. These roads service the Blacktown CBD, Norwest Business Park and Arndell Park. Sunnyholt Road, which adjoins the north west boundary of the Precinct serves as a north/south link between the M4 and M7 Motorway and the intersection of Sunnyholt Road with Main Street also provides access directly into the Blacktown CBD.

GTA Consultants have been engaged by Council to review the existing and proposed traffic conditions in and around Blacktown in the context of future planning for Transformation Projects including the Blacktown Health Precinct. The existing traffic volumes for intersections surrounding the Precinct as collated by GTA Consultants are shown in **Figure 4**. GTA concludes that to accommodate anticipated growth in the CBD, Warrick Lane and the Health Precinct several road / intersection upgrades will be required (see Appendix E).

Road	Location	AM Peak Hour		PM Peak Hour	
		Eastbound/ Northbound	Westbound/ Southbound	Eastbound/ Northbound	Westbound/ Southbound
Main Street/ Blacktown Road ^[1]	East of Sunnyholt Road	1030	1227	1237	1210
Newton Road ^[1]	South of Sunnyholt Road	874	530	829	862
Panorama Parade ^[2]	North of Lismore Street	311	255	374	246
Newton Road ^[3]	East of Walters Road	609	293	362	710
Bungaribee Road ^[4]	East of Walters Road	990	587	708	931

[1] Source: Arup (2016) on behalf of Blacktown City Council to inform the Warrick Lane Precinct Concept Masterplan Study.

[2] Source: MetroCount Traffic Executive (2018) on behalf of Blacktown City Council

[3] Source: MetroCount Traffic Executive (2017) on behalf of Blacktown City Council

[4] Source: MetroCount Traffic Executive (2018) on behalf of Blacktown City Council

Source: GTA Consultants

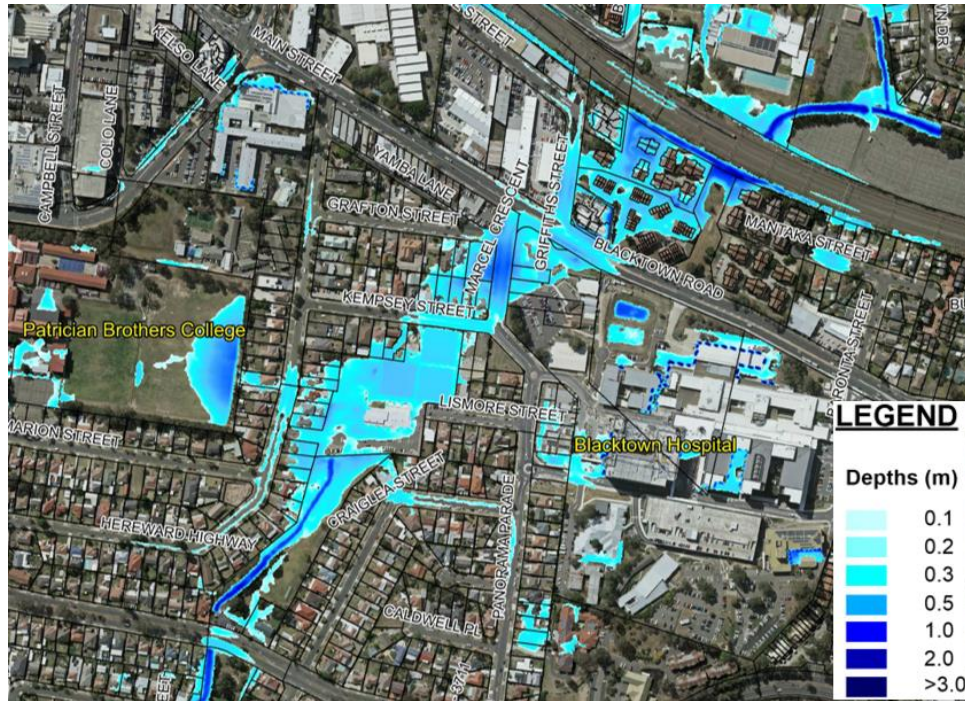
Figure 4 Traffic Volumes for surrounding intersections

3.5 Drainage and Flooding

The land within the Precinct forms part of a broader gently sloping valley unit. The low point traverses roughly through the centre of the Precinct and drains to the north under the railway.

Localised flooding occurs within the Precinct during the 1% AEP¹ event, inundating Captain Cook Memorial Park, the Blacktown Bowling Club and land south of Main Street adjacent to Marcel Crescent and Kempsey Street as shown in **Figure 5**.

¹ A flood level with a 1% AEP has a one in a hundred chance of being exceeded in any year. The 1% AEP event is designated as having an 'acceptable' risk for planning purposes in most parts of Australia

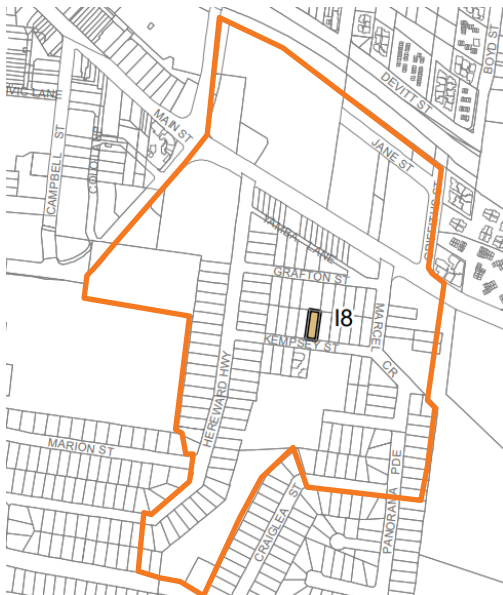


Source: Blacktown City Council

Figure 5 Existing Flooding within Precinct

3.6 Heritage

The Russian Orthodox Church located at 9A Kempsey Street on Lot 172 DP 15914 is identified as a local heritage item (**Figure 6**).



Source: Blacktown LEP 2015

Figure 6 Heritage Map identifying location Russian Orthodox Church (Local Heritage Item 18)

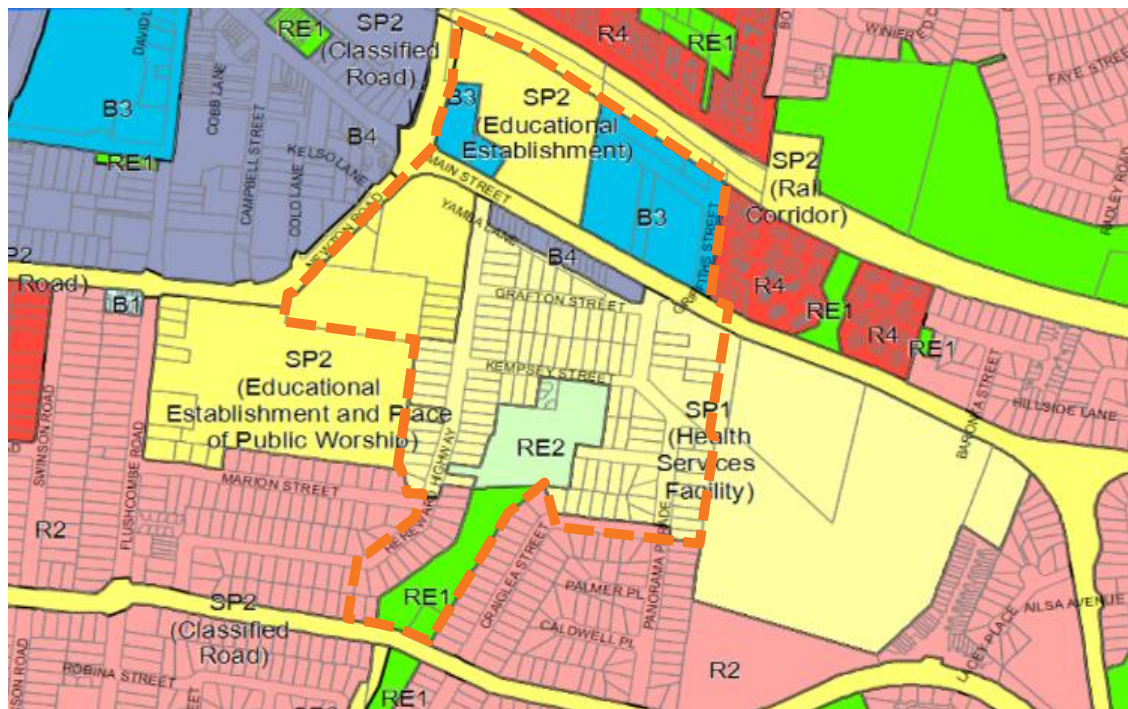
3.7 Current Planning Controls

BLEP 2015 is the principal planning instrument applying to the Precinct.

3.7.1 Existing Zoning

The current zoning is shown in **Figure 7**. Most of the Precinct is zoned SP1 (Health Services Facility) and SP2 (Education Establishment and Place of Public Worship), reflecting the predominant medical and education uses. Other land zones within the Precinct are:

- B3 Commercial Core on the corner of Main Street and Sunnyholt Road and the north eastern corner of the Precinct (existing car dealerships);
- B4 Mixed Use along the southern side of Main Street;
- RE1 Public Recreation on land that forms Captain Cook Memorial Park;
- RE2 Private Recreation on land occupied by the Blacktown Bowling Club; and
- R2 Low Density Residential on land west of Captain Cook Memorial Park.



Source: Blacktown LEP 2015

Figure 7 Zoning within the Precinct (identified in orange dash)

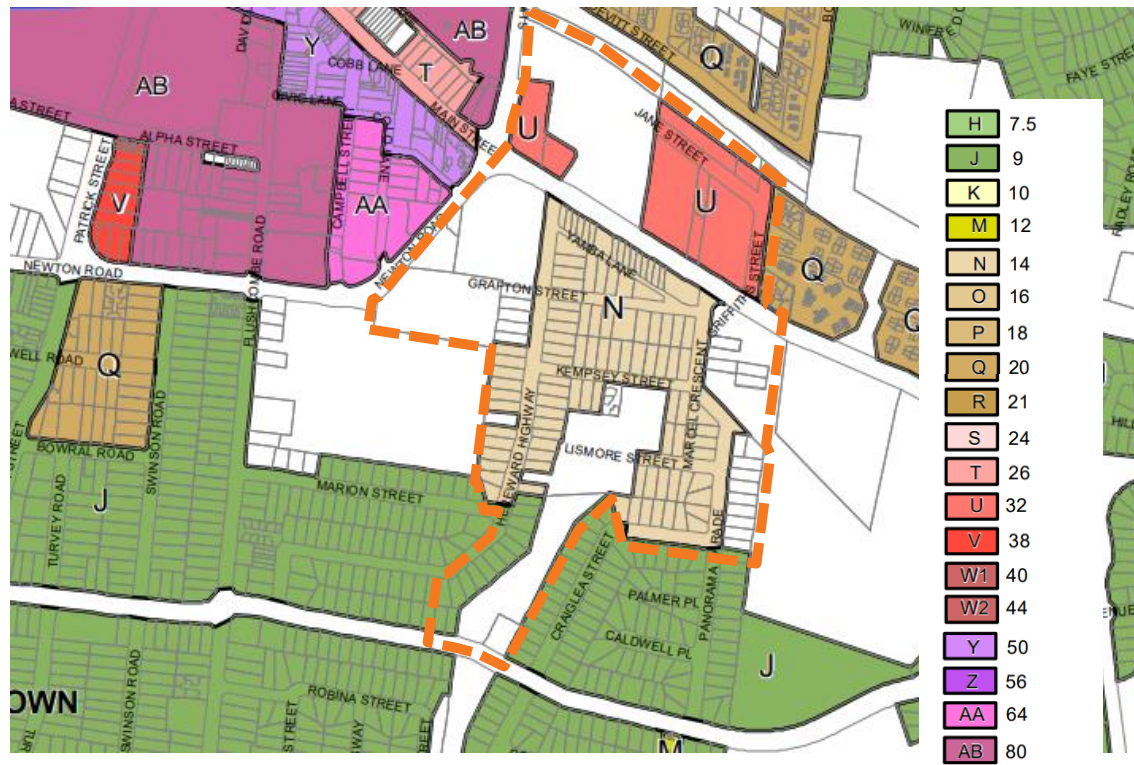
3.7.2 Existing Heights

The current maximum building heights are shown in **Figure 87**.

Land currently zoned B3 Commercial Core located north of Main Street is subject to a maximum 32m height control, while land south of Main Street currently zoned SP1 (Health Services Facilities) is subject to a maximum 14m height control.

Residential zoned land located west of Captain Cook Memorial Park is subject to a maximum 9m height control.

There are currently no height controls applicable to the Blacktown Hospital, TAFE campuses and Coreen School or Captain Cook Memorial Park.



Source: Blacktown LEP 2015

Figure 8 Extract of existing height of building control map (Precinct identified in orange dash)

3.7.3 Other Controls

The Precinct is not currently subject to floor space ratio controls and is otherwise currently constraint free on the basis that:

- Other than the Russian Orthodox Church, there are no local or State heritage items or heritage conservation areas within or adjoining the Precinct;
- it is not identified as terrestrial biodiversity; and
- it is not identified as land requiring acquisition.

The Precinct is mapped as part of a broader area to which Clause 7.7 Design Excellence of Blacktown LEP 2015 applies, which provides that development consent must not be granted to development to unless the consent authority considers that the development exhibits design excellence.



4 Part 1 – Objectives and Intended Outcomes

The objective of this Planning Proposal is to amend BLEP 2015 to facilitate the transformation of the Precinct from a single storey, predominately residential character area to a higher density, mixed use offering that supports allied health services. To achieve this, amended planning controls are required to be introduced that will, together with new placemaking and other infrastructure proposed, encourage new investment and development that will realise the Precinct's full potential.

The intended outcome is a statutory framework which will:

- provide flexibility and incentive for redevelopment in the Precinct by amending zoning and maximum height of building controls;
- identify key sites where additional development potential may be appropriate subject to a design excellence being demonstrated;
- encourage the amalgamation of land throughout the Precinct by incentivising development;
- identify land required to be reserved for future acquisition purposes; and
- classify the RE1 Public Open Space zoned land and land currently zoned R2 Low Density Residential that is proposed to be rezoned to RE1 Public Open Space and SP2 Local Road to be operational land



5 Part 2 – Explanation of Provisions

The proposed objective and intended outcomes of the Planning Proposal will be achieved by the following proposed amendments to the BLEP:

- Amend the BLEP 2015 Land Zoning Map (Sheet LZN_014) to:
 - rezone land in the Precinct north of Main Street to enable a mix of commercial, retail and higher density residential uses;
 - rezone the Blacktown Bowling Club site from RE2 Private Recreation to SP1 Special Purpose 1 Zone to provide additional land to support the Precinct's intended education and health uses;
 - rezone existing R2 Low Density Residential Zone land to RE1 Public Recreation and SP2 (Local Road) to expand Captain Cook Memorial Park for drainage purposes and make provision for a future connector road between Bungarribee Road and Hereward Highway.
 - replace the existing Special Use Health Facility Services and Educational Establishments zones south of Main Street with a new consolidated SP1 Special Purpose 1 Zone (Health Services Facility and Educational Establishments);
- Permit *car park* (as defined by the BLEP 2015) as development that is permitted with consent across the Precinct.
- Amend the BLEP 2015 Height of Buildings Map (Sheet HOB_014) to allow up to 14m, and 32m in the Precinct.
- Insert new Clause 7.XX and amend the BLEP 2015 Incentive Height of Building Map (Sheet IHOB_014) to identify land within the Precinct on the corner of Main Street and Sunnyside Road and Main Street and Newton Road as key sites where a bonus building height provision may enable buildings up to 44m, subject to design excellence being demonstrated through an architectural design competition and subject to buildings having a maximum floor plate of 1,000m².
- Insert new clause 7.4X and amend the Key Sites Map (Sheet KYS_014) of BLEP 2015 to apply to the Precinct and allow the maximum permissible height shown on the Height of Building Map to be exceeded up to a maximum of 26m or 32m if a minimum site area of 2,000m² is achieved.
- Amend BLEP 2015 Land Reservation Acquisition Map (Sheet LRA_014) to identify 22 lots to be acquired by Council for drainage and local road purposes.
- Amend Schedule 4 of the BLEP 2015 to identify that:
 - RE1 Public Open Space zoned land is reclassified from community land to operational land; and
 - Land currently zoned R2 Low Density Residential that is proposed to be rezoned to RE1 Public Open Space and SP2 Local Road is to be classified to operational land.



The proposed amendments to BLEP 2015 will work in conjunction with proposed amendments to the BDCP 2015 built form controls which will address streetscape, access and movement, car parking, public domain, landscaping and open space outcomes. The BDCP 2015 amendments are being progressed concurrently by Council.

5.1 Land Zoning and Uses

Proposed amendments to BLEP 2015 Land Zoning Map (Sheets LZN_014). Please refer to maps showing existing land zoning and proposed changes to land zoning at **Section 7**.

5.1.1 Proposed changes to land zoning and permissible uses

Land bound by the Main Western Railway, Griffiths Street, Main Street, and Sunnyholt Road is to be rezoned to B4 Mixed Uses. This will permit commercial, retail and higher density residential uses as an extension to the Blacktown CBD. This area is currently zoned part B3 Commercial Core and part SP2 Education Establishment.

Land south of Main Street that is generally bound by Main Street, Panorama Parade, Craiglea Street and Hereward Highway and including the Blacktown Bowling Club is to be rezoned to Special Purpose 1 Zone (Health Services Facility and Educational Establishments). This zone will be the predominant land use zone on the Precinct and will assist in strengthening and refocussing core hospital, medical and education uses within the centre of the Precinct. The SP1 zone will also permit car parks. This area is currently zoned SP1 (Health Services Facility), SP2 (Education Establishment and Place of Public Worship) and RE2 Private Recreation.

Land bound by the Blacktown Bowling Club, Captain Cook Memorial Park, Bungarribee Road and the Hereward Highway is to be rezoned to RE1 Public Recreation and SP1 Local Road to:

- enable the expansion of Captain Cook Memorial Park;
- incorporate drainage infrastructure and recreational embellishments as a place making initiative; and
- facilitate a new road connection to improve access to the Precinct.

The permissible and prohibited land uses within each proposed zone are proposed to be generally as per the existing BLEP 2015. *Car park* is proposed to be introduced into all proposed zones as development that is permitted with consent.

The following table demonstrates that the land uses recommended by Macro Plan to achieve transformation would be permissible under the proposed BLEP 2015 land use zones or another State Environmental Planning Policy.

Table 1 Land uses from Macro Plan Report permissibility review

Proposed Use	Permitted under Proposed SP1 (Health Services Facility and Educational Establishment) Zone	Permitted under Proposed and Existing B4 Zone	Permitted as ancillary use or under other State Environmental Planning Policy (SEPP)
Hospital	Yes	No	Yes in B4 under SEPP (Infrastructure)
Business Premises	No	Yes	Yes in SP1 but only as an ancillary use
Car park*	No	Yes	Yes in SP1 but only as an ancillary use
Child Care	No	Yes	Yes in SP1 under SEPP (Educational Establishments and Childcare Facilities)
Educational Establishments	Yes	Yes	
Function Centre (conference facilities)	No	Yes	Yes in SP1 but only as an ancillary use
Retail Premises	No	Yes	Yes in SP1 but only as an ancillary use
Health Services Facility (incl health consulting rooms)	Yes	Yes	
Boarding houses (Student and nurse accommodation)	No	Yes	
Serviced apartments	No	Yes	
Seniors Housing	No	Yes	Yes in SP1 under SEPP (Housing for Seniors or People with a Disability)
Shop top housing	No	Yes	
Hotel or motel accommodation	No	Yes	

*Note: Council resolved to permit car parks in the SP1 zone at its meeting of 14 October 2020.

The proposed rezoning will make *boarding houses*, *serviced apartments* and *hotel and motel accommodation* prohibited development in the SP1 (Health Service Facility and Educational Establishment) Zone. These uses are currently permissible in the B4 Mixed Use Zone and exist either side of Main Street. Council is seeking to restrict residential and short term accommodation uses in this SP1 (Health Service Facility and Educational Establishment) Zone.



5.2 Building Heights

This Planning Proposal proposes to amend the BLEP 2015 Height of Buildings Map (Sheet HOB_014).

A maximum height of building control of 32m (approximately 10 storeys of residential or approximately 8 storeys of commercial) is proposed for the land bound by Main Western Railway line, Griffiths Street, Main Street, and Sunnyholt Road.

A height of building control of 14m (5 storeys) is proposed for land generally bound by Main Street, Marcel Crescent, Panorama Parade, Craiglea Street, the southern boundary of the Bowling Club, Patrician Brothers College and Hereward Highway.

No height limit is proposed for Captain Cook Memorial Park.

5.3 Additional Local Provisions

Two new clauses are proposed to be included in the BLEP 2015 to incentivise site amalgamation and redevelopment on key sites.

5.3.1 Site Amalgamation

To incentive the amalgamation of sites throughout the Precinct, a height bonus is proposed to allow building height to exceed the permissible height identified in the Height of Building maps for sites that can be amalgamated and achieve a minimum site area of 2,000m². The minimum site area is proposed as a mechanism to ensure that buildings within the Precinct can be designed with appropriate floor plate sizes and appropriate building separation, thereby achieving good design quality and amenity including access to natural ventilation and light.

A new clause 4.3X is proposed to facilitate this outcome and will read as follows:

Clause 4.3X Exceptions to height of buildings

- (1) This clause applies to land identified as Area A or Area B in the Blacktown Health and Education Precinct as mapped on the Key Sites Map.*
- (2) The objective to this clause is to promote site amalgamation on the land to which this clause applies.*
- (3) Development consent may be granted for development that exceeds the maximum height of building on the Height of Building Map, where the development site is equal to or greater than 2,000m² in area.*
- (4) Development to which this clause applies, that meets the requirements of (3) has a maximum permitted height of building of:*
 - a. 26m for any site identified as "Area A".*
 - b. 32m for any site identified as "Area B".*
- (5) This clause does not limit the height of buildings on sites that have no maximum height of building control on the Maximum Height of building map and does not limit the Height of Buildings exhibiting design excellence in accordance with Clause 7.7XX and the Incentive Height of Buildings Map.*



5.3.2 Incentivising Redevelopment of Key Sites

A height bonus is proposed for key sites permitting a maximum 44m, subject to design excellence being demonstrated through an architectural design competition and subject to buildings having a maximum floor plate of 1,000m².

To facilitate this outcome, this Planning Proposed seeks to amend BLEP 2015 Key Sites Map (KSY 0_14) and Incentive Heights of Buildings Map (Sheet IHOB_014) to identify 'gateway sites' proposed to be zoned B4 Mixed Uses and Special Purpose 1 Zone (Health Services Facility and Educational Establishments) located on the corner of Main Street/Sunnyholt Road and Main Street/Newtown Road. Refer to the Proposed Key Sites Map and Incentive Heights of Buildings Map at **Section 7**.

The amended Key Sites Map will identify land to which a proposed new clause 7.XX will apply to the area and has been identified as it has the potential to provide:

- iconic built form outcomes demonstrating design excellence;
- additional development close to the Blacktown CBD and potentially a marker of the Precinct;
- improvements to the public domain and streetscape and road improvements;
- additional opportunities for mixed use development, increasing the diversity of employment, retail and commercial opportunities.

The amended Incentive Heights of Buildings Map will identify the maximum height that can be achieved subject to compliance with Clause 7.XX. Clause 7.XX7 is proposed to read as follows:

Clause 7.XX Incentive heights for key sites in the Blacktown Education and Health Precinct

- (1) *This clause applies to land within the Blacktown Health and Education Precinct as mapped on the Key Sites Map and identified as having an Incentive Height of Building of 44m on the Incentive Height of Building Map.*
- (2) *The objective of this clause is to encourage additional commercial and/or residential development in the Blacktown Education and Health Precinct that achieves design excellence through an architectural design competition.*
- (3) *The consent authority may consent to development on land to which this clause applies, if:*
 - a. *an architectural design competition has been held to the satisfaction of Council in relation to the proposed development; and*
 - b. *the design of the development is the winner of the architectural design competition; and*
 - c. *the development does not exceed the maximum height shown on the Incentive Heights of Buildings Map; and*
 - a. *the development does not exceed a maximum floor plate of 1,000 square metres.*

(4) *In this clause –*

architectural design competition means a competitive process conducted in accordance with the Design Excellence Guidelines.



Design Excellence Guidelines means the Design Excellence Guidelines issued by the Planning Secretary, as amended from time to time.

The requirement for an architectural design competition is intended to encourage innovative design solutions that achieve high quality, well designed development which responds to the gateway site and its role in the Precinct. The architectural design competition would be governed by the existing clause 7.7 within the BLEP 2015 and would need to be consistent with prescribed Design Excellence Guidelines, prepared by Council.

The additional development potential of a proposed development on a key site or part thereof will be considered on merit by the consent authority as part of the assessment of a development application (**DA**). The DA will need to address all potential impacts, including environmental and amenity impacts, and suitable traffic solutions to the intersection and frontages of other sites. This may include increased setbacks and dedication of land to enable improvement to traffic service levels.

Clause 7.7A *Height of buildings exhibiting design excellence in Blacktown CBD and Mount Druitt CBD* Is not considered an appropriate clause to amend as it would require amendment to not only reference the Precinct but also requirement introduction of the 1,000m² floor plate limitation. A site specific local provision is considered a more appropriate outcome given the significance of the Precinct.

5.4 Land Acquisition

This Planning Proposal seeks to amend BLEP 2015 Land Reservation Acquisition Map (Sheet LRA_014) to identify a total of 22 lots to be acquired by Council for drainage and local road purposes.

The lots proposed to be acquired to extend Captain Cook Memorial Park and construct drainage infrastructure are currently zoned R2 Low Density Residential and are predominantly stand-alone one or two storey dwelling houses. The total area to be acquired is approximately 7,290m².

The lots identified for future acquisition for local roads are currently zoned SP2 (Educational Establishments and Place of Public Worship) and SP1 (Health Services Facility) and are located within the Blacktown TAFE/Coreen School and Blacktown Hospital sites respectively. The acquisitions are proposed to facilitate:

1. Grafton Street extension; and
2. A realignment of Griffith Street and Marcel Crescent alignment

An addition four (4) R2 Low Density Residential zoned sites are proposed to be acquired to facilitate the Bungarabee Road and Hereward Highway connection.

Refer to the map of land to be acquired by Council at **Section 7**.

Acquisition costs are proposed to be funded through a new contributions plan currently being prepared by Council. Council is planning for the contributions plan to be ready for the public exhibition of the Planning Proposal.



5.5 Classification and Reclassification of Land

This Planning Proposal seeks to classify and reclassify land under the *Local Government Act, 1993*. To achieve this outcome, Schedule 4 of the BLEP 2015 will need to be amended to identify that:

- RE1 Public Open Space zoned land is reclassified from community land to operational land; and
- Land currently zoned R2 Low Density Residential that is proposed to be rezoned to RE1 Public Open Space and SP2 Local Road is to be classified as operational land.

A new Land Reclassification (Part Lots) Map (Sheet RPL 0_014) will need to be created to identify the lots proposed to be referenced in Schedule 4 of the BLEP 2015. Refer to **Section 7** for details.

Council will need to hold a public hearing as part of this process as required by the EP&A Act.



6 PART 3 JUSTIFICATION FOR OBJECTIVES, OUTCOMES AND PROVISIONS, AND PROCESS FOR IMPLEMENTATION

The justification sets out the case for changing the zones and/or development controls on the land affected by the proposed LEP. As part of the justification there are a number of specific questions that must be discussed with reasons explained.

6.1 Need for proposal

Is the Planning Proposal a result of any Strategic Study or Report?

The Health Precinct is one of Council's "Transformational Projects" and is included in its Local Strategic Planning Statement. As such Council has undertaken a number of investigations to identify the opportunity and constraints that need to be addressed to have this area redevelopment to reach its full potential.

Phase 1 of the existing investigations have included the following specific investigations.

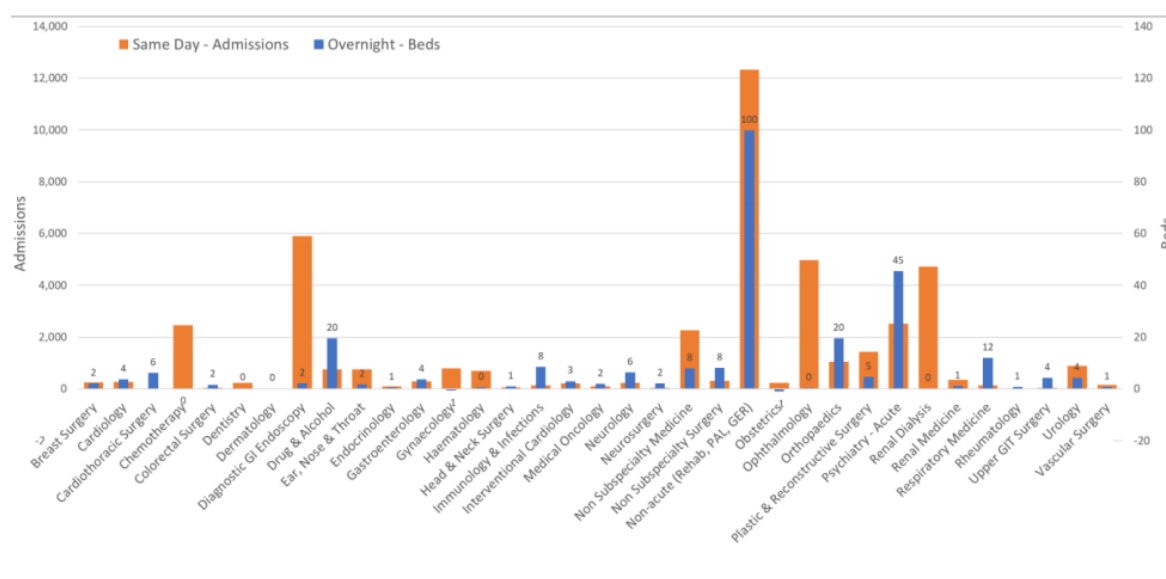
6.1.1 Blacktown Private Hospital Independent Market Assessment (O'Connell Advisory, 2018)

The Blacktown Private Hospital Independent Market Assessment prepared by O'Connell Advisory in 2018 (**O'Connell Report**) identifies the extent and nature of unmet demand for private health services in Blacktown (and surrounding areas) using private hospital demand projections established in modelling prepared by Hardes and Associates; a specialist demand modelling company for the hospital sector (See O'Connell Report at **Appendix C**)

The modelling utilised data from "5 Statistical Area Level 3", which includes Blacktown, Blacktown North, Mount Druitt, Baulkham Hills, Rouse Hill-McGraths Hill. It was established that this area would account for 90% of any future private hospitals' activity, with an additional 10% of activity coming from other areas. The investigation provided actual private hospital activity (admissions, bed days) in 2017-2032 by speciality. The modelling used data from various sources including:

- ABS historic and projected population projections
- State Government population projections
- Census data – socioeconomic status
- Australian Institute of Health and Welfare statistics and publications
- Private Hospital Data Bureau reports and statistics
- Private Health Insurance Administration Council
- State Health Department data
- De-identified private hospital data.

The projected growth in private hospital demand by 2032 is identified in the modelling shown in **Figure 9**.



Source: Harges and Associates in O'Connell Advisory 2018

Figure 9 Total growth in projected demand for private hospital services

Based on the existing and future demand for private hospital beds, the O'Connell Report included a market assessment and identified potential services a successful private hospital adjoining the existing Blacktown Hospital could provide. In determining the demand for private health services in Statistical Area Level 3 the O'Connell Report considered four key factors:

- Population size and demographics.
- Private health insurance coverage.
- Medical technologies and changing care models.
- Broader healthcare changes.

The Report finds that the growth of the catchment is much faster than Sydney metropolitan annual growth rate, with the majority of the growth occurring in Baulkham Hills, Blacktown and Mount Druitt statistical areas. As a result of increased development, there is a diminishing level of socioeconomic disadvantage in the area. O'Connell advisory have therefore predicted a growth in private health coverage.

Considering the current demand in the context of surrounding private hospital facilities (including Westmead Private Hospital expansion and Norwest Private Hospital expansion), the O'Connell Report took a percentage of the predicted growth in demand for private hospital beds between 2017 and 2032. The findings are provided below:

"We assumed for most specialties, that the current demand for private hospital activity is fully met by current private hospital supply, so we have projected the market share for a potential BPH as a proportion of the growth in activity only, i.e. a proportion of any activity above current FY17 actuals. The remainder proportion of growth would be serviced by competitors, such as expansions of Westmead Private and Norwest Private Hospitals.

- The market share varies by SA3: for Blacktown and Mount Druitt we applied a 70% share of projected growth, assuming less competition in these geographical areas, also reflecting the co-location with Blacktown Hospital.

- For Blacktown North, Baulkham Hills, and Rouse Hill

- McGraths Hill SA3s we applied a 30% market share of projected growth, assuming stronger competition by the existing and expanding private hospitals in the Baulkham Hills area (especially Norwest and HSS).

Exceptions for market share: for 3 specialties (obstetrics, gynaecology and renal dialysis) we applied a projected market share of 20% of the total market across all five SA3s. We determined that a more "aggressive" approach would be necessary in these 3 areas to achieve sufficient scale and viability. With the less aggressive approach (i.e. share as % of growth only), the achievable scale would be too small for viability, especially for obstetrics (where the projected growth in bed days above FY2017 activity is almost nil due to expected reductions in average length of stay). We believe this approach is reasonable given the colocation with the public hospital and the large number of clinicians delivering services today at Blacktown.

Inflows of activity from outside of the catchment: a default 10% factor was applied across all specialties. The only exception was bariatric surgery (included in upper GIT surgery), which is expected to attract higher inflows due to Blacktown Hospital being a centre of excellence in this specialty; for this reason a 20% inflow factor was used for this specialty."

Market Share Assumptions		Mt Druitt	Blacktown	Blacktown - North	Baulkham Hills	Rouse Hill - McGraths Hill
Market Share	Obstetrics, Gynecology, Renal Dialysis	20% total market	20% total market	20% total market	20% total market	20% total market
	All Other Specialties	70% market growth	70% market growth	30% market growth	30% market growth	30% market growth
Inflows	Upper GIT Surgery	+20%	+20%	+20%	+20%	+20%
	All Other Specialties	+10%	+10%	+10%	+10%	+10%

Source: O'Connell Advisory

Figure 10 Private Hospital Market Share Assumptions for Statistical Area Level 3

From this information, the O'Connell Report identified a range of Private Hospital scenarios that could be established which include combinations of different speciality groups. The scenarios also assume the private hospital can be established on a site in the vicinity of the existing Blacktown Hospital. The private hospital scenarios identified within the O'Connell Report are shown in **Figure 11**.

FY32 PROJECTED POTENTIAL SCALE							
Scenarios	BEDS			Theatres	Chemo Chairs	Renal Chairs	Delivery Rooms
	Overnight	Same Day	Total Beds				
Scenario 1							
Surgical/Medical	49	23	72	7.0	2.7	4.6	2.5
Scenario 2							
Surgical/Medical + Psych	80	26	107	7.0	2.7	4.6	2.5
Scenario 3 (BASE)							
Surgical/Medical + Psych + Rehab	128	40	168	7.0	2.7	4.6	2.5
Scenario 4							
Surgical/Medical + Rehab	97	36	133	7.0	2.7	4.6	2.5

Source: O'Connell Advisory

Figure 11 Indicative Private Hospital Scenarios

The O'Connell Report effectively identifies the feasibility and demand for a private hospital to be established to complement facilities provided in the existing Blacktown Hospital. The Report outlines that such a hospital would have significant benefits to the community, including (but not limited to):

- *"Approximately 327 to 376 new skilled jobs by FY32"*
- *A capital project in the range of \$124M to \$142M delivering jobs and economic benefit during construction.*
- *Creating greater scale on the health campus to attract clinicians (including allied health professionals) who will deliver more public and private health services for the local community.*
- *Western Sydney Local Health District WSLHD would have potential to gain economies of scale, rental and recruitment benefits.*
- *Teaching, training and research opportunities would be boosted".*

Of the required next steps identified in the O'Connell Report, the two that are relevant to this Planning Proposal include identifying the availability of land co-located with Blacktown Hospital, and development of the Precinct to provide a framework for the development of efficient effective service delivery.

6.1.2 Blacktown Health Precinct Potential Market Assessment (Macro Plan, 2019)

The Macro Plan Report considers the existing and potential future provisions of health services and other businesses in the surrounding locality and identifies where business synergies are possible. (See MacroPlan Report at **Appendix D**)

The assessment has identified future market conditions for specific land and floorspace uses in the Precinct. In providing a review of successful health precincts the Report outlines that for the Precinct to be successful it must develop a competitive advantage in:

- *A broadly-based strategy that integrates a mix of uses*
- *Globally recognised tenants*
- *A deep 'industry structure' facilitating the growth of subject matter experts*
- *Anchor infrastructure*
- *Points of difference*

To encourage development and reflect the continual changing uses within a health precinct, the MacroPlan Report outlines that flexibility is key in planning for these precincts. Although health precincts are unique (in location, specialities, function) the MacroPlan Report outlines a range of principles which define successful health precincts nationally and internationally:

- *Brand recognition / pulling power through embracing size and scale; • High concentrations of specialisation / expertise.*
- *Industry connections and connectivity including active engagement of business and industry and presences of incidental locations to stop and have casual interactions; • Health, educational and research uses including partnerships.*
- *Porous / permeable boundaries which promote a clear focus on market and outcome domains over institutional domains.*
- *Housing diversity including designs for different types of people and their varying lifestyles.*
- *Urban fabric including density and diversity of building types and activated street frontages including ground floor retail.*
- *Mix of uses which provide services and lifestyle amenities that provide relief from work pressures and opportunities to engage and interact with the community;*
- *"3D" approach to use of land and space – more than one use per space but rather vertical spaces and focus on integration / collaboration; and*
- *Shared and creative "play spaces" / "innovation spaces".*

The Macro Plan Report investigated a range of potential uses in the Health Precinct and based on the market analysis determined that there was existing and/or future undersupply for a range of health and other associated uses. The floor space demand up to 2036 generated from each of the proposed uses in the Report are summarised in **Table 2**.

Table 2 Summary of uses and GFA demand in BHP Market Assessment

Source: Macro Plan 2019

Land Use	Lower Demand (2036)	Upper Demand (2036)	Timing Sequencing
Private Hospital	5,000	20,000	Anchor use
GP & Allied Health	9,000	10,000	Anchor use or Follow up
Retail	2,000	2,500	Follow up
Commercial	4,000	5,000	Early activator or Anchor use
Student Accommodation	5,500	6,500	Early activator or Anchor use
Seniors Housing (ILUs and RACs)	26,000	48,000	Early activator
Healthcare staff accommodation	8,000	12,000	Early activator
Short term accommodation	6,500	8,500	Anchor use or Follow up
Childcare centre	2,500	3,500	Early Activator
Total	68,500	116,000	

6.1.3 GTA Traffic Advice Constraints

GTA Consultants has been working with Council and Transport for NSW to develop a base model for traffic conditions surrounding three of Council's Transformation Projects including, Warrick Lane, Blacktown CBD and the Blacktown Health Precinct. The GTA Traffic Assessment is included as Appendix E

Using the base model, GTA Consultants has reviewed the necessary works for an anticipated yield of approximately 110,000m² of additional GFA within the Health Precinct, which translates into the need to accommodate approximately 785-885 traffic movements generated within the Precinct. To address the traffic impacts, the Planning Proposal has identified a number of intersections that may require upgrades including:

- Marcel Crescent/Grieffiths Street/Main Street intersection.
- Sunnyholt Road/Main Street (addressed in the CBD Planning Proposal)
- Hereward Highway/Main Street intersection.

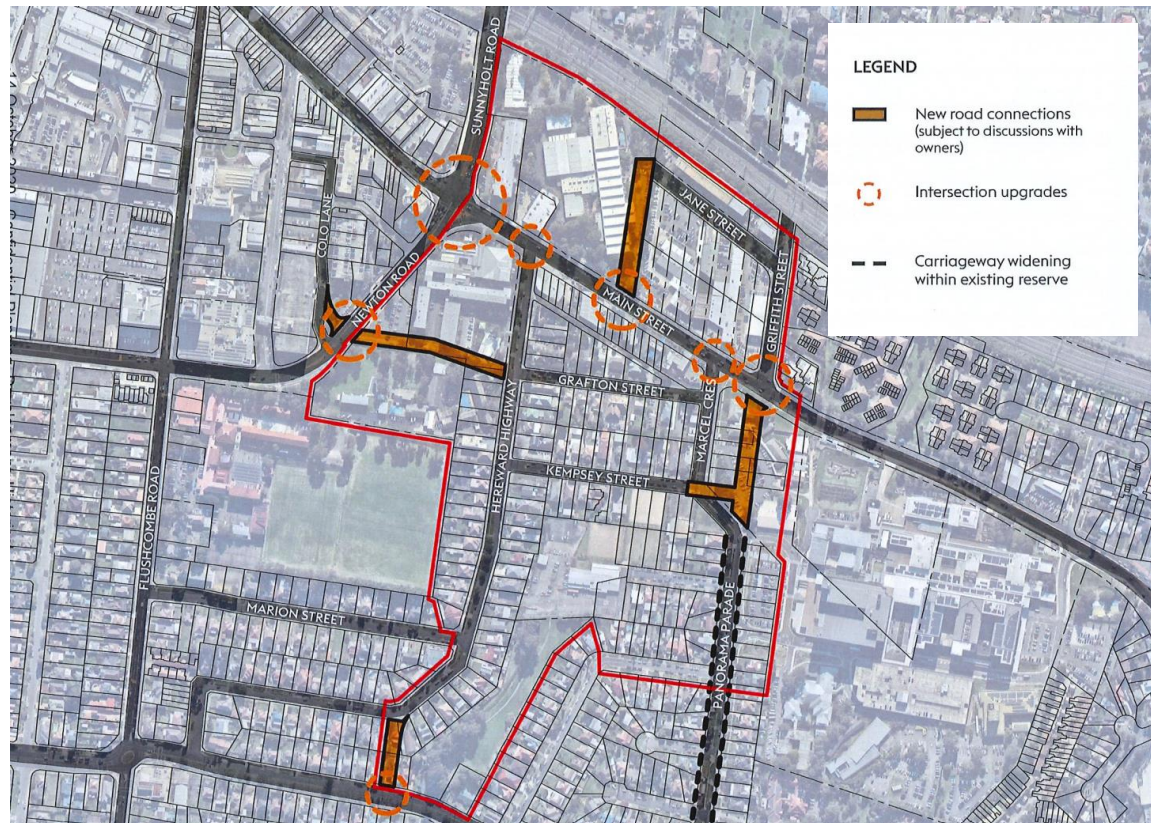
Furthermore, additional connections into and through the Precinct have been identified including:

- Connection between Newton Road and Grafton Street, including a new intersection
- Jane Street extension to Main Street, including new intersection.
- Grieffiths Street through to Panorama Parade and Kempsey Street including new intersections.

- Hereward Highway through to Bungarribee Road including new intersection.

The proposed roads and intersection upgrades are shown in **Figure 12**,

Figure 29 provides additional detail on the impacted lots that need to be acquired.



Source: Blacktown City Council

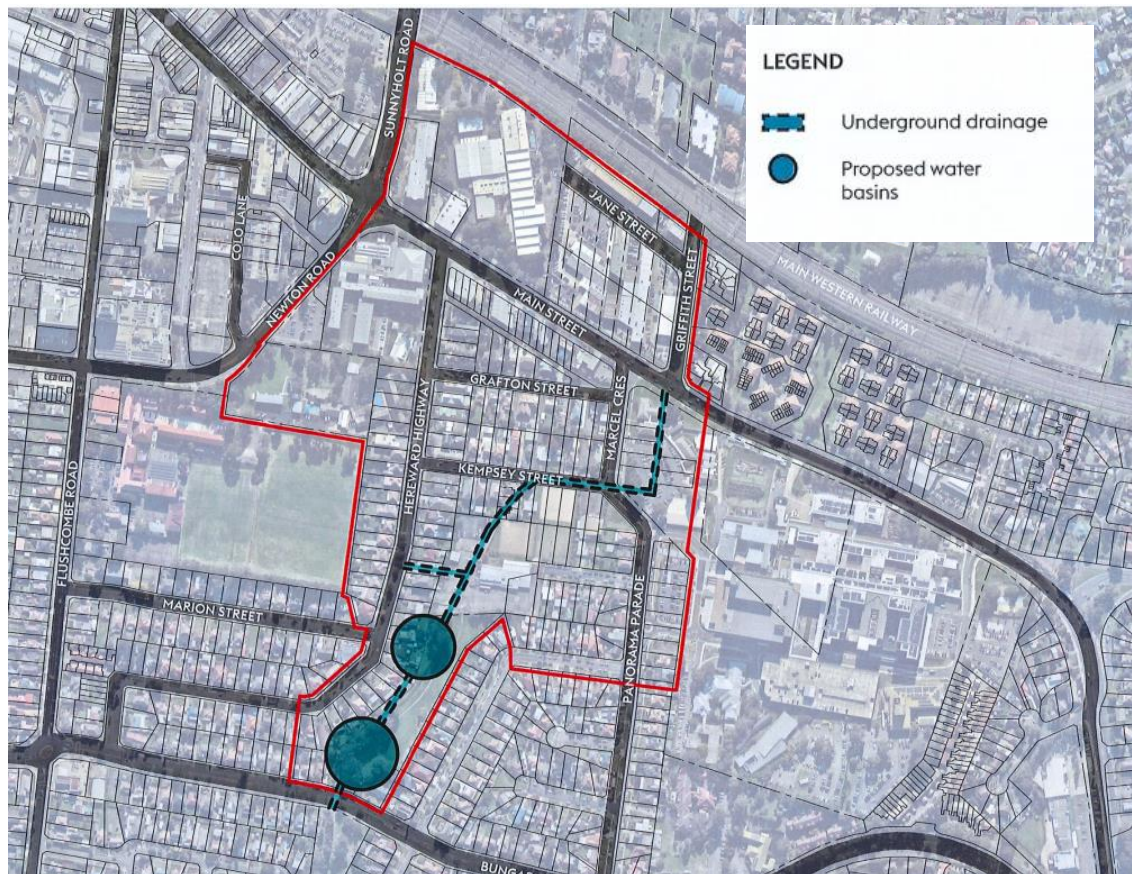
Figure 12 Traffic Solutions

6.1.4 Catchment Simulation Solutions advice

Council engaged Catchment Simulation Solutions to investigate flooding constraints by mapping the existing and future 1% AEP and Probable Maximum Flood (PMF) flood levels and to assist in devising solutions.

This work culminated in the development of a drainage strategy that ensures the northern portions of the Precinct and the existing Bowls Club site will largely be above the 1%AEP flood level. This includes the construction of basins in parts of the Captain Cook Memorial Park as well as additional upgrades to associated stormwater infrastructure. Council will confirm the timing / staging of works informed by a recent survey of Captain Cook Memorial Park.

The proposed works are located as described in **Figure 13**.



Source: Blacktown City Council

Figure 13 Flooding Solutions

Is the Planning Proposal the best way to achieve the objectives or intended outcomes?

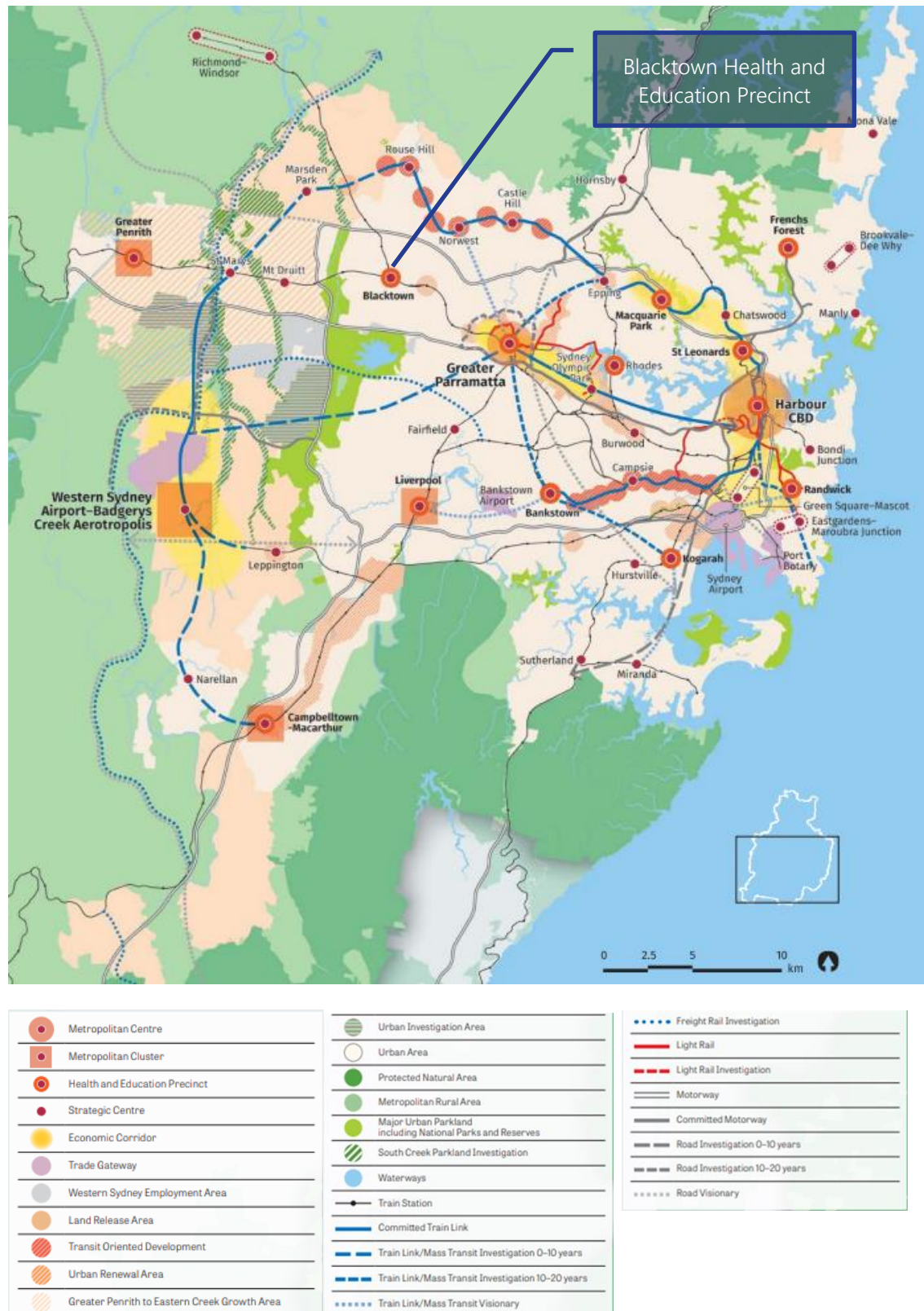
Yes. The Planning Proposal proposes to amend BLP 2015 in order to implement the revised land use zones, building height controls, land acquisition areas and incentive height areas as previously discussed. It is the only way to achieve the intended outcome.

6.2 Relationship to strategic planning framework.

Is the planning proposal consistent with the objectives and actions contained within the applicable regional or sub-regional strategy?

Greater Sydney Region Plan - Metropolis of Three Cities

The Blacktown Health and Education Precinct is identified as a in the Greater Sydney Regional Plan, as shown in **Figure 14**.



Source: Greater Sydney Commission

Figure 14 Structure Plan for the metropolis of three cities



The Health Precinct is located within the Central River City of the Regional Plan, of which Blacktown is identified as a 'Metropolitan Centre'. The Regional Plan identifies the overarching directions and objectives to guide growth in the Sydney region. These directions have then been used to provide more specific detail to guide growth and land use decisions in each of the Districts through the relevant District Plans. The overarching directions and objectives which the Regional Plan promotes are addressed as follows:

Infrastructure supporting new development and A collaborative city

The site is well located to achieve the objectives of the 30 minute city by virtue of approximately half of the Precinct being within 800m from Blacktown Station and bus interchange.

The proposed uses support the provision of an integrated precinct that provides health infrastructure to the community. The incentives to encourage suitable uses have been informed by forecast growth, demographics and need in the context of existing and future surrounding health facilities. The proposal therefore supports the development of health related infrastructure to align with forecast growth.

The Planning Proposal supports with the significant investment by the NSW Government into the Blacktown Hospital.

A city for people, Housing the city and A city of great places

The site directly adjoins the Blacktown CBD and the existing Blacktown Hospital. Uses that complement the ongoing expansion of both health and CBD related uses will be able to establish in the locality. The entire Precinct will be within 800m of the Blacktown CBD (and associated public transport) and the Blacktown Hospital, increasing the walkability to and within the Blacktown Metropolitan Centre.

The Proposal encourages additional health related uses to be established in the locality. The O'Connell and Macro Plan Reports both establish that there is an existing future demand for private health facilities in the locality. The Planning Proposal thereby includes health infrastructure that will meet the communities changing needs over the next 20 years.

Increasing the amenity of the locality surrounding the hospital is a priority, which will ultimately be reflected in the more detailed controls provided in any site specific development control plan. The Proposal includes an increase in public open space by expanding the area identified for the Captain Cook Memorial Park and road connections to make access into and out of the Precinct more efficient.

A well connected city

The site and its proposed future development will support the well-connected city objective by proposing expanded health services adjacent to public transport infrastructure in an area of growing population.

Central City District Plan, Greater Sydney Commission

The Central City District Plan by Greater Sydney Commission updated March 2018 applies to Blacktown Local Government Area along with Cumberland, Parramatta and The Hills.

Blacktown CBD is identified as a Health and Education Precinct in **Figure 15**.

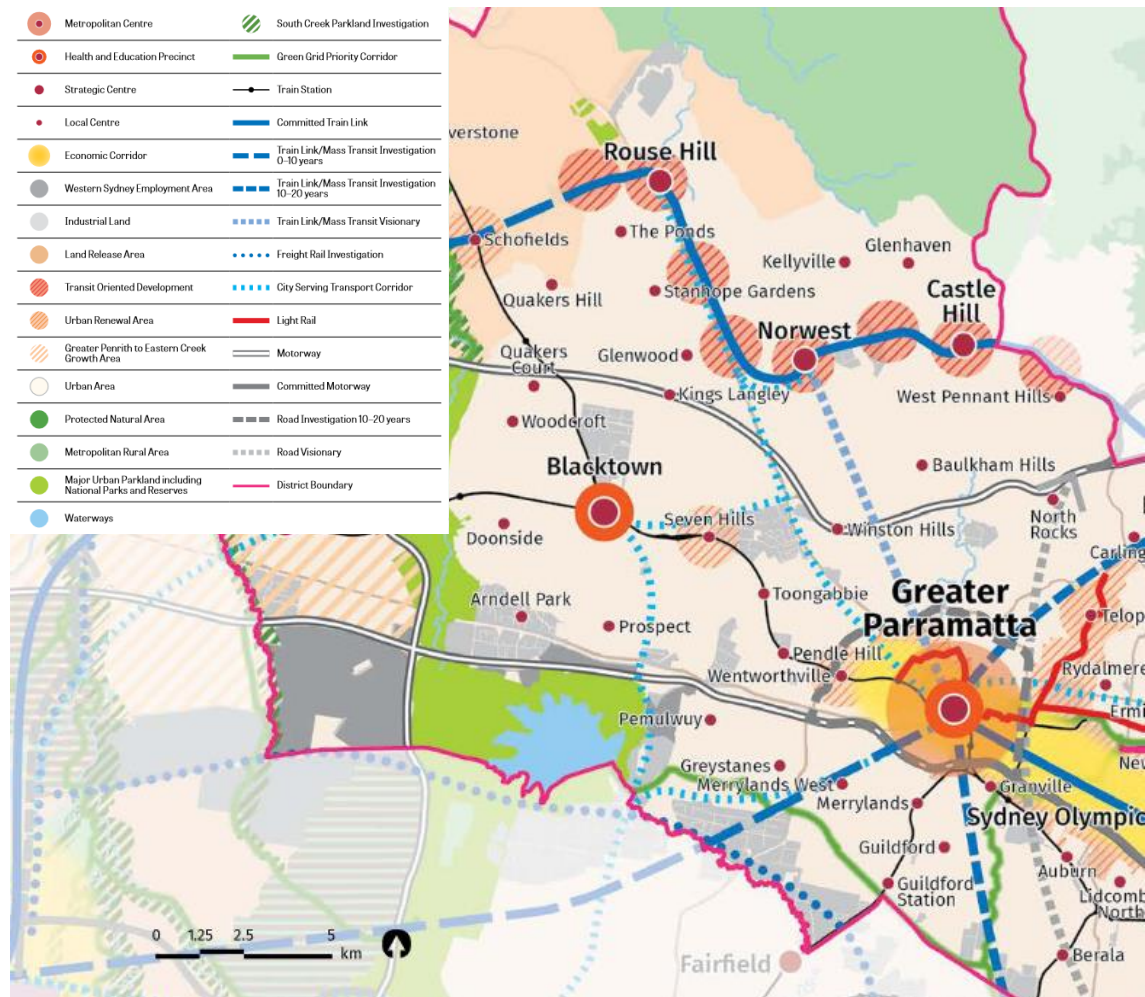
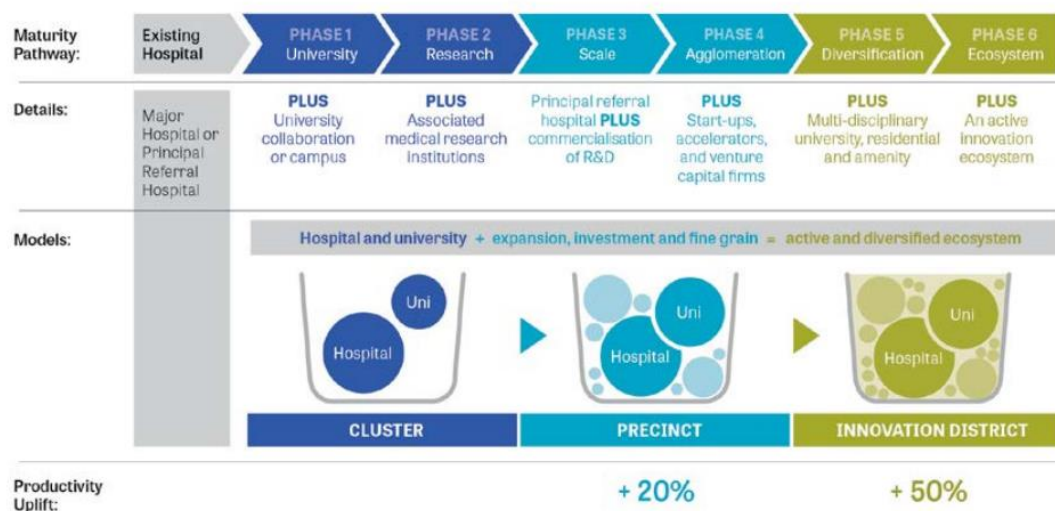


Figure 15 Extract of Structure Plan for the Central City District

The District Plan outlines the maturity pathway for health and education precincts, identifying Blacktown at the initial cluster stage (see **Figure 16**), whilst other precincts such as Westmead are more mature, being identified as a possible Innovation Precinct. As outlined in the MacroPlan Report the provision of a range of complementary land uses will facilitate the development of the Precinct consistent with the growth framework for Health and Education Precincts within the District Plan.



Source: Central City District Plan

Figure 16 Maturity pathway for health and education precincts

The Health Precinct has the capability to provide opportunities for specialist medical services that support practitioners, students and patients and is consistent with the Planning Priorities of the District Plan as follows:

Planning for a city supported by infrastructure (Planning Priority C1)

This priority focusses planning on infrastructure investments to connect the three cities concept and particularly the opportunities presented by this infrastructure for increasing housing density and tying growth with upgrading of other community infrastructure through appropriate funding mechanisms.

The Planning Proposal is consistent with these principles as it seeks to enhance the potential of the Blacktown Strategic Centre, infrastructure and site linkages as part of a Transformational Project.

Providing services and social infrastructure to meet people's changing needs (Planning Priority C3)

As discussed in the section on Local Strategy, the BHP has been highlighted as a Transformational Project in the Blacktown LGA to support increased demand from Blacktown's growing population. The land use planning framework can only be realised via the proposed land use zonings, heights and acquisitions to foster initial development in the existing Health Precinct.

Fostering healthy, creative, culturally rich and socially connected communities (Planning Priority C4)

The Planning Proposal inherently supports the ongoing development of health related uses, to meet the surrounding locality, in an area where it is established that they are needed (as outlined in the MacroPlan and O'Connell Reports). Part of the Proposal

includes increasing the open space and amenity offering in the precinct, making it better place to work and visit. Furthermore, the proposal reflects the Action 10, which requires the co-location of schools, health, aged care, sporting and cultural facilities. The identification of the Precinct adjoining the existing Blacktown Hospital protects land for the future delivery of health related uses to collocate with those services provided in the Blacktown Hospital.

Providing housing supply, choice and affordability, with access to jobs, services and public transport (Planning Priority C5)

Part of this priority includes the provision of more housing in the right locations. The Planning Proposal has considered the need to locate suitable housing and accommodation in close proximity to the Precinct for workers, students and seniors.

Growing investment, business opportunities and jobs in strategic centres (Planning Priority C10)

The Planning Proposal encourages future health infrastructure and associated jobs to be located within walking distance of the Blacktown CBD and associated public transport. The establishment of health related land uses have already established in the Precinct due to its accessibility to the Blacktown Hospital and the Blacktown CBD. The Planning Proposal reflects this existing organic concentration of land uses and encourages it to occur on a greater scale to reflect the growing need of future residents.

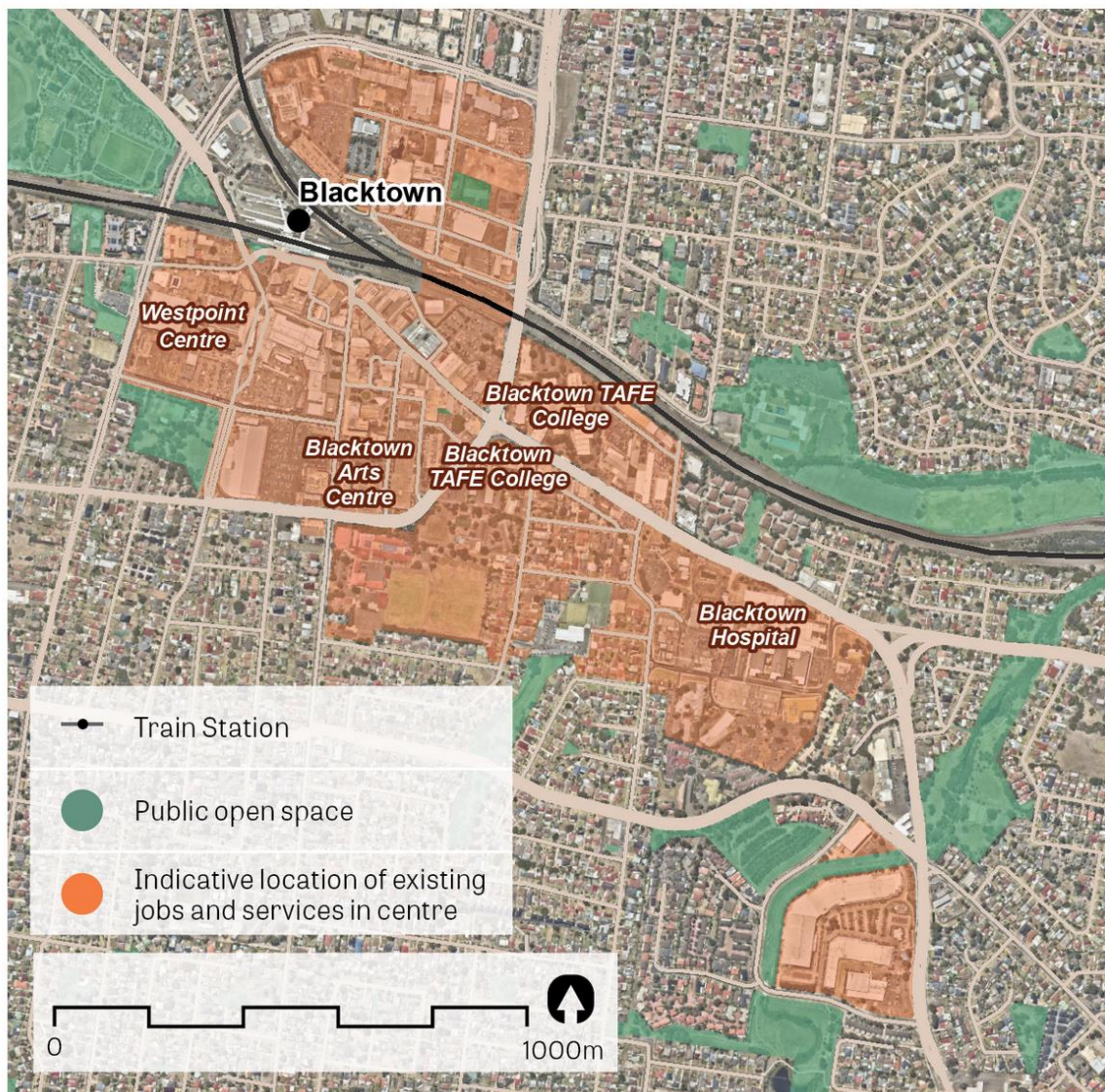
The Planning Proposal also aligns with the District Plan's "indicative location of existing jobs and services" (see **Figure 17**) and will ultimately significantly contribute to Blacktown City Council's job target of 19,500 jobs by 2036.

In accordance with Action 40 in the District Plan, the Planning Proposal is the realisation of the following:

Strengthen Blacktown through approaches that manage land around the hospital so as not to preclude future expansion of the hospital and/or co-location of a tertiary education facility.

Delivery ancillary uses which add value to the health and education facilities, including residential, aged care facilities, visitor accommodation, health and medical research activity, non-critical patient care and commercial uses which will be complementary to and help revitalise the health precinct.

Blacktown	Jobs
2016 estimate	13,200
2036 baseline target	17,000
2036 higher target	19,500



Source: GSC, 2018

Figure 17 Indicative location of existing job infrastructure



Is the planning proposal consistent with a council's local strategy or other local strategic plan?

Our Blacktown 2036

The Our Blacktown 2036 is Council's community strategic plan to facilitate and manage future growth and development within the City of Blacktown to 2036. The document identifies that by 2036, Blacktown LGA is predicted to grow to approximately 500,000 people and 180,000 dwellings.

Key strategies and actions under the Strategy include:

- Strategic Direction 3: A smart and prosperous economy.
- Strategic Direction 4: A Growing City Supported by Accessible Infrastructure.

This Planning Proposal will facilitate implementation of the above strategies by enabling economic opportunities and partnerships which will facilitate sustainable growth of the local and regional economy and attract investment to Blacktown. It will also foster local business and employment while ensuring the Precinct is well planned and liveable comprising employment, housing, transport and infrastructure that meet the diverse needs of the growing community.

Our Blacktown 2036 also identifies the communities' priorities and aspirations and how they will be delivered. Our Blacktown 2036 identifies several Transformational Projects that advance the vision for Blacktown. One of these Transformational Projects is the Blacktown City Centre Health Precinct. The ultimate goal of the Health Precinct in Blacktown 2036 is to collaborate with Government and private health sector to co-located a private hospital and allied medical centres.

Blacktown Local Strategic Planning Statement

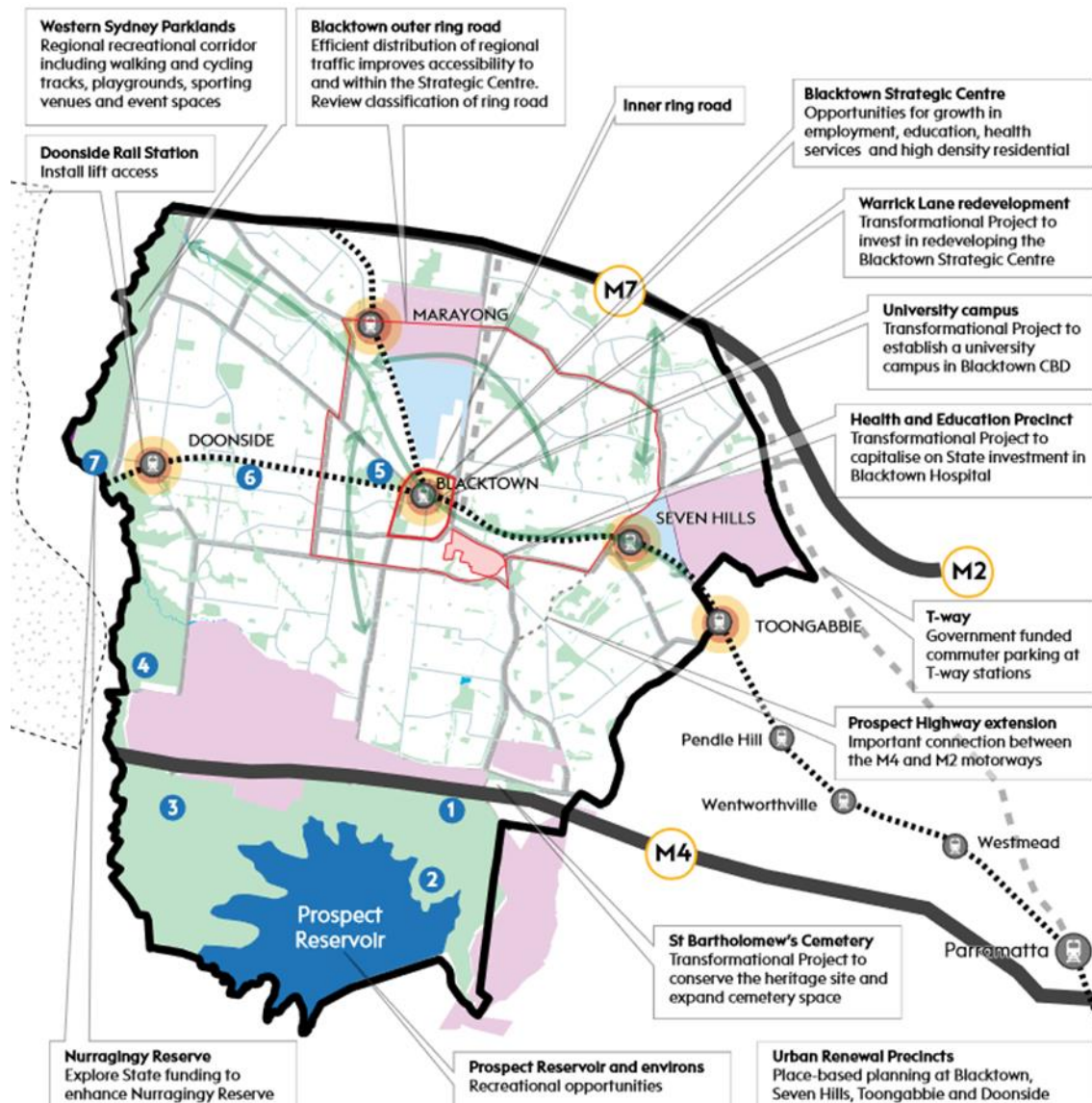
Council's Local Strategic Planning Statement 2020 (**LSPS**) sets out a 20 year vision for the future Blacktown LGA as it grows. The LSPS identifies the local planning priority of promoting health, medical research, innovation and education in the Blacktown Strategic Centre as part of the Health Precinct Transformational Project.

Council's Housing Strategy (the Strategy) was prepared to support the LSPS. The housing strategy links the vision or housing with the objectives and targets within the relevant Strategic Planning Framework. The Housing Strategy was endorsed in September 2020 alongside the LSPS.

The proposed amendments to the land use zone controls and development standards for land north of Main Street is also built on the findings from the Blacktown CBD Planning Proposal, which ultimately reduced the quantity of B3 Commercial Core zoned land resulting from detailed investigations into the forecast demand for commercial activity in the Blacktown CBD.

Ultimately, the Planning Proposal reflects Council's intention for delivery of the Health Precinct Transformational Project as demonstrated in the following sections.

The LSPS provides the vision of Blacktown City; "City of Excellence - diverse, dynamic, progressive". The BHP is located within the Blacktown Precinct within the LSPS. Precincts are established under the LSPS. The proposed BHP is consistent with the locality statement for the Blacktown Precinct and the greater LGA structure plan within the LSPS, which identifies Blacktown Strategic Centre as needing to "transform to create a diversity of jobs and housing opportunities", as well as identifying the Health and Education Precinct as a "Transformational Project to capitalise on State investment in Blacktown Hospital (see **Figure 18**).



Source: Blacktown City Council

Figure 18 Extract from Council's LSPS showing the LGA Structure Plan

The LSPS provides a range of Priorities, which are further detailed in corresponding Strategic Directions provided under Blacktown 2036. The Planning Proposal is consistent with the relevant Local Planning Priorities and associated Strategic Directions as follows.

Providing services and social infrastructure to meet people's changing needs (Local Planning Priority 3)

The Health Precinct benefits from existing transport infrastructure, making it accessible to the greater LGA. The Precinct is also the reflection of collaborating health infrastructure – by identifying, protecting, and encouraging health and other complementary uses adjoining the existing Blacktown Hospital. The Planning Proposal reflects the LSPS' action to "prioritise infrastructure planning and investment in the right place, at the right time... to align with forecast growth".



Delivering integrated land use and transport planning and a 30-minute city (Local Planning Priority 7)

The Health Precinct is located within the Blacktown Strategic Centre, which is serviced by existing transport infrastructure. The proposal represents the increase in jobs that are in the vicinity of existing mass transit public transport, consistent with the LSPS.

Growing mixed use, investment, business, and job opportunities in Strategic Centres (Local Planning Priority 8)

The LSPS identifies an area of 2kms around the Blacktown Train Station as the Strategic Centre. The Health Precinct is consistent with the productivity planning focus for the centre that includes:

- Reinforcing and capitalising on health and education activities in the health and education precinct.
- Managing land around Blacktown Hospital so that future expansion and /or co-location with tertiary education facilities remains possible.
- Allowing for ancillary uses that add value to the health and education facilities, including residential aged care facilities, visitor accommodation, health and medical research facilities, non-critical patient care and complementary commercial uses.

Furthermore, in accordance with the LSPS, the Planning Proposal:

- encourages a high standard of architectural excellence by implementing a height bonus for certain sites where an architectural design competition is undertaken.
- Has involved collaborating, partnering and engaging to implement the LSPS (Local Planning Priority 2) via involving major stakeholders in planning the transformation of the Precinct
- Supports providing housing supply, choice and affordability with access to jobs, services and public transport (Local Planning Priority 5) via rezoning part of the precinct to B4 mixed use
- Supports creating and renewing great places and centres (Local Planning Priority 6) including via the master planning and design work which has informed the Planning Proposal.
- Supports growing targeted industry sectors consistent (Local Planning Priority 10) consistent with action 34 which is to “collaborate with the NSW Government and the private sector to promote health, medical research and innovation, and education opportunities in the Blacktown and Mount Druitt Strategic Centres and implement the Health Precinct Transformational Project”



Housing Strategy

Council's Housing Strategy (the **Housing Strategy**) was prepared to support the LSPS. The Housing Strategy links the vision of housing with the objectives and targets within the relevant Strategic Planning Framework. The Housing Strategy was endorsed in September 2020 alongside the LSPS.

The Housing Strategy establishes the strategic framework for residential growth within the Blacktown LGA to 2040. The Strategy identifies the need to accommodate population growth of 612,000 people by 2041.

The Housing Strategy sets arrange of principles for planning across the key areas in the LGA. The strategies for the Blacktown Strategic Centre include:

- a high density mixed use CBD and surrounding precincts of medium and high density housing
- managing the commercial core to achieve job targets for the District and reinforce the ring road network
- improving the public domain and residential amenity
- improving wayfinding and pedestrian connections, particularly across the rail line
- reinforcing and capitalising on health and education activities in the health and education precinct
- managing land around Blacktown Hospital so that future expansion and/or co-location with tertiary education facilities remains possible
- allowing for complimentary uses that add value to health and education facilities, including residential; aged care facilities; visitor accommodation; health and medical research activities; non-critical patient care; and complimentary commercial uses
- promoting advanced manufacturing, research, and innovation in the business park

This Planning Proposal represents the realisation of the abovementioned principles, which are implemented through proposed revised residential zoning and development standards under the Blacktown LEP 2015. The Planning Proposal does not restrict the provision of housing in the Blacktown LGA – the area north of Main Street which is proposed to be rezoned B4 Mixed Use will encourage additional housing in the form of shop top housing to be established close to the Blacktown CBD and the Blacktown Station.

Blacktown CBD Planning Proposal (Amendment No. 26 to the Blacktown LEP 2015)

The Blacktown CBD Planning Proposal represents the second stage of the Blacktown and Mt Druitt CBD Planning Proposal. Stage 1 of this planning proposal affected land in the Mt Druitt CBD and was gazetted under Amendment No. 10 to the Blacktown LEP 2015. The subsequent Blacktown CBD Planning Proposal sought to rezone land in the Blacktown CBD to B4 Mixed Use and B3 Commercial Core, increase building heights, remove FSR controls and introduce incentive building heights for key and gateway sites in the CBD that achieved design excellence through architectural design competitions. The proposed amendments were gazetted in September 2020.

The Blacktown CBD Planning Proposal ultimately reduced the quantum of B3 Commercial Core zoned land in the Blacktown CBD. Economic Studies that were prepared to support the Planning Proposal undertaken by Jones Lang LaSalle found that there was significant oversupply of B3 Commercial Core zoned land in Blacktown CBD when compared to the existing and future demand for investment grade office development.

The scope of the Planning Proposal only included land within the CBD “ring road”, which includes Sunnyholt Road, Third Avenue, Balmoral Street and Newton Road, and therefore did not address the B3 Commercial Core land located on the opposite side of Sunnyholt Road along Main Street in the existing Health Precinct.

This Planning Proposal is consistent with the findings of the Blacktown CBD Planning Proposal, in that it rezones land zoned B3 Commercial Core on the fringe of the Blacktown CBD to B4 Mixed Use. To maintain consistency, across the land north of Main Street, the Planning Proposal also rezones the TAFE land to B4 Mixed Use. The use of the site as an educational facility remains permissible, however it provides additional development opportunity and flexibility for the TAFE should course delivery change and additional development/uses be sought on the land.

Is the planning proposal consistent with applicable state environmental planning policies?

The following table identifies the existing and deemed SEPP's which are specifically relevant to the planning proposal or development that may be permitted after the LEP amendment.

Table 3 Applicable state environmental planning policies

SEPP	Comment
State Environmental Planning Policy No 50 – Remediation of Land	This Planning Proposal is not expected to be inconsistent with SEPP 55. Council will commission a Phase 1 Contamination Assessment prior to exhibition to ensure that SEPP 55 is satisfactorily addressed and Council can demonstrate that the land is suitable or can be made suitable for the intended purposes. applications.
State Environmental Planning Policy No 19 – Urban Bushland	The Precinct located at the existing town centre. The land has been developed previously and the presence of urban bushland is minimal. The potential application of this SEPP will be considered and addressed at DA stage
State Environmental Planning Policy No 64— Advertising and Signage	The proposed planning controls would not prevent the application of SEPP 64 for future signage.
State Environmental Planning Policy No 65—Design Quality of Residential Flat Development	SEPP 65 will apply to any development that includes shop to housing located on the land zoned B4 Mixed Use.

SEPP	Comment
State Environmental Planning Policy No 70— Affordable Housing (Revised Schemes)	SEPP 70 applies to all land within the State and establishes the need for affordable housing. The SEPP gives power to a consent authority to issue a conditions of consent requiring an affordable housing contribution in accordance with S. 7.32 of the EP&A Act. However, Blacktown LEP 2015 does not authorise such a condition as is required under S. 7.32(3)(b). This Planning Proposal does not change future developments application of SEPP 70.
State Environmental Planning Policy (Affordable Rental Housing) 2009	The SEPP incentives affordable housing by providing additional FSR to development in certain circumstances. The SEPP would only apply to land zoned B4 Mixed Use – however on account no FSR controls are proposed, there is no incentive to utilising the provisions under the SEPP. Boarding houses will also remain permissible within the B4 Mixed Use Zone.
State Environmental Planning Policy (Building Sustainability Index: BASIX) 2004	The Planning Proposal would not prevent the operation of this SEPP.
State Environmental Planning Policy (Exempt and Complying Development Codes) 2008	This Planning Proposal is consistent with the Codes SEPP and would not impede its application as part of future development.
State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004	The proposed planning controls would not prevent the application of this SEPP to provide for seniors housing or other development types enabled under the SEPP.
State Environmental Planning Policy (Infrastructure) 2007	The proposed planning controls would not impede the ability to facilitate development for health service facilities under the ISEPP.
State Environmental Planning Policy (Educational Establishments and Child Care Facilities) 2017	The Planning Proposal does not include any provisions which impede operation of this SEPP over the subject land.
State Environmental Planning Policy (State and Regional Development) 2011	The proposed planning controls would not prevent the operation of the SRD SEPP as part of future applications that may satisfy a trigger for State Significant Development or State Significant Infrastructure or Regionally Significant development.

Is the planning proposal consistent with applicable Ministerial Directions (s.9.1 directions)?

The following table identifies only those Section 9.1 (previously Section 117) Directions relevant to the planning proposal. As the Planning Proposal will be by amendment of a 'Standard Instrument' LEP, there are a number of Directions which are already embodied in the LEP and hence are not addressed in the table below.

Table 4 Applicable Ministerial Directions

Section 9.1 Direction	Comment
1. Employment and Resources	
<p>1.1 Business and Industrial Zones</p> <p>This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed business or industrial zone (including the alteration of any existing business or industrial zone boundary).</p>	<p>The Planning Proposal seeks to replace B3 Commercial Core zone on the corner of Sunnyholt Road, Main Street, Griffith Street and Jane Street to B4 Mixed Use. The B4 Mixed Use zone would also be extended to cover the SP2 land to the north of Main Street.</p> <p>The Planning Proposal is consistent with Amendment No. 26 to the Blacktown LEP 2015, which found that there was over supply of B3 Commercial Core land in the adjoining Blacktown CBD. The proposal represents an administrative change to align with the findings of that work with the land use zones proposed in the Planning Proposal and will, when gazetted The Planning Proposal is consistent with the objectives of the direction.</p>
2. Environment and Heritage	
<p>2.1 Environment Protection Zones</p> <p>The objective of this direction is to protect and conserve environmentally sensitive areas.</p>	<p>The land subject of the Planning Proposal is existing urban land and not identified as containing any areas of environmental sensitivity, with the exception of the locally heritage listed Russian Orthodox Church. Future development will need to consider potential impacts on the heritage values of the Church. The proposal actually increases the area of parkland. The proposal is consistent with this direction.</p>
<p>2.3 Heritage Conservation</p> <p>This direction applies when a relevant planning authority prepares a planning proposal.</p> <p>The objective of this direction is to conserve items, areas, objects and places of environmental heritage significance and indigenous heritage significance.</p>	<p>The Planning Proposal does not propose changes to the LEP clause or Maps relating to Heritage.</p> <p>The Planning Proposal is consistent with this Direction.</p>
<p>2.6 Remediation of Contaminated Land</p> <p>This direction applies when a relevant planning authority prepares a planning proposal.</p> <p>The objective of this direction is to reduce the risk of harm to human health and the environment by ensuring that contamination and remediation are considered by planning proposal authorities.</p>	<p>The proposal largely maintains the existing zoning across the sites and facilitates the growth of health and education facilities..</p> <p>The new B4 Mixed Use Zone will apply to land north of Main Street. While no contaminating uses have been known to be carried out on that land, the application of SEPP 55 will apply to any future development application.</p> <p>Council has also commissioned a Phase 1 Contamination Assessment which will be completed prior to public exhibition of the Planning Proposal.</p>

Section 9.1 Direction	Comment
3. Housing, Infrastructure and Urban Development	
<p>3.1 – Residential Zones</p> <p>This direction applies when a relevant planning authority prepares a planning proposal that will affect land within an existing or proposed residential zone or any other zone where significant residential development is permitted or proposed to be permitted.</p>	<p>The Planning Proposal would rezone 15 existing R2 Low Density Residential Land on Hereward Highway to RE2 Public Recreation.</p> <p>The Planning Proposal also proposes to rezone part of the Precinct to B4, and overall is consistent with the Ministerial Direction.</p>
<p>3.3 Integrating Land Use and Transport</p> <p>This direction applies when a relevant planning authority prepares a planning proposal that will create, alter or remove a zone or a provision relating to urban land, including land zoned for residential, business, industrial, village or tourist purposes.</p>	<p>The Planning Proposal would support placing additional health, education and employment uses near public transport.</p> <p>The Planning Proposal is consistent with this Direction.</p> <p>Refer to the GTA Transport Assessment provided at Appendix E. In addition, Council has commenced discussion with Transport for NSW during the preparation of this Planning Proposal and will continue to consult with Transport for NSW to ensure that Direction 3.4 is satisfied. Further details will be provided in the Planning Proposal following receipt of the Gateway Determination.</p>
4. Hazards and Risk	
<p>4.3 Flood Prone Land</p> <p>This direction applies to flood prone land in an LGA.</p>	<p>The Planning Proposal rezones flood affected land that is currently zoned for recreation purposes (Blacktown Bowling Club). In accordance with the Direction, additional infrastructure is proposed to mitigate the flood effects on this land, including additional basins and underground services. The cost of these works and acquisitions have been considered and will be included as an input to the development of a Contributions Plan.</p>
4.4.. Bushfire Protection	<p>The Planning Proposal does not apply to land which is Bushfire Prone.</p>
5. Regional Planning	
<p>5.10 Implementation of Regional Plans</p> <p>This direction applies when a relevant planning authority prepares a planning proposal.</p>	<p>In accordance with section 5.2 of this Report the Planning Proposal is consistent with the Greater Sydney Regional Plan.</p>
6. Local Plan Making	
6.1 Approval and Referral Requirements	<p>No new unnecessary referral or concurrence conditions are proposed as part of the Planning Proposal.</p>
6.2 Reserving Land for Public Purposes	<p>The Planning Proposal would reserve additional land for public purposes, including additional public recreation land and land for new local road connections.</p>

Section 9.1 Direction	Comment
6.3 Site Specific Provisions The direction discourage unnecessarily restricted site specific planning controls.	Rather than restricting certain development from taking place, the site specific controls incentivise certain development to occur. The controls will not affect the continued use of the land for purposes that it is already zoned.
7. Metropolitan Planning	
Implementation of Greater Sydney Region Plan: A metropolis of three cities	The Planning Proposal is consistent with this Direction.

6.3 Environmental, social and economic impact

Is there any likelihood that critical habitat or threatened species, populations or ecological communities, or their habitats, will be adversely affected as a result of the proposal?

There is no critical habitat or threatened species, populations or ecological communities, or their habitats on the site of the Planning Proposal.

Are there any other likely environmental effects as a result of the planning proposal and how are they proposed to be managed?

There are no other environmental effects applicable to the land that have not already been canvassed in this Planning Proposal.

How has the planning proposal adequately addressed any social and economic effects?

The proposal will have a positive social and economic effect. Studies undertaken by O'Connell Advisory and Macro Plan have established the need for a Private Hospital and other associated land uses to service the surrounding locality. The co-location of services with the existing Blacktown Hospital (especially after a significant \$700M investment by the State Government) fosters the establishment of a cohesive health and education precinct. To incentivise this scale of redevelopment in an area of fragmented land, additional height controls have been established.

The planning proposal facilitates the ongoing organic growth of the area for health service facilities, but also incentivises significant growth into a health and education precinct. This will encourage jobs and meet the needs of a growing community as demonstrated throughout this Planning Proposal report.

6.4 State and Commonwealth interests

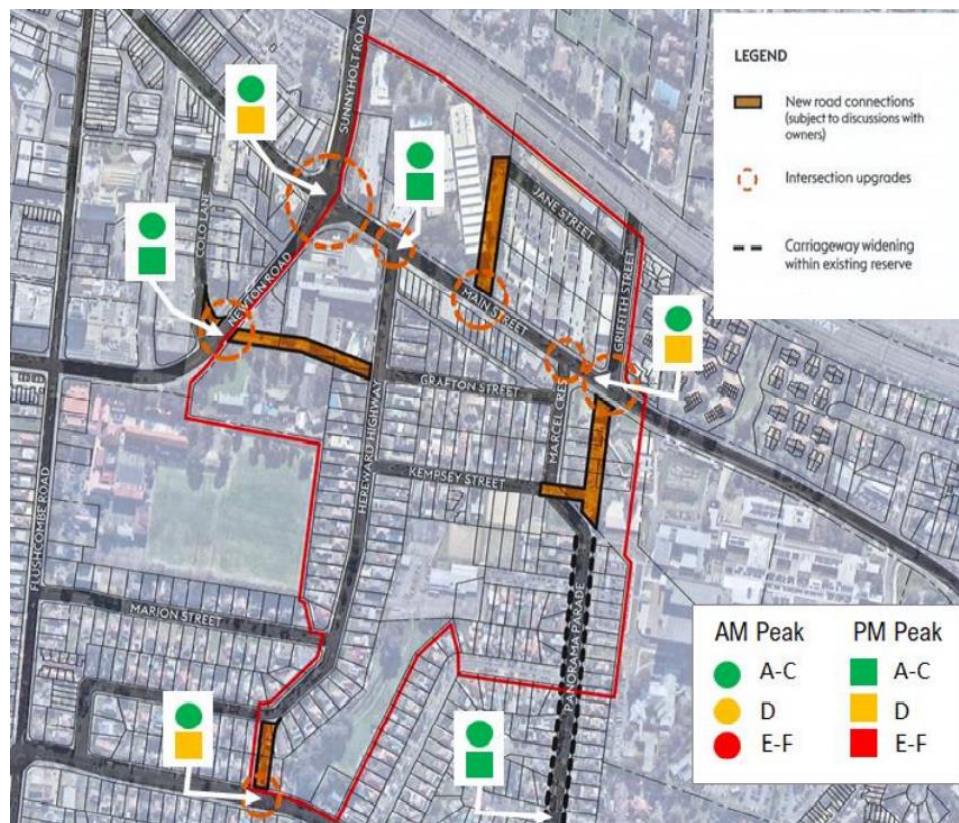
Is there adequate public infrastructure for the planning proposal?

There is the full range of urban services already available to the land including water, sewer, electricity, communications and gas as well as a range of transport and community infrastructure. The proposal will require updates to the surrounding road and stormwater network.

The GTA Traffic Assessment in **Appendix E** has reviewed the existing and forecast traffic conditions surrounding the precinct. As a result of the future development of the Precinct, intersection concept

designs were provided to accommodate anticipated peak traffic volumes. Upgraded intersections at Sunnyholt Road/Main Street (as part of the CBD Planning Proposal), Newton Road/Grafton Street extension and Griffiths Street/Main Street were identified. Whilst new road connections between Jane and Main Street; Panorama Parade (extension) and Main Street as well as Bungarabee Road and Hereward Highway are required to ensure suitable access.

The location of new connections and intersection upgrades (including their resultant level of service) as outlined in the GTA Traffic Assessment are shown in **Figure 19**.



Source: GTA Consultants

Figure 19 Summary of proposed roads and intersections including level of service

In addition to traffic upgrades, the proposal will require upgrades to the existing stormwater infrastructure. As outlined in **Section 6.1.4**, Catchment Simulation Solutions has outlined existing extent of localised flooding in the Precinct at a 1% AEP event. As outlined in **Section 3.5**, Council have identified the need for upgrades to stormwater and flooding infrastructure, which will require additional basins to be established within the Captain Cook Memorial Park. Ongoing investigations will determine the extent of additional stormwater upgrades required.

Although detailed design of the intersections and upgrades of stormwater infrastructure are ongoing, this planning proposal acknowledges that additional land is required to be acquired for public stormwater and roads infrastructure to support the Precinct.



What are the views of State and Commonwealth public authorities consulted in accordance with the gateway determination?

No views from State or Commonwealth public authorities have been sought given the Planning Proposal.

Council would expect the Planning Proposal be referred to the following agencies as part of any future statutory exhibition:

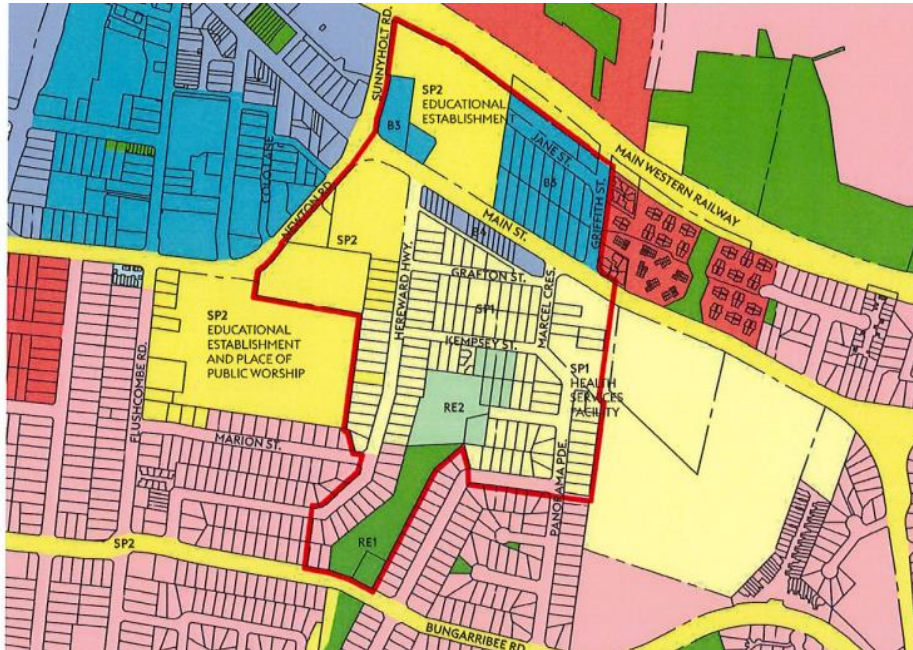
- Transport for NSW
- NSW Health
- NSW Department of Education / TAFE NSW
- Sydney Water
- Endeavour Energy

Consultation with other relevant State and Commonwealth public authorities will be undertaken as directed by the Gateway Determination.

7 PART 4 MAPPING

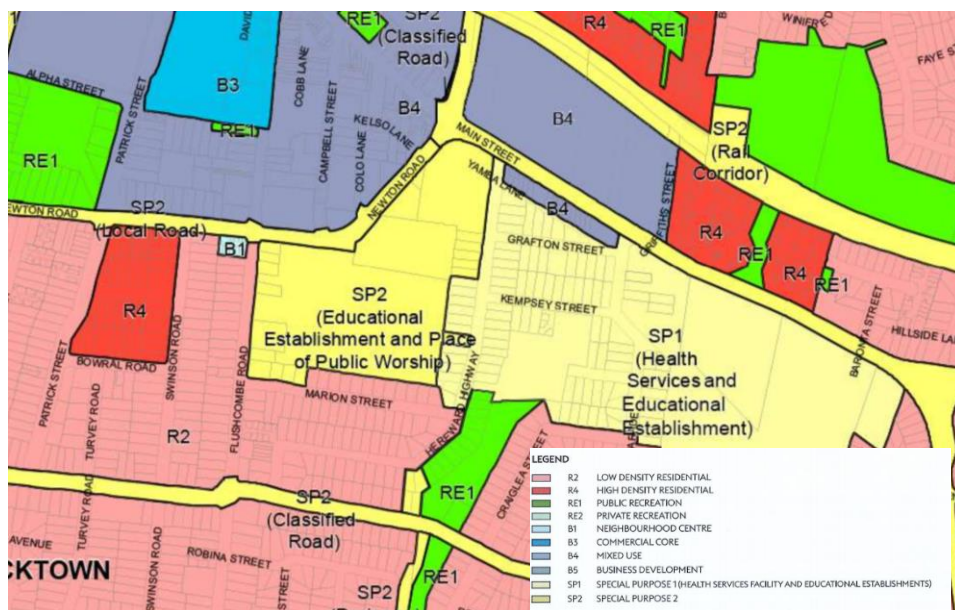
The previous sections outline and justify the proposed changes to several of the maps referenced in Blacktown LEP 2015. The proposed mapping updates are provided below.

7.1 Amendment of Land Use Zoning Map



Source: Blacktown City Council

Figure 20 Existing Land Zoning Map Extract (Sheet LZN_014)



Source: Blacktown City Council

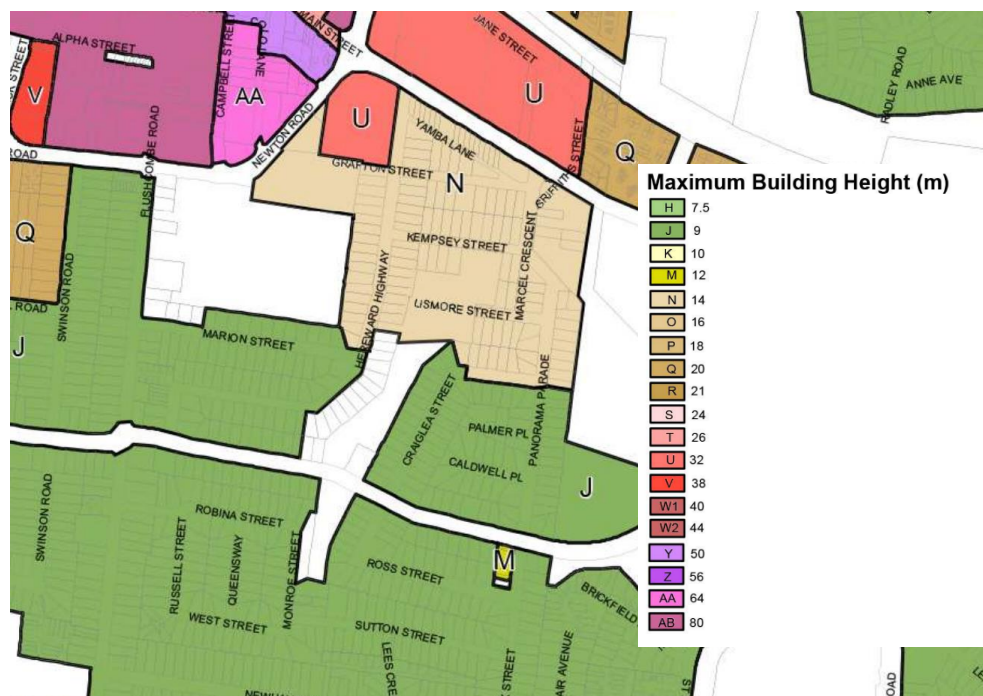
Figure 21 Proposed Land Zoning Map Extract

7.2 Amendment of Height of Building Maps



Source: Blacktown LEP 2015

Figure 22 Existing Height of Buildings Map Extract (Sheet HOB_014)



Source: GLN Planning

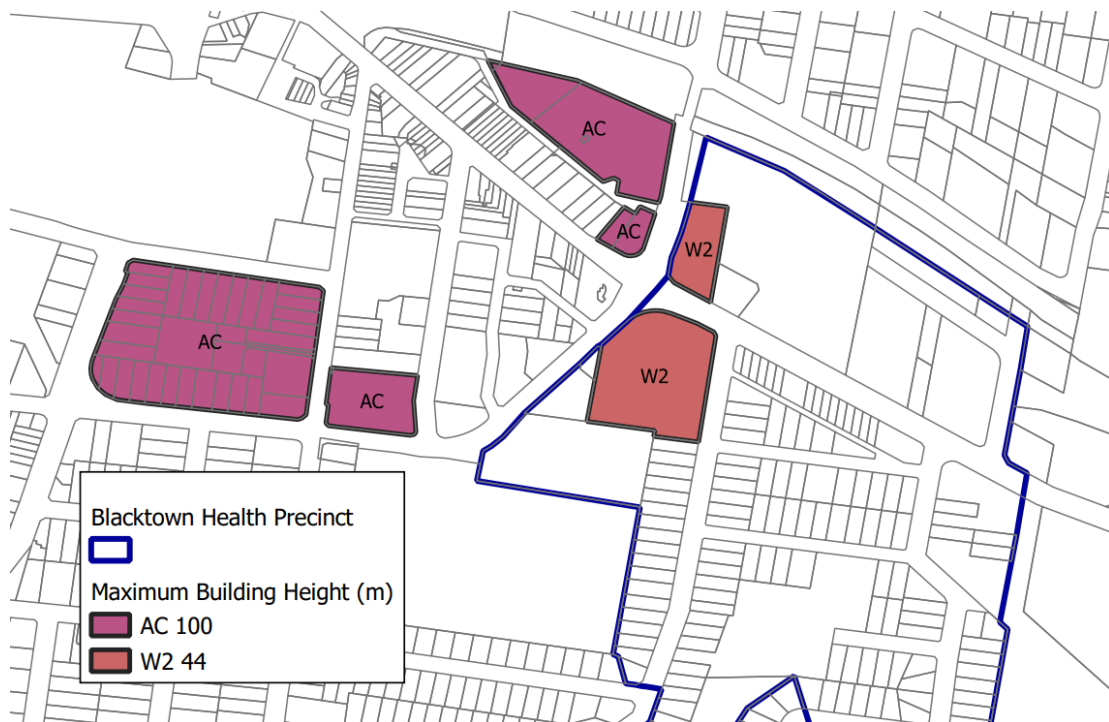
Figure 23 Proposed Height of Buildings Map

7.3 Amendment of Incentive Height of Buildings Map



Source: Blacktown LEP 2015

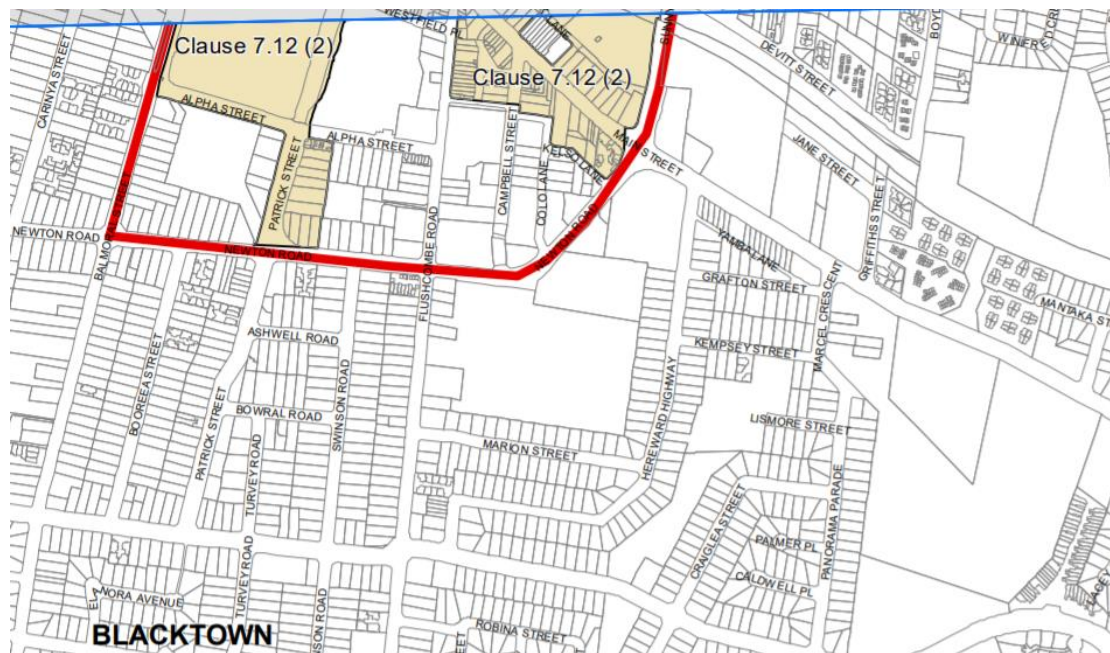
Figure 24 Existing Incentive Height of Buildings Map Extract (Sheet IHOB_014)



Source: GLN Planning

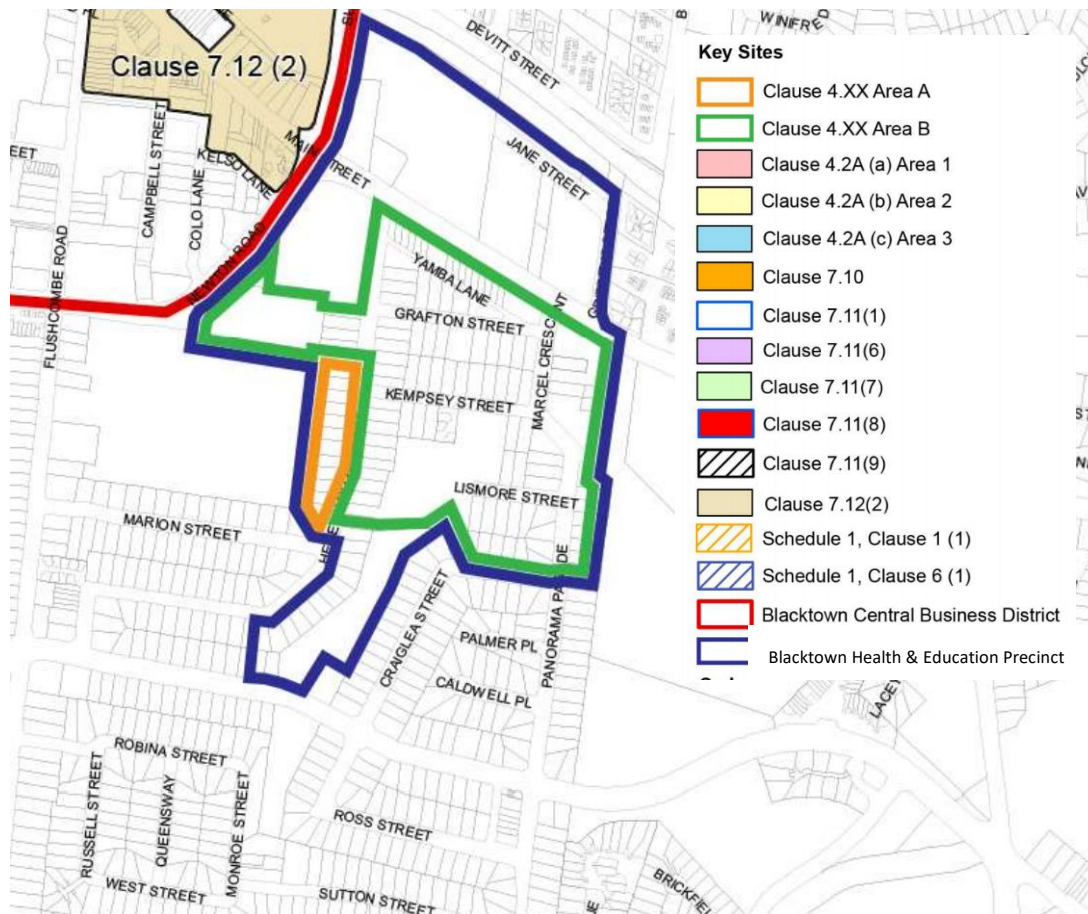
Figure 25 Amended Incentive Height of Building Map

7.4 Key Sites Maps



Source: Blacktown LEP 2015

Figure 26 Existing Key Sites Map Extract (Sheet KYS_0014)



Source: GLN Planning

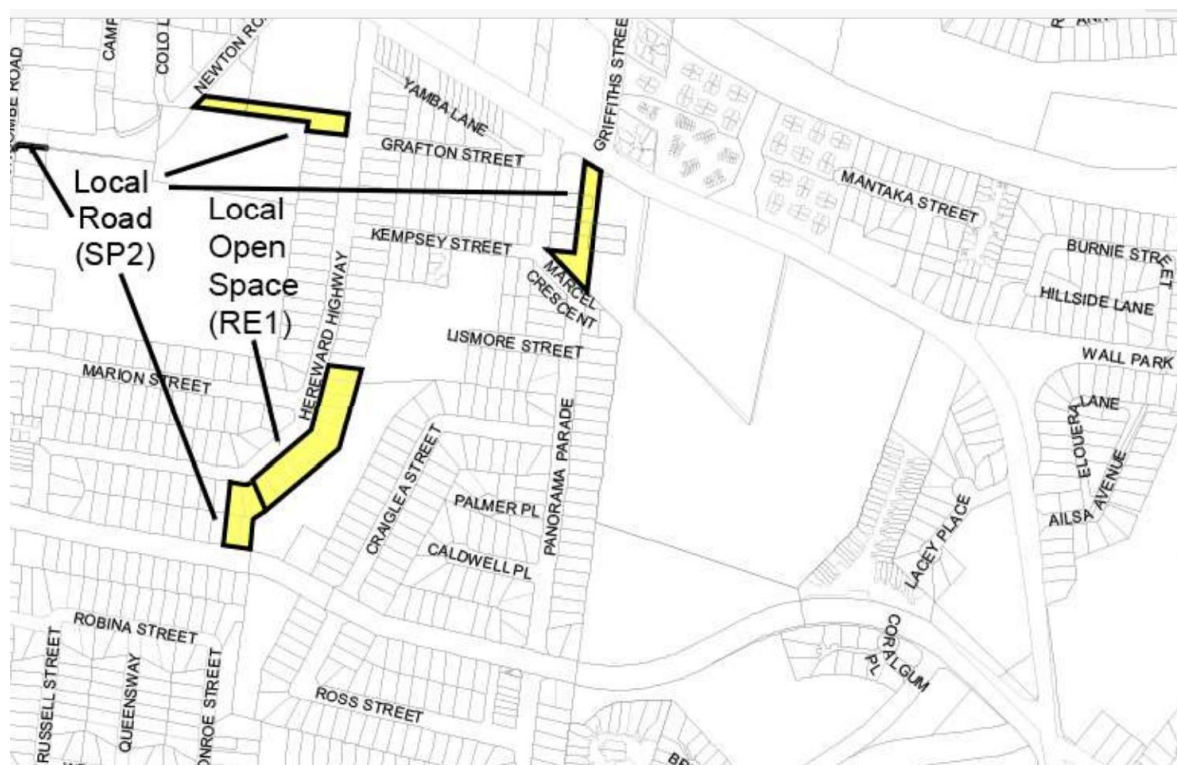
Figure 27 Amended Key Sites Map

7.5 Land reservation and acquisition map



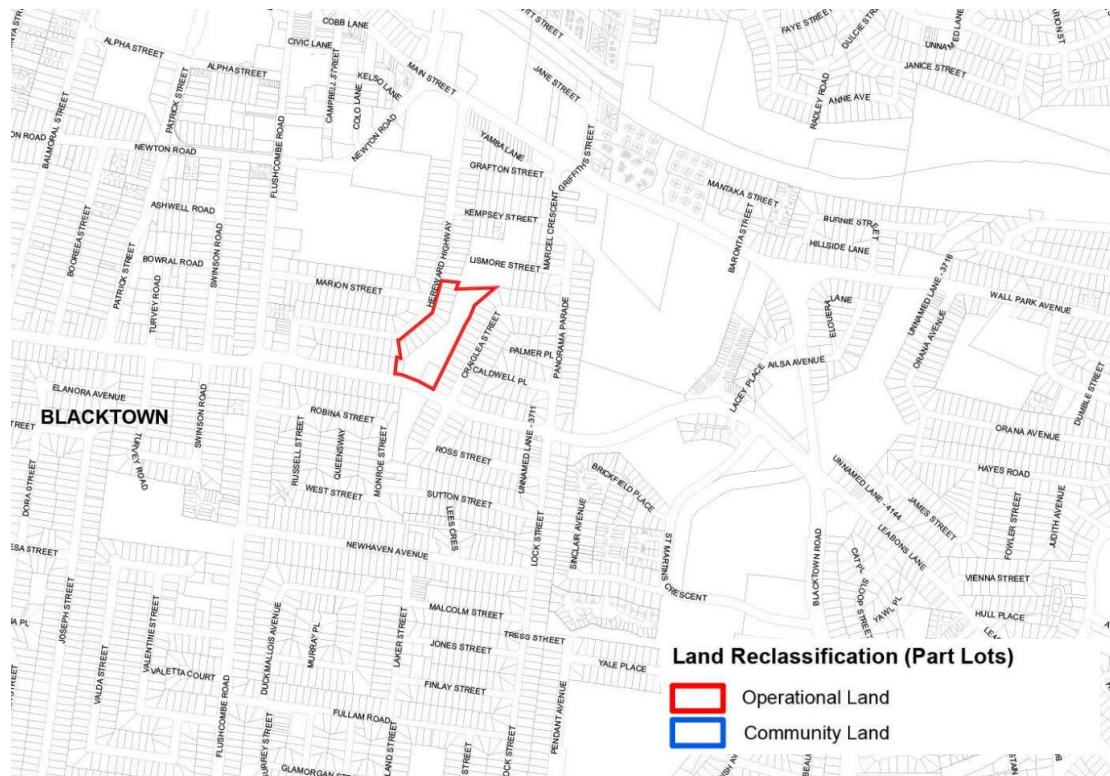
Source: Blacktown LEP 2015

Figure 28 Existing Land Reservation and Acquisition Map (Sheet LRA_0014)



Source: GLN Planning

Figure 29 Amended Land Reservation Acquisition Map



Source: GLN Planning

Figure 30 Amended Land Reclassification (Part Lots) Map



8 PART 5 DETAILS OF COMMUNITY CONSULTATION TO BE UNDERTAKEN ON THE PLANNING PROPOSAL

In accordance with Division 3.4 of the *Environmental Planning and Assessment Act 1979*, this Planning Proposal must not be approved prior to community consultation to be undertaken by the local authority.

Consultation with public authorities will be undertaken in accordance with the requirements of the Gateway Determination. Council has commenced discussions with Transport for NSW, TAFE, Blacktown Hospital and Local Area Health and will continue to engage with these key stakeholders as the Planning Proposal progresses.

The community consultation will be undertaken following Gateway Determination and would be required to be exhibited for a period of 28 days (unless otherwise reduced) and in accordance with Council's notifications policy.



9 PART 6 PROJECT TIMELINE

The project timeline provides a mechanism to monitor and resource the various steps required to progress planning proposal through the plan making process. The following table provides estimated timeframes for the various steps

Table 5 Project Timeline

Step	Anticipated Date	Comment
Lodgement of Planning Proposal with Blacktown Council	July 2021	
Anticipated date of Gateway Determination	November 2021	
Anticipated timeframe for the completion of the required technical information	N/A	
Timeframe for government agency consultation	February 2022 to March 2022	
Commencement and completion dated for public exhibition	February 2022 to March 2022	
Timeframe for consideration of submissions	April 2022	
Timeframe for the consideration of a proposal post exhibition	June 2022	
Date of submission to the Department to finalise the LEP	August 2022	
Publication of LEP Amendment	December 2022	



10 COMMUNITY BENEFIT

The Planning Proposal enables a land use and development framework that would be commensurate with the delivery of a health and education precinct that will achieve significant community benefit and serve the educational and health needs of a growing population. The community benefit is summarised by:

- Encouraging health and education uses in an accessible location between the Blacktown CBD (and Train Station) and Blacktown Hospital.
- Representing the colocation of health services – recognising the \$700M investment in the Blacktown Hospital and the need to provide for private health services that are not currently available in the immediate locality.
- Providing opportunity for site amalgamation and greater redevelopment opportunity for health and education uses, which have been required to locate in former dwellings.
- Allowing housing to be established for student workers and seniors in close proximity to the hospital.
- Providing upgrades to infrastructure to address existing and future traffic and flooding constraints.
- Reduction in the quantum of B3 Commercial Core land outside of the Blacktown CBD.
- Improvement in traffic links into and out of the Precinct.
- Creation of connections between the Precinct and the CBD via Grafton Street.
- Captain Cook Memorial Park upgrade and improved amenity.



11 CONCLUSION

The proposal to establish a cohesive health precinct that supports the ongoing existing health and education uses as well as encourage intensification of uses to support the growing demand for private health facilities as outlined in this Planning Proposal requires amendments Blacktown LEP 2015. The proposal relates to land located south of the rail line and between the Blacktown CBD and Blacktown Hospital and includes amendments to zoning, building height controls, land reservation and acquisition as well as additional permitted uses.

The Planning Proposal is important as it will:

- Encourage the redevelopment of the land for uses that are needed to service the community through the next 20 years.
- Afford the opportunity for existing and future health service facilities and educational uses to co-locate with the existing Blacktown Hospital.
- Incentivise lot consolidation to ensure redevelopment includes larger cohesive development.
- Ensure future health facilities are accessible, in close proximity to the Blacktown CBD and Train Station.
- Clearly articulate the types of land uses that are encouraged to be delivered within a consolidated medical centre or private hospital, including retail.
- Increase the overall amenity by providing additional public open space (expansion of the Captain Cook Memorial Park)
- Alleviate traffic and flooding constraints through provision of additional infrastructure.



12 GLOSSARY AND ABBREVIATIONS

Term/Abbreviation	Definition
LEP	Local Environmental Plan
Council	Blacktown City Council
CBD	Central Business District
DPIE	Department of Planning, Industry and Environment





APPENDIX A: LAND OWNERS MAP





APPENDIX B: LAND USE AUDIT





APPENDIX C: BLACKTOWN PRIVATE HOSPITAL INDEPENDENT MARKET ASSESSMENT



APPENDIX D: BLACKTOWN HEALTH PRECINCT MARKET ASSESSMENT





APPENDIX E: TRAFFIC ASSESSMENT

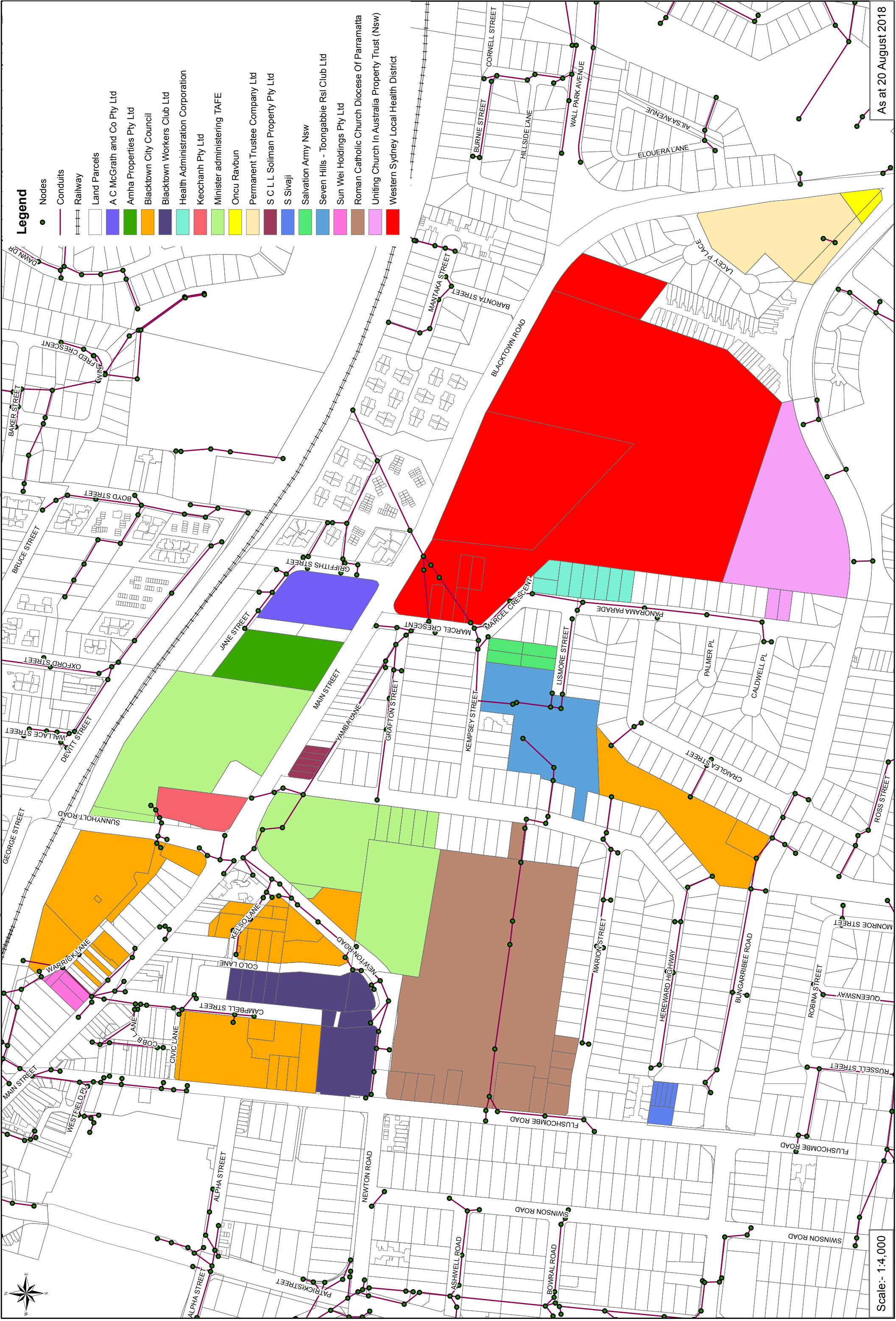


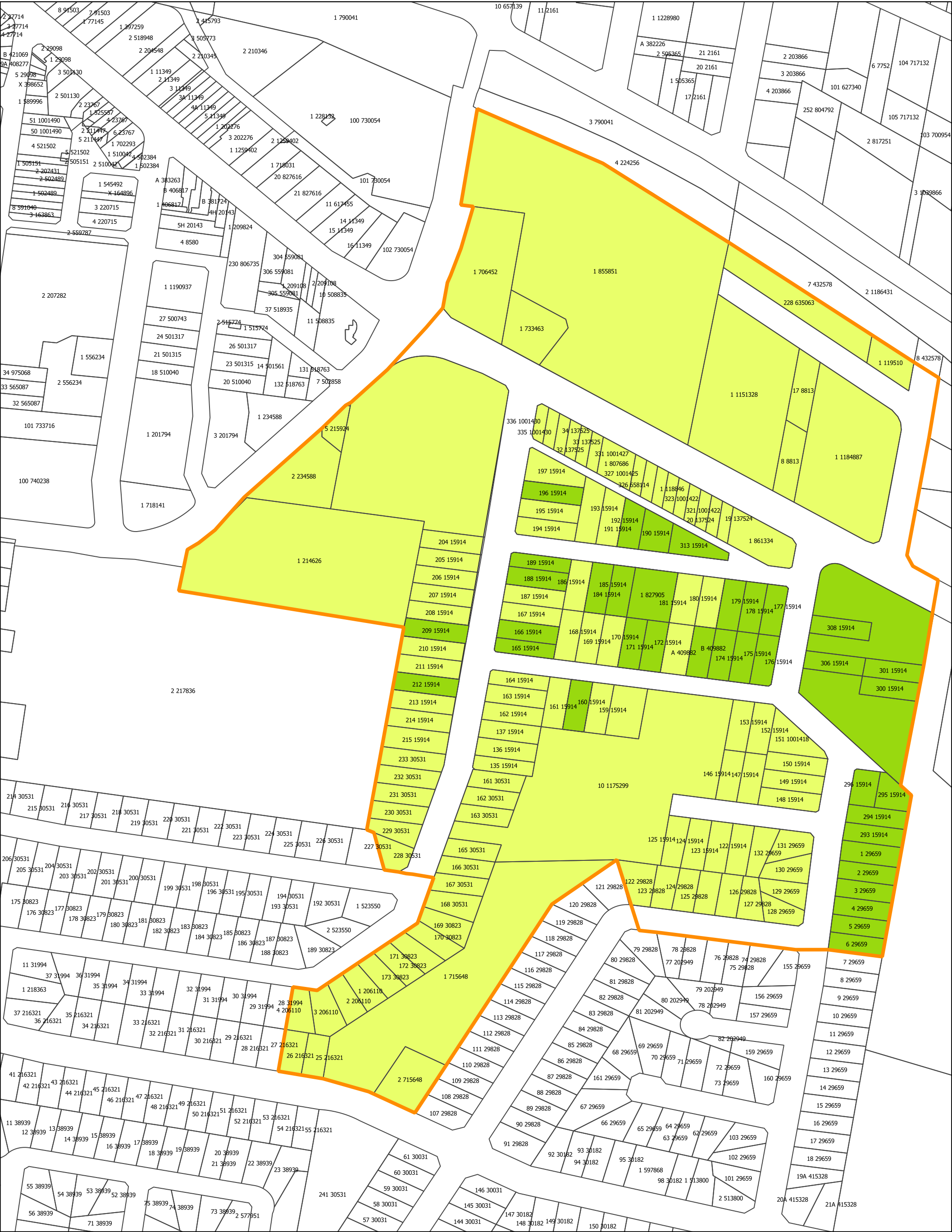


APPENDIX F: AMENDED LEP MAPS



Major Property Owners Map With Drainage Assets





Legend

Boundary

-  Blacktown Health Precinct
-  Lot

Uses

-  Medical
-  Non Medical Use

Date: 27/5/2021



0 50 100 m



Blacktown Health Precinct - land use audit

Address	Lot	DP	Land use	Medical use	Zone	Owner / occupier	LOT TYPE	TOTAL
11 Craiglea St Blacktown NSW 2148	122	29828	Private Residence	No	SP1 Special Activities	N/A	All	95
9 Craiglea St Blacktown NSW 2148	123	29828	Private Residence	No	SP1 Special Activities	N/A	Medical Uses (w/ parking)	34
7 Craiglea St Blacktown NSW 2148	124	29828	Private Residence	No	SP1 Special Activities	N/A	Medical Uses (w/o parking)	22
5 Craiglea St Blacktown NSW 2148	125	29828	Private Residence	No	SP1 Special Activities	N/A		
3 Craiglea St Blacktown NSW 2148	126	29828	Private Residence	No	SP1 Special Activities	N/A		
1 Craiglea St Blacktown NSW 2148	127	29828	Private Residence	No	SP1 Special Activities	N/A		
9 Grafton St Blacktown NSW 2148	193	15914	Private Residence	No	SP1 Special Activities	N/A		
7 Grafton St Blacktown NSW 2148	192	15914	Private Residence	No	SP1 Special Activities	N/A		
5 Grafton St Blacktown NSW 2148	191	15914	Specialist Medical Care	Yes	SP1 Special Activities	Specialist Services Medical Group		
3 Grafton St Blacktown NSW 2148	190	15914	Specialist Medical Care	Yes	SP1 Special Activities	Specialist Services Medical Group		
1 Grafton St Blacktown NSW 2148	313	15914	Audiologist	Yes	SP1 Special Activities	Amplifon Blacktown		
20 Grafton St Blacktown NSW 2148	186	15914	Private Residence	No	SP1 Special Activities	N/A		
18 Grafton St Blacktown NSW 2148	185	15914	Dental Care	Yes	SP1 Special Activities	Blacktown Dental Group		
16 Grafton St Blacktown NSW 2148	184	15914	General Practitioner	Yes	SP1 Special Activities	Grafton St Medical Centre		
12 Grafton St Blacktown NSW 2148	1	827905	Fracture and Musculoskeletal Specialist, Diagnostics	Yes	SP1 Special Activities	The Injury Centre Blacktown, Western Imaging Group - Nuclear Medicine		
10 Grafton St Blacktown NSW 2148	181	15914	Private Residence	No	SP1 Special Activities	N/A		
8 Grafton St Blacktown NSW 2148	180	15914	Family Service Centre	Yes	SP1 Special Activities	Junaya Family Development Services		
6 Grafton St Blacktown NSW 2148	179	15914	Physiotherapy, Occupational Therapy, Speech	Yes	SP1 Special Activities	Mobi Healthcare - Advanced Therapy Clinic		
4 Grafton St Blacktown NSW 2148	178	15914	Pathologist	Yes	SP1 Special Activities	4Cyte Pathology		
2 Grafton St Blacktown NSW 2148	177	15914	Dermatologist	Yes	SP1 Special Activities	Blacktown Dermatology		
1 Hereward Hwy Blacktown NSW 2148	197	15914	Private Residence	No	SP1 Special Activities	N/A		
3 Hereward Hwy Blacktown NSW 2148	196	15914	Disability Care	Yes	SP1 Special Activities	Afford Blacktown Lifestyle Centre		
5 Hereward Hwy Blacktown NSW 2148	195	15914	Car Parking	Yes	SP1 Special Activities	Afford Blacktown Lifestyle Centre		
7 Hereward Hwy Blacktown NSW 2148	194	15914	Private Residence	No	SP1 Special Activities	N/A		
9 Hereward Hwy Blacktown NSW 2148	189	15914	Cardiologist	Yes	SP1 Special Activities	Western Heart Centre		
11 Hereward Hwy Blacktown NSW 2148	188	15914	Specialist Care	Yes	SP1 Special Activities	Hereward Specialist Medical Centre		
13 Hereward Hwy Blacktown NSW 2148	187	15914	Private Residence	No	SP1 Special Activities	N/A		
15 Hereward Hwy Blacktown NSW 2148	167	15914	Private Residence	No	SP1 Special Activities	N/A		
17 Hereward Hwy Blacktown NSW 2148	166	15914	Ophthalmology Clinic	Yes	SP1 Special Activities	MetWest Eye Centre		
19 Hereward Hwy Blacktown NSW 2148	165	15914	Car Parking	Yes	SP1 Special Activities	MetWest Eye Centre		
14 Hereward Hwy Blacktown NSW 2148	209	15914	Dental Care	Yes	SP1 Special Activities	24x7 Dental Suite		
16 Hereward Hwy Blacktown NSW 2148	210	15914	Private Residence	No	SP1 Special Activities	N/A		
18 Hereward Hwy Blacktown NSW 2148	211	15914	Private Residence	No	SP1 Special Activities	N/A		
20 Hereward Hwy Blacktown NSW 2148	212	15914	Speech and Occupational Therapy, Private Sur	Yes	SP1 Special Activities	ChatAbout Speech Pathology, Dr Choong's Surgery		
22 Hereward Hwy Blacktown NSW 2148	213	15914	Private Residence	No	SP1 Special Activities	N/A		
24 Hereward Hwy Blacktown NSW 2148	214	15914	Private Residence	No	SP1 Special Activities	N/A		
28 Hereward Hwy Blacktown NSW 2148	233	30531	Private Residence	No	SP1 Special Activities	N/A		
30 Hereward Hwy Blacktown NSW 2148	232	30531	Private Residence	No	SP1 Special Activities	N/A		
32 Hereward Hwy Blacktown NSW 2148	231	30531	Private Residence	No	SP1 Special Activities	N/A		
34 Hereward Hwy Blacktown NSW 2148	230	30531	Private Residence	No	SP1 Special Activities	N/A		
36 Hereward Hwy Blacktown NSW 2148	229	30531	Private Residence	No	SP1 Special Activities	N/A		
38 Hereward Hwy Blacktown NSW 2148	228	30531	Private Residence	No	SP1 Special Activities	N/A		
21 Hereward Hwy Blacktown NSW 2148	164-163	15914	Private Residence	No	SP1 Special Activities	N/A		
23 Hereward Hwy Blacktown NSW 2148	162	15914	Private Residence	No	SP1 Special Activities	N/A		
25 Hereward Hwy Blacktown NSW 2148	137	15914	Private Residence	No	SP1 Special Activities	N/A		
27 Hereward Hwy Blacktown NSW 2148	136	15914	Private Residence	No	SP1 Special Activities	N/A		
29 Hereward Hwy Blacktown NSW 2148	135	15914	Private Residence	No	SP1 Special Activities	N/A		
31 Hereward Hwy Blacktown NSW 2148	131	30531	Private Residence	No	SP1 Special Activities	N/A		
33 Hereward Hwy Blacktown NSW 2148	162	30531	Private Residence	No	SP1 Special Activities	N/A		
35 Hereward Hwy Blacktown NSW 2148	163	30531	Private Residence	No	SP1 Special Activities	N/A		
39 Hereward Hwy Blacktown NSW 2148	165	30531	Private Residence	No	SP1 Special Activities	N/A		
12 Hereward Hwy Blacktown NSW 2148	204-208	15914	Education and Training	No	SP2 Infrastructure	Coreen School		
26 Hereward Hwy Blacktown NSW 2148	215	15914	Private Residence	No	SP2 Infrastructure	N/A		
4A Kempsey St Blacktown NSW 2148	2/CP	42155	Private Residence	No	RE2 Private Recreation	N/A		
17 Kempsey St Blacktown NSW 2148	168	15914	Private Residence	No	SP1 Special Activities	N/A		
15 Kempsey St Blacktown NSW 2148	169	15914	Private Residence	No	SP1 Special Activities	N/A		
13 Kempsey St Blacktown NSW 2148	170	15914	Private Residence	No	SP1 Special Activities	N/A		
11 Kempsey St Blacktown NSW 2148	171	15914	Endocrinologist	Yes	SP1 Special Activities	Western Endocrine		
9A Kempsey St Blacktown NSW 2148	172	15914	Place of Worship	No	SP1 Special Activities	St Archangel Michael of Russian Orthodox Church		
9 Kempsey St Blacktown NSW 2148	A	409882	Private Residence	No	SP1 Special Activities	N/A		
7 Kempsey St Blacktown NSW 2148	B	409882	Pathologist	Yes	SP1 Special Activities	Douglass Hanly Moir Pathology		
5 Kempsey St Blacktown NSW 2148	174	15914	Neurologist	Yes	SP1 Special Activities	Blacktown Neurology		
3 Kempsey St Blacktown NSW 2148	175	15914	Pathologist, Obstetrician and Gynaecologist	Yes	SP1 Special Activities	Lavery Pathology, Dr Norman Blumenthal, Dr Clare Wong		
1 Kempsey St Blacktown NSW 2148	176	15914	Psychologist, Dental Care	Yes	SP1 Special Activities	Peaceful Panda Psychology, Winning Smiles Dental Surgery		
8 Kempsey St Blacktown NSW 2148	161	15914	Private Residence	No	SP1 Special Activities	N/A		
6 Kempsey St Blacktown NSW 2148	160	15914	Obstetrician and Gynaecologist	Yes	SP1 Special Activities	Northwest Womens Health		
4 Kempsey St Blacktown NSW 2148	159	15914	Private Residence	No	SP1 Special Activities	N/A		
2 Lismore St Blacktown NSW 2148	153-152, 146-147	15194	Community Service Centre	No	SP1 Special Activities	The Salvation Army Blacktown City, Blacktown Community Service Centre (SalvoHouse), The Salvation Army Church - Blacktown, Filoship Connect Seventh-day Adventist Church		
11 Lismore St Blacktown NSW 2148	125	15194	Private Residence	No	SP1 Special Activities	N/A		
9 Lismore St Blacktown NSW 2148	124	15194	Private Residence	No	SP1 Special Activities	N/A		
7 Lismore St Blacktown NSW 2148	123	15194	Private Residence	No	SP1 Special Activities	N/A		
3 Lismore St Blacktown NSW 2148	122	15194	Private Residence	No	SP1 Special Activities	N/A		
1 Lismore St Blacktown NSW 2148	131	29659	Private Residence	No	SP1 Special Activities	N/A		
15 Lismore St Blacktown NSW 2148	10	1175299	Sports and Recreation	No	RE2 Private Recreation	Blacktown Bowling Club		

Blacktown Health Precinct - land use audit

Address		Lot	DP	Land use	Medical use	Zone	Owner / occupier	LOT TYPE		TOTAL
125 Main St Blacktown NSW 2148	1	706452	Commercial Building	No	B3 Commercial Core	Australian Institute of Business & Technology, SydWest Multicultural Services, AIBT International, REACH For Training, Sarina Russo Job Access				
127 Main St Blacktown NSW 2148	1	733463	Fitness	No	B3 Commercial Core	UFC Gym Blacktown				
154 Main St Blacktown NSW 2148	1	855851	Education and Training	No	SP2 Infrastructure	TAFE NSW - Blacktown				
2 Marcel Cres Blacktown NSW 2148	151	1001418	Vacant Lot	No	SP1 Special Activities	N/A				
6 Marcel Cres Blacktown NSW 2148	295	15914	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
2 Panorama Pd Blacktown NSW 2148	150	15914	Private Residence	No	SP1 Special Activities	N/A				
4 Panorama Pd Blacktown NSW 2148	149	15914	Private Residence	No	SP1 Special Activities	N/A				
6 Panorama Pd Blacktown NSW 2148	148	15914	Private Residence	No	SP1 Special Activities	N/A				
8 Panorama Pd Blacktown NSW 2148	130	29659	Private Residence	No	SP1 Special Activities	N/A				
10 Panorama Pd Blacktown NSW 2148	129	29659	Private Residence	No	SP1 Special Activities	N/A				
12 Panorama Pd Blacktown NSW 2148	128	29659	Private Residence	No	SP1 Special Activities	N/A				
1A Panorama Pd Blacktown NSW 2148	294	15914	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
1 Panorama Pd Blacktown NSW 2148	296	15914	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
3 Panorama Pd Blacktown NSW 2148	293	15914	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
5 Panorama Pd Blacktown NSW 2148	1	29659	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
7 Panorama Pd Blacktown NSW 2148	2	15914	Car Parking	Yes	SP1 Special Activities	Blacktown Hospital				
9 Panorama Pd Blacktown NSW 2148	3	29659	Access Road	Yes	SP1 Special Activities	Blacktown Hospital				
11 Panorama Pd Blacktown NSW 2148	4	29659	Vacant Lot	Yes	SP1 Special Activities	Blacktown Hospital				
13 Panorama Pd Blacktown NSW 2148	5	29659	Vacant Lot	Yes	SP1 Special Activities	Blacktown Hospital				
15 Panorama Pd Blacktown NSW 2148	6	29659	Vacant Lot	Yes	SP1 Special Activities	Blacktown Hospital				
41 Hereward Hwy Blacktown NSW 2148	166	30531	Private Residence	No	R2 Low Density Residential	N/A		All		95
43 Hereward Hwy Blacktown NSW 2148	167	30531	Private Residence	No	R2 Low Density Residential	N/A		Medical Uses (w/ parking)		1
45 Hereward Hwy Blacktown NSW 2148	168	30531	Private Residence	No	R2 Low Density Residential	N/A		Medical Uses (w/o parking)		1
47 Hereward Hwy Blacktown NSW 2148	169	30823	Private Residence	No	R2 Low Density Residential	N/A				
49 Hereward Hwy Blacktown NSW 2148	170	30823	Private Residence	No	R2 Low Density Residential	N/A				
51 Hereward Hwy Blacktown NSW 2148	171	30823	Private Residence	No	R2 Low Density Residential	N/A				
53 Hereward Hwy Blacktown NSW 2148	172	30823	Private Residence	No	R2 Low Density Residential	N/A				
55 Hereward Hwy Blacktown NSW 2148	173	30823	Private Residence	No	R2 Low Density Residential	N/A				
57 Hereward Hwy Blacktown NSW 2148	1	206110	Private Residence	No	R2 Low Density Residential	N/A				
59 Hereward Hwy Blacktown NSW 2148	2	206110	Private Residence	No	R2 Low Density Residential	N/A				
61 Hereward Hwy Blacktown NSW 2148	3	206110	Private Residence	No	R2 Low Density Residential	N/A				
91A Bungarrabee Rd Blacktown NSW 2148	1	715648	Parks and Recreation	No	RE1 Public Recreation	Captain Cook Memorial Park No. 1				
89 Bungarrabee Rd Blacktown NSW 2148	2	715648	Parks and Recreation	No	RE1 Public Recreation	1st 2nd Blacktown Scouts				
87 Bungarrabee Rd Blacktown NSW 2148	92	30182	Private Residence	No	R2 Low Density Residential	N/A				
85 Bungarrabee Rd Blacktown NSW 2148	93	30182	Private Residence	No	R2 Low Density Residential	N/A				
83 Bungarrabee Rd Blacktown NSW 2148	94	30182	Private Residence	No	R2 Low Density Residential	N/A				
79 Bungarrabee Rd Blacktown NSW 2148	95	30182	Private Residence	No	R2 Low Density Residential	N/A				
77 Bungarrabee Rd Blacktown NSW 2148	98	30182	Private Residence	No	R2 Low Density Residential	N/A				
75 Bungarrabee Rd Blacktown NSW 2148	1	513800	Private Residence	No	R2 Low Density Residential	N/A				
71 Bungarrabee Rd Blacktown NSW 2148	21A	415328	Private Residence	No	R2 Low Density Residential	N/A				
41 Craiglea St Blacktown NSW 2148	107	29828	Private Residence	No	R2 Low Density Residential	N/A				
39 Craiglea St Blacktown NSW 2148	108	29828	Private Residence	No	R2 Low Density Residential	N/A				
37 Craiglea St Blacktown NSW 2148	109	29828	Nutritionist, Iridologist, Medical Screening	Yes	R2 Low Density Residential	Real Therapies - Blacktown Nutritionist, Iridologist, Live Blood Screening				
35 Craiglea St Blacktown NSW 2148	110	29828	Private Residence	No	R2 Low Density Residential	N/A				
33 Craiglea St Blacktown NSW 2148	111	29828	Private Residence	No	R2 Low Density Residential	N/A				
31 Craiglea St Blacktown NSW 2148	112	29828	Private Residence	No	R2 Low Density Residential	N/A				
29 Craiglea St Blacktown NSW 2148	113	29828	Private Residence	No	R2 Low Density Residential	N/A				
27 Craiglea St Blacktown NSW 2148	114	29828	Private Residence	No	R2 Low Density Residential	N/A				
25 Craiglea St Blacktown NSW 2148	115	29828	Private Residence	No	R2 Low Density Residential	N/A				
23 Craiglea St Blacktown NSW 2148	116	29828	Private Residence	No	R2 Low Density Residential	N/A				
21 Craiglea St Blacktown NSW 2148	117	29828	Private Residence	No	R2 Low Density Residential	N/A				
19 Craiglea St Blacktown NSW 2148	118	29828	Private Residence	No	R2 Low Density Residential	N/A				
17 Craiglea St Blacktown NSW 2148	119	29828	Private Residence	No	R2 Low Density Residential	N/A				
15 Craiglea St Blacktown NSW 2148	120	29828	Private Residence	No	R2 Low Density Residential	N/A				
13 Craiglea St Blacktown NSW 2148	121	29828	Private Residence	No	R2 Low Density Residential	N/A				
2 Craiglea St Blacktown NSW 2148	74	29828	Private Residence	No	R2 Low Density Residential	N/A				
4 Craiglea St Blacktown NSW 2148	75	29828	Private Residence	No	R2 Low Density Residential	N/A				
6 Craiglea St Blacktown NSW 2148	76	29828	Private Residence	No	R2 Low Density Residential	N/A				
8 Craiglea St Blacktown NSW 2148	77	29828	Private Residence	No	R2 Low Density Residential	N/A				
10 Craiglea St Blacktown NSW 2148	78	29828	Private Residence	No	R2 Low Density Residential	N/A				
12 Craiglea St Blacktown NSW 2148	79	29828	Private Residence	No	R2 Low Density Residential	N/A				
14 Craiglea St Blacktown NSW 2148	80	29828	Private Residence	No	R2 Low Density Residential	N/A				
16 Craiglea St Blacktown NSW 2148	81	29828	Private Residence	No	R2 Low Density Residential	N/A				
18 Craiglea St Blacktown NSW 2148	82	29828	Private Residence	No	R2 Low Density Residential	N/A				
20 Craiglea St Blacktown NSW 2148	83	29828	Private Residence	No	R2 Low Density Residential	N/A				
22 Craiglea St Blacktown NSW 2148	84	29828	Private Residence	No	R2 Low Density Residential	N/A				
24 Craiglea St Blacktown NSW 2148	85	29828	Private Residence	No	R2 Low Density Residential	N/A				
26 Craiglea St Blacktown NSW 2148	86	29828	Private Residence	No	R2 Low Density Residential	N/A				
28 Craiglea St Blacktown NSW 2148	87	29828	Private Residence	No	R2 Low Density Residential	N/A				
30 Craiglea St Blacktown NSW 2148	88	29828	Private Residence	No	R2 Low Density Residential	N/A				
32 Craiglea St Blacktown NSW 2148	89	29828	Private Residence	No	R2 Low Density Residential	N/A				
34 Craiglea St Blacktown NSW 2148	90	29828	Private Residence	No	R2 Low Density Residential	N/A				
36 Craiglea St Blacktown NSW 2148	91	29828	Private Residence	No	R2 Low Density Residential	N/A				

Address					Lot	DP	Land use	Medical use	Zone	Owner / occupier	LOT TYPE	TOTAL
17 Panorama Pd Blacktown NSW 2148					7	29659	Private Residence	No	R2 Low Density Residential	N/A		
19 Panorama Pd Blacktown NSW 2148					8	29659	Private Residence	No	R2 Low Density Residential	N/A		
21A Panorama Pd Blacktown NSW 2148					9	29659	Private Residence	No	R2 Low Density Residential	N/A		
23 Panorama Pd Blacktown NSW 2148					10	29659	Private Residence	No	R2 Low Density Residential	N/A		
25 Panorama Pd Blacktown NSW 2148					11	29659	Private Residence	No	R2 Low Density Residential	N/A		
27A Panorama Pd Blacktown NSW 2148					12	29659	Private Residence	No	R2 Low Density Residential	N/A		
29A Panorama Pd Blacktown NSW 2148					13	29659	Private Residence	No	R2 Low Density Residential	N/A		
31 Panorama Pd Blacktown NSW 2148					14	29659	Private Residence	No	R2 Low Density Residential	N/A		
33 Panorama Pd Blacktown NSW 2148					15	29659	Private Residence	No	R2 Low Density Residential	N/A		
35 Panorama Pd Blacktown NSW 2148					16	29659	Access Road	No	R2 Low Density Residential	N/A		
37 Panorama Pd Blacktown NSW 2148					17	29659	Private Residence	No	R2 Low Density Residential	N/A		
39 Panorama Pd Blacktown NSW 2148					18	29659	Private Residence	No	R2 Low Density Residential	N/A		
41 Panorama Pd Blacktown NSW 2148					19A	415328	Private Residence	No	R2 Low Density Residential	N/A		
43 Panorama Pd Blacktown NSW 2148					20A	415328	Private Residence	No	R2 Low Density Residential	N/A		
28 Panorama Pd Blacktown NSW 2148					2	513800	Private Residence	No	R2 Low Density Residential	N/A		
26 Panorama Pd Blacktown NSW 2148					101	29659	Private Residence	No	R2 Low Density Residential	N/A		
24 Panorama Pd Blacktown NSW 2148					102	29659	Private Residence	No	R2 Low Density Residential	N/A		
22 Panorama Pd Blacktown NSW 2148					160	29659	Private Residence	No	R2 Low Density Residential	N/A		
18 Panorama Pd Blacktown NSW 2148					159	29659	Private Residence	No	R2 Low Density Residential	N/A		
16 Panorama Pd Blacktown NSW 2148					157	29659	Private Residence	No	R2 Low Density Residential	N/A		
14 Panorama Pd Blacktown NSW 2148					156	29659	Private Residence	No	R2 Low Density Residential	N/A		
13 Caldwell Pl Blacktown NSW 2148					155	29659	Private Residence	No	R2 Low Density Residential	N/A		
12 Caldwell Pl Blacktown NSW 2148					103	29659	Private Residence	No	R2 Low Density Residential	N/A		
11 Caldwell Pl Blacktown NSW 2148					62	29659	Private Residence	No	R2 Low Density Residential	N/A		
10 Caldwell Pl Blacktown NSW 2148					63	29659	Private Residence	No	R2 Low Density Residential	N/A		
9 Caldwell Pl Blacktown NSW 2148					64	29659	Private Residence	No	R2 Low Density Residential	N/A		
8 Caldwell Pl Blacktown NSW 2148					65	29659	Private Residence	No	R2 Low Density Residential	N/A		
7 Caldwell Pl Blacktown NSW 2148					66	29659	Private Residence	No	R2 Low Density Residential	N/A		
6 Caldwell Pl Blacktown NSW 2148					67	29659	Private Residence	No	R2 Low Density Residential	N/A		
5 Caldwell Pl Blacktown NSW 2148					68	29659	Private Residence	No	R2 Low Density Residential	N/A		
4 Caldwell Pl Blacktown NSW 2148					69	29659	Private Residence	No	R2 Low Density Residential	N/A		
3 Caldwell Pl Blacktown NSW 2148					70	29659	Private Residence	No	R2 Low Density Residential	N/A		
2 Caldwell Pl Blacktown NSW 2148					71	29659	Private Residence	No	R2 Low Density Residential	N/A		
1 Caldwell Pl Blacktown NSW 2148					72	29659	Private Residence	No	R2 Low Density Residential	N/A		
N/A					73	29659	Private Residence	No	R2 Low Density Residential	N/A		
1 Palmer Pl Blacktown NSW 2148					161	29659	Vacant Lot	No	R2 Low Density Residential	N/A		
3 Palmer Pl Blacktown NSW 2148					78	202949	Private Residence	No	R2 Low Density Residential	N/A		
5 Palmer Pl Blacktown NSW 2148					79	202949	Private Residence	No	R2 Low Density Residential	N/A		
7 Palmer Pl Blacktown NSW 2148					80	202949	Private Residence	No	R2 Low Density Residential	N/A		
N/A					81	202949	Private Residence	No	R2 Low Density Residential	N/A		
N/A					82	202949	Vacant Lot	No	R2 Low Density Residential	N/A		



BLACKTOWN PRIVATE HOSPITAL INDEPENDENT MARKET ASSESSMENT

April 2018

TABLE OF CONTENTS

TABLE OF CONTENTS.....	2
DISCLAIMER.....	6
EXECUTIVE SUMMARY	7
1. INTRODUCTION	10
1.1. SCOPE.....	10
1.2. RECOMMENDED APPROACH TO MARKET ASSESSMENT	10
1.3. HARDES & ASSOCIATES PRIVATE HOSPITAL MARKET PROJECTIONS	11
1.4. CO-LOCATED BLACKTOWN HOSPITAL	14
1.5. GENERAL HEALTH MARKET	16
2. MARKET ASSESSMENT AND TARGET SERVICE PROFILE	17
2.1. BPH CATCHMENT DEMOGRAPHICS	17
2.2. COMPETITOR ANALYSIS	20
2.3. UNMET DEMAND BASED ON AVERAGE POPULATION BED RATE	22
2.4. TARGET CLINICAL SERVICES AND MARKET SHARE	23
2.5. INDICATIVE INFRASTRUCTURE	27
2.6. BENEFITS TO BLACKTOWN COMMUNITY	27
2.7. CLINICIANS PROFILE.....	28
2.8. SWOT ANALYSIS	30
3. NEXT STAGES.....	31
4. APPENDIX.....	32
4.1. GENERAL HEALTH MARKET	32
4.2. COMPETITOR PRIVATE FACILITIES	40
4.3. DETAILED SCENARIO ASSUMPTIONS.....	43
4.4. SCENARIOS 1, 2 & 4.....	44
4.5. DETAILED CASEMIX – SCENARIO 3	47
4.6. INFRASTRUCTURE ASSUMPTIONS.....	48

LIST OF FIGURES

Figure 1: Catchment of BPH	10
Figure 2: Total growth in Hardes projected demand by specialty at FY32	12
Figure 3: Hardes same day projections by SA3	12
Figure 4: Hardes overnight projections by SA3	13
Figure 5 Historical separation activity of Blacktown Hospital	15
Figure 6 Historical bed day activity of Blacktown Hospital	15
Figure 7: Population projection of Blacktown, The Hills and Hawkesbury LGAs by age group	17
Figure 8: Private insurance rate by SLA (2007-08)	18
Figure 9: Socio-economic disadvantage by SA2 (2011)	19
Figure 10: Overnight private facilities	21
Figure 11: Day only private facilities	21
Figure 12: Share of same day admissions projection	23
Figure 13: Share of overnight admissions projection	23
Figure 14 SWOT analysis	30
Figure 15: Age profile change of Australia 1974 - 2055	32
Figure 16: Private hospital episodes by gender and age group in December 2017 – Australia	33
Figure 17: Private hospital bed days by gender and age group in December 2017 – Australia	34
Figure 18: Private hospital average length of stay (days) by gender and age group in December 2017 - Australia	34
Figure 19: Hospital treatment coverage in Australia	35
Figure 20: Average age of total people with hospital treatment membership by state – Australia ...	36
Figure 21: Hospital treatment insured persons by age cohort as at June 2017 – Australia	37

LIST OF TABLES

Table 1: Hardest total demand for catchment summarised by major specialty group	11
Table 2: Estimated population of catchment and projections	17
Table 3: Estimation of unmet bed demand based on population utilisation rate and supply	22
Table 4: Market share assumptions for each SA3.....	24
Table 5: Summary of Scenarios.....	26
Table 6: Scenario 3 (Surgical/Medical + Psychiatry + Rehabilitation) projected activity and market shares – BASE.....	26
Table 7: Indicative scale of infrastructure required for each scenario	27
Table 8 Indicative operating FTEs, area and cost of Base Scenario	28
Table 9: Projected clinicians for Base Scenario (Scenario 3) in FY32	28
Table 10: Number of clinician appointments by specialty in surrounding private hospitals.....	29
Table 11: Number of unique clinicians in each specialty in the surrounding private hospitals	29
Table 12 Key risks of BPH and mitigating strategies	30
Table 13: Private health insurance reforms announced on 13 October 2017.....	38
Table 14: Private facilities and competitor information	40
Table 15: Specialities targeted in each scenario	43
Table 16: Scenario 1 (Surgical/Medical) projected activity and market shares.....	44
Table 17: Scenario 2 (Surgical/Medical + Psychiatry) projected activity and market shares	45
Table 18: Scenario 4 (Surgical/Medical + Rehabilitation) projected activity and market shares	46

GLOSSARY

BCC	Blacktown City Council
BPH	Blacktown Private Hospital
CAGR	Compound Annual Growth Rate
FTE	Full time equivalent
FY	Financial Year
HSS	Hospital for Specialist Surgery
IRSD	Index of Relative Socio-economic Disadvantage
LGA	Local Government Area
PHI	Private Health Insurance
SA2	Statistical Area Level 2
SA3	Statistical Area Level 3
SLA	Statistical Local Area

DISCLAIMER

This report has been prepared in line with the scope highlighted in Section 1.1 of this report.

Responsibility and purpose

This report has been prepared for Blacktown City Council for the purpose of initial health planning for a proposed Blacktown Private Hospital.

Reliance on information

In preparing this market assessment report we relied on the information provided to us by Hards being complete and accurate. We have not performed an audit on the information provided.

Market conditions

O'Connell's opinion is based on prevailing market, economic and other conditions as at the date of this report. Conditions can change over relatively short periods of time. Any subsequent changes in these conditions could impact upon the conclusion reached in this report.

Third Party Reliance

Third parties who rely upon the market assessment document do so at their own risk and O'Connell Advisory and Blacktown City Council disclaim all liability, damages or loss with respect to such reliance. Neither O'Connell Advisory nor Blacktown City Council, nor any person acting for and/or on behalf of those companies, assumes any responsibility, duty of care or liability to any person with respect to the contents of the report or with respect to any inaccuracy, absence of suitable qualification, unreasonableness, error, omission or other defect of any kind or nature in or with respect to the market assessment document.

The recipient should make its own independent investigations and market analysis and its own assessment of all information and material provided and satisfy themselves as to the accuracy, reliability and completeness of such information and material.

Independence

O'Connell Advisory has acted independently of Blacktown City Council. Compensation payable to O'Connell Advisory is not contingent on the conclusion, content or future use of this report.

This disclaimer must accompany every copy of this report, which is an integral document and must be read in its entirety.

EXECUTIVE SUMMARY

Blacktown City Council (BCC) proposes to capitalise on the \$700M (Stages 1 & 2) being invested in the Blacktown Hospital by the NSW government. A previously commissioned market analysis concluded there was strong potential for a co-located private hospital. This market assessment identifies the extent and nature of unmet demand for private health services in the Blacktown region using private hospital demand projections from Hardes and Associates. Our data analysis has explored options for a potential new colocated private hospital.

Catchment Demand Growth

The main catchment for a proposed Blacktown Private Hospital (BPH) was determined to be residents living in 5 Statistical Area Level 3s: Blacktown, Blacktown North, Mount Druitt, Baulkham Hills, Rouse Hill - McGraths Hill. These account for 90% of BPH's activity, with an additional 10% of activity coming from other areas. The key catchment demographics are:

- The population growth rate is high, growing from 556,321 in 2018 to 763,533 by 2032. The average annual growth rate of 2.3% is significantly higher than the 1.6% for the Sydney metropolitan area
- The 70+ age group is the fastest growing cohort, with an annual growth rate in excess of 4% and overall growth of 2.4 times by 2036. This group are the highest users of hospital services
- The private insurance rate of the catchment at 55% is above the average rate of Greater Sydney (52%) and should also drive demand for private hospital services.

The Hardes data projects an annual bed day growth in the catchment of 2.8% p.a. which is driven by strong growth of the older cohorts.

The rate of private beds per head of population in NSW supports the reasonableness of the Hardes data. Based on the NSW bed rate (1.07 per 1,000 population), the unmet bed demand in the catchment is currently 51 beds. Even though there are planned expansions at Westmead Private and Norwest Private Hospitals, the unmet bed demand is expected to increase to 209 beds by 2032.

There is strong private sector competition in the catchment, with expansions at Westmead Private and Norwest Private hospitals and multiple day surgery facilities. It is critical that BPH is co-located with Blacktown Hospital for the following reasons:

- Clinicians at Blacktown Hospital can be more readily recruited to BPH
- Co-location reduces the risk of unsustainable hospital activity and low occupancy
- Blacktown Hospital is an expanding hospital with approximately 10% private patients
- Synergies can be achieved with certain Blacktown Hospital specialties (e.g. bariatric surgery)
- Future competition would have a strong preference to be colocated with Blacktown Hospital.

Potential Private Hospital Scenarios

By allocating market shares to Hardes data (mainly to the market growth), four scenarios have been developed which include combinations of different speciality groups as shown below:

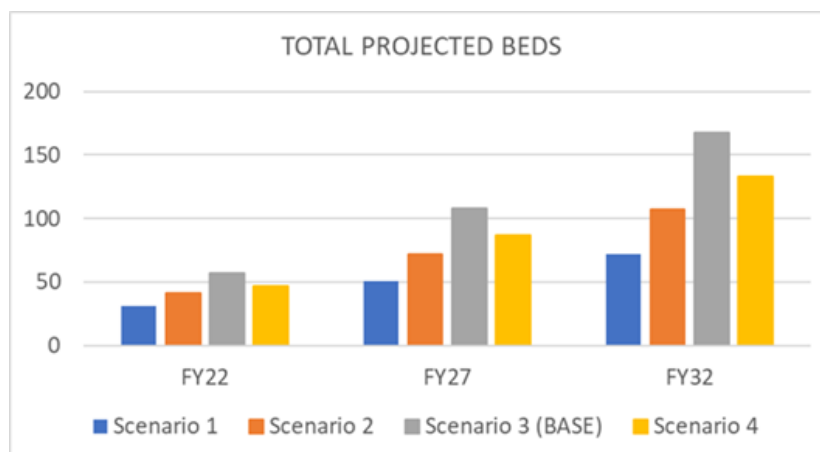
Scenario	Description
Scenario 1	Surgical/Medical
Scenario 2	Surgical/Medical + Psychiatry
Scenario 3 (BASE)	Surgical/Medical + Psychiatry + Rehabilitation
Scenario 4	Surgical/Medical + Rehabilitation

Our analysis indicates that the Hardes projections for chemotherapy, renal dialysis and obstetrics are conservative and higher market growth rate could be considered, resulting in more viable chair and delivery room numbers. These scenarios could be tested and refined at market sounding sessions with private operators.

The indicative infrastructure of the scenarios at FY32 is shown below:

FY32 PROJECTED POTENTIAL SCALE							
Scenarios	BEDS			Theatres	Chemo Chairs	Renal Chairs	Delivery Rooms
	Overnight	Same Day	Total Beds				
Scenario 1 Surgical/Medical	49	23	72	7.0	2.7	4.6	2.5
Scenario 2 Surgical/Medical + Psych	80	26	107	7.0	2.7	4.6	2.5
Scenario 3 (BASE) Surgical/Medical + Psych + Rehab	128	40	168	7.0	2.7	4.6	2.5
Scenario 4 Surgical/Medical + Rehab	97	36	133	7.0	2.7	4.6	2.5

The graph below shows the bed ramp up for each scenario, which may provide options for staging.



Of key importance to a proposed BPH are the clinicians and the ability of a hospital operator to attract and retain them. The Base Scenario requires approximately 48 surgeons in FY32, which appears to be achievable given the total number of doctors in the current market.

Benefits to Blacktown Community

The Base Scenario hospital would bring significant benefits to the local community, including but not limited to:

- Approximately 327 to 376 new skilled jobs in FY32
- A capital project in the range \$124M to \$142M delivering jobs and economic benefit during construction
- Creating greater scale on the health campus will attract clinicians (including allied health professionals) who will deliver more public and private health services for the local community
- Western Sydney Local Health District WSLHD would have potential to gain economies of scale, rental and recruitment benefits
- Teaching, training and research opportunities would be boosted.

Recommended Next Steps

The next steps could involve consideration of the following issues:

- Discussions with WSLHD re interest in supporting the progression of the project with focus on:
 - The availability of land co-located with Blacktown Hospital
 - The pro's and con's for WSLHD
 - The process to progress the private hospital opportunity and to agree what Council can do to support WSLHD.
- Market sounding with private operators to obtain feedback on the concept and hospital scenarios, with a focus on the detailed casemix outlined in the Appendix
- Decision whether to proceed to market or not with WSLHD as contracting party
- Blacktown Health Precinct Master Plan to provide a framework for the development of efficient and effective service delivery
- Information Memorandum
- Plan to go to market strategy.

An assessment of catchment demographics, Hards data and unmet bed demand has provided evidence for the need of a co-located private hospital in Blacktown

1. INTRODUCTION

1.1. Scope

Blacktown City Council proposes to capitalise on the \$700M (Stage 1 \$300M, Stage 2 \$400M) being invested in Blacktown Hospital by the NSW government. BCC has previously commissioned a high level Blacktown Health Precinct Market Analysis which concluded:

- The provision of overall hospital beds in the Blacktown LGA per head of population was lower than the national average;
- There was a strong potential for a private hospital adjacent to the public hospital; and
- This in turn would boost demand for private medical clinics, ancillary health services and supporting education and accommodation services.

O'Connell Advisory has been engaged by BCC to confirm the extent and nature of unmet demand for private health services in the Blacktown region by using projection data from Hardes and Associates.

1.2. Recommended Approach to Market Assessment

The market assessment of Blacktown Private Hospital (BPH) relies on projections of private hospital activity from Hardes and Associates – the data source specified by BCC.

In determining the main catchment of a proposed BPH, factors of surrounding competition, insurance rates, population growth and road networks were taken to account. The main catchment is most likely to be residents living in 5 Statistical Area Level 3s: Blacktown, Blacktown North, Mount Druitt, Baulkham Hills, Rouse Hill - McGraths Hill, as highlighted in Figure 1. This would account for 90% of BPH's activity, with an additional 10% of activity coming from other areas.¹

Figure 1: Catchment of BPH²



¹ Hardes & Associates 2018. 'Review of private hospital opportunities for the Blacktown catchment New South Wales'

² *ibid.*

1.3. Hardes & Associates Private Hospital Market Projections

A detailed analysis of the market opportunities in the catchment was performed. We specified market shares of the total market projected by Hardes, in order to generate an indicative casemix for BPH and an indicative infrastructure scope.

The Hardes data provides actual private hospital activity (admissions, bed days) in FY17 and projections to FY32 by specialty, which is summarised in Table 1. Their modelling uses data from various sources including:

- ABS historic and projected population projections
- State Government population projections
- Census data – socioeconomic status
- Australian Institute of Health and Welfare statistics and publications
- Private Hospital Data Bureau reports and statistics
- Private Health Insurance Administration Council
- State Health Department data
- De-identified private hospital data.

Table 1: Hardes total demand for catchment summarised by major specialty group

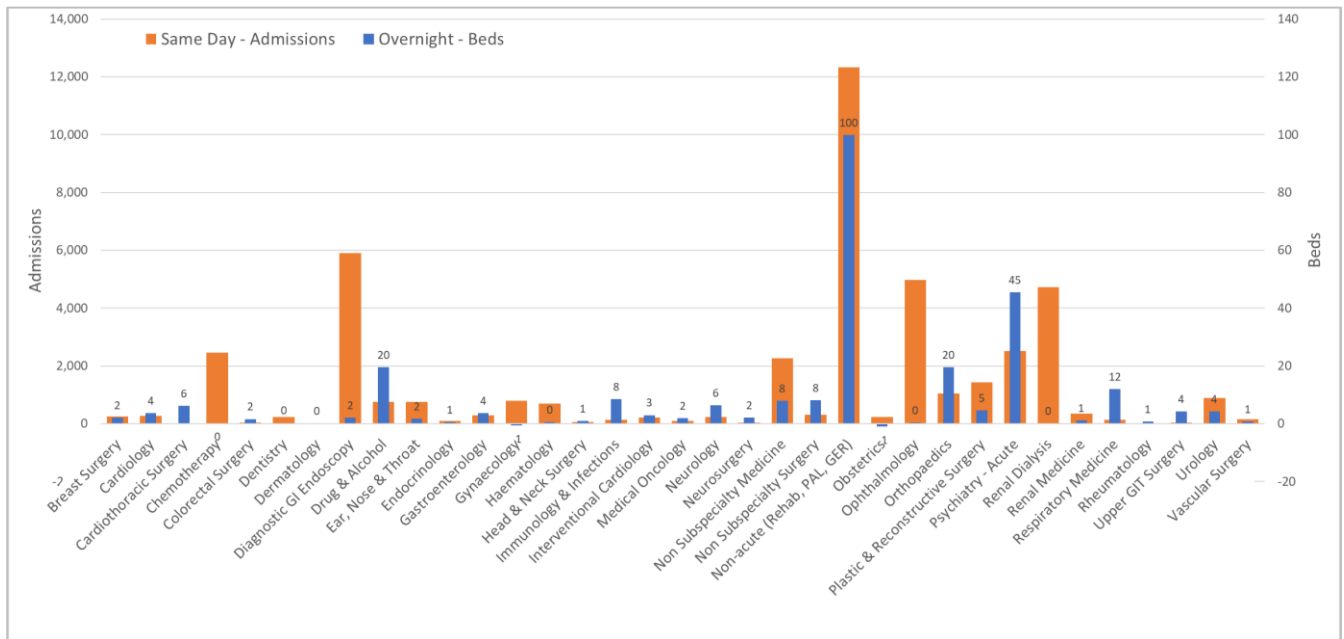
DEMAND - Total Market Projections	Same Day				Overnight				Overnight Beds			
Selected Catchment	Optimal Market Projected Admissions				Optimal Market Projected Admissions				Optimal Market Projected O/N Beds			
Specialty Group	FY17	FY22	FY27	FY32	FY17	FY22	FY27	FY32	FY17	FY22	FY27	FY32
Surgical	35,537	40,780	46,419	52,622	16,112	18,099	20,132	22,316	194.4	214.3	234.3	255.4
Medical	7,405	8,733	10,251	11,960	5,125	6,233	7,427	8,811	90.4	103.8	119.3	137.6
Obstetrics	263	328	406	487	2,552	2,688	2,845	2,976	39.7	39.0	39.0	38.6
Chemotherapy	4,690	5,256	6,134	7,151	6	5	6	6	0.0	0.0	0.0	0.0
Renal Dialysis	5,375	6,854	8,374	10,103	5	8	10	18	0.0	0.0	0.0	0.1
Drug & Alcohol	1,316	1,547	1,793	2,072	313	394	490	595	18.1	23.5	30.1	37.7
Rehab	13,192	16,056	20,351	25,525	2,476	2,976	3,611	4,349	121.1	148.7	181.4	221.0
Psychiatry - Acute	3,747	4,456	5,295	6,252	961	1,140	1,326	1,533	68.1	81.5	96.5	113.5
Grand Total	71,525	84,009	99,022	116,172	27,550	31,543	35,847	40,603	532.0	610.9	700.7	803.8
CAGR (FY17 - FY32)	3.3%				2.6%				2.8%			
Total Growth (FY17 - FY32)	62.4%				47.4%				51.1%			

Figure 2 show the absolute growth in same day admissions and overnight beds by specialty group, projected by Hardes from FY17 to FY32 for the catchment.

The projected growth is not uniform across specialties: rehabilitation (non-acute activity) presents the highest growth in both overnight and same day activity (+12,300 same day admissions and +100 beds). High growth is also projected for diagnostic GI endoscopy, ophthalmology and renal dialysis for same day activity and psychiatry for overnight beds (+45 overnight beds). Obstetrics and gynaecology are projected to have the lowest growth in overnight admissions (+1% or under) for the primary catchment, primarily due to expected reductions in average length of stay.

We note that Hardes projected growth for some specialties (renal dialysis same day with +4.3% CAGR, chemotherapy same day with +2.9% CAGR, and obstetrics overnight with +1% CAGR) appears to be understated compared to other growth trends from our experience for the catchment.

Figure 2: Total growth in Hardes projected demand by specialty at FY32



Hardes projections by SA3 for same day and overnight activity are outlined in Figure 3 and Figure 4 respectively. Baulkham Hills SA3 accounts for the largest contribution of private hospital activity, due to its large population and high insurance rate (in FY17 this area had 47% of same day admissions and 44% of overnight admissions); the Rouse Hill - McGraths Hill SA3 accounts for the lowest proportion of activity (9% of both same day and overnight activity).

When looking at projected activity growth, we have grouped the SA3s in two subgroups:

- The Blacktown LGA SA3s are projected to experience the biggest growth in same day activity (Blacktown North with +4% CAGR, Mount Druitt with +3.9% CAGR, and Blacktown with +3.7% CAGR), while having a lower growth in overnight activity (+2.2% to +2.3% CAGR);
- The SA3s belonging to other LGAs (The Hills and Hawkesbury) are projected to experience intermediate growth (+2.8% to +2.9% CAGR) for both overnight and same day activity.

Figure 3: Hardes same day projections by SA3

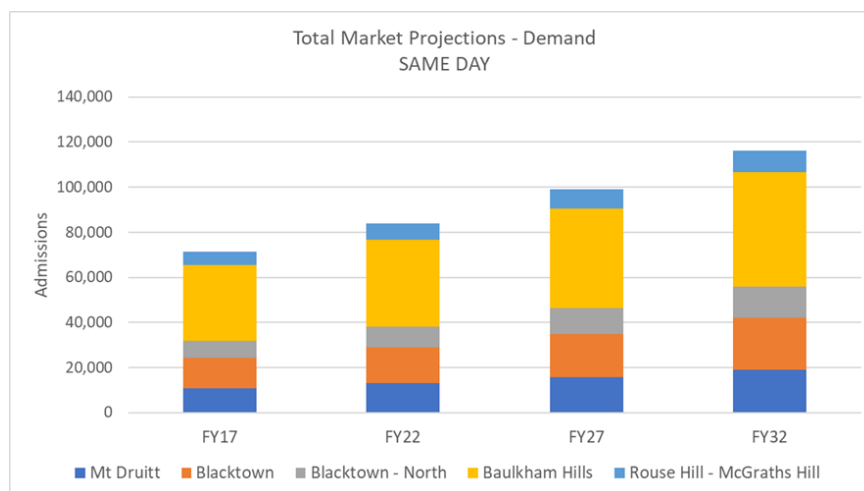
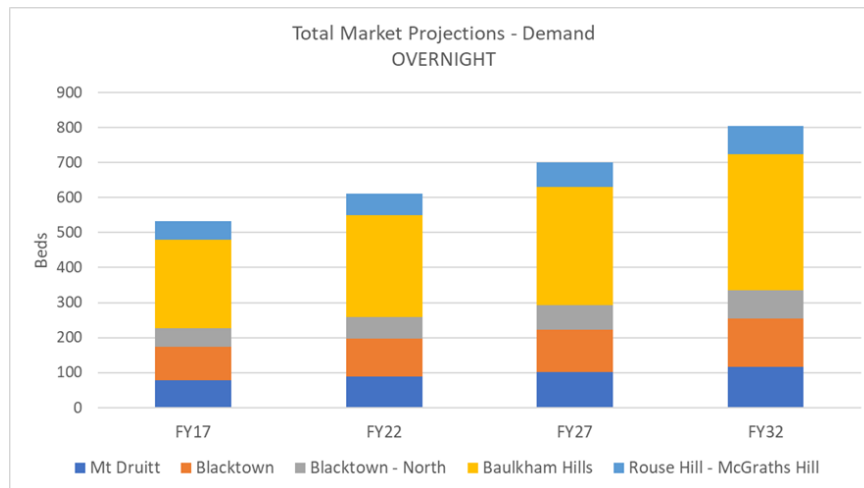


Figure 4: Hardes overnight projections by SA3



Hardes projections have an annual bed growth of 2.8% driven by strong growth in rehab, psychiatry, drug and alcohol, and orthopaedics

1.4. Co-located Blacktown Hospital

Blacktown Hospital is an expanding public hospital that will play a vital role for a co-located BPH by providing a source of clinicians and private patients.

Blacktown Hospital has recently undergone Stage 1 development which opened in May 2016 and is partially commissioned. This has involved new:³

- Cardiac Catheter lab
- Oncology and Haematology Centre including radiation therapy and chemo lounge
- Women's Health Clinics
- Stroke/Rehab Ward/Aged Care wards
- Coronary Care, Cardiology wards
- Lung and Sleep Centre
- Regional Dialysis Centre.

Some key facts of Blacktown Hospital are:

- From Oct-16 to Sep-17 there were 42,966 separations, an increase of 13% from the previous 12 months.⁴ There were also 160,690 bed days recorded from Oct-16 to Sep-17.
- It is estimated that 10% of patients admitted to Blacktown Hospital elect to be private patients⁵
- There were 3,200 births in Blacktown Hospital in 2016⁶
- No high complexity cardiothoracic or neurosurgery, or ophthalmic surgery is performed at Blacktown Hospital.

*The specialties at Blacktown Hospital will influence
the casemix of choice for a colocated BPH*

³ NSW Government Health Infrastructure 2018. 'Projects', <http://www.bmdhproject.health.nsw.gov.au/projects>, visited 9.3.18

⁴ BHI 2018. 'Healthcare Observer', http://www.bhi.nsw.gov.au/Healthcare_Observer/_nocache, visited 9.3.18

⁵ Estimate based on other similar hospitals from My Hospital website

⁶ NSW Government Health. 'Mothers and Babies Report 2016', <http://www.health.nsw.gov.au/hsnsw/Pages/mothers-and-babies-2016.aspx>, visited 8.3.18

The initial impact of Stage 1 can be seen in Figure 5 and Figure 6.

Figure 5 Historical separation activity of Blacktown Hospital⁷

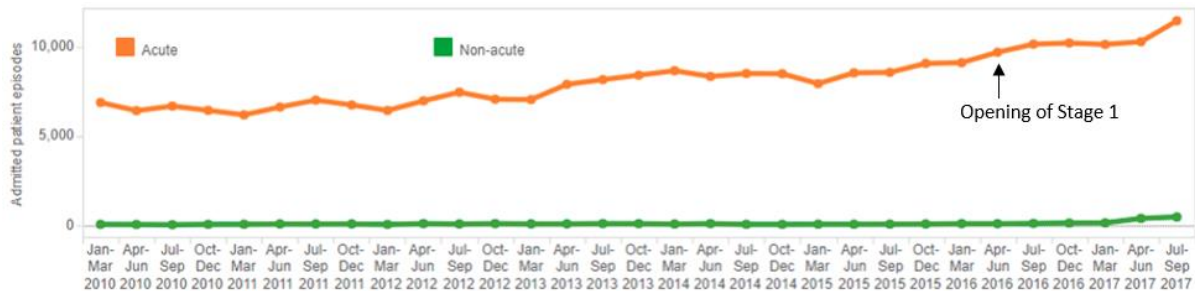
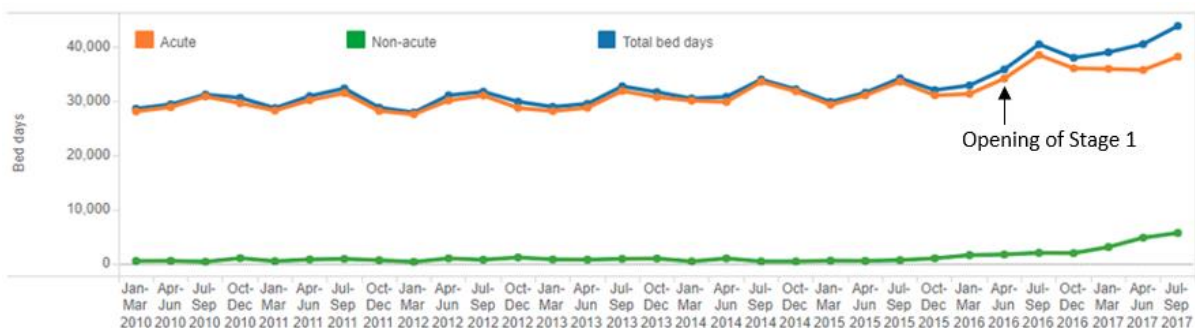


Figure 6 Historical bed day activity of Blacktown Hospital⁸



Stage 2 expansion is underway and is expected to be completed by June 2019.⁹ It will include:¹⁰

- 15 new birthing rooms
- New Emergency Department including a short stay ward and Psychiatric Emergency Care Service
- New intensive care unit with more beds
- Eight additional operating theatres and space for future expansion
- New paediatric service with dedicated emergency department facilities, day stay and inpatient facilities
- Medical imaging, sterilising and non-clinical support services expansion
- Expanded haemodialysis unit for hospital inpatients
- Refurbished endoscopy, gastroenterology and additional outpatient clinics.

The hospital has recently opened a bariatric-metabolic surgery service and plans to deliver 50 procedures in the first year.¹¹

⁷ BHI 2018. 'Healthcare Observer', http://www.bhi.nsw.gov.au/Healthcare_Observer/_nocache, visited 9.3.18

⁸ Ibid.

⁹ NSW Government. 'Blacktown Hospital redevelopment enters its second stage', <https://www.nsw.gov.au/news-and-events/news/blacktown-hospital-redevelopment-stage-2/>, visited 12.3.18

¹⁰ NSW Government Health Infrastructure 2018. 'Projects', <http://www.bmdhproject.health.nsw.gov.au/projects>, visited 9.3.18

¹¹ The Pulse 2017. 'First Blacktown patient receives life-changing weight loss surgery', <http://thepulse.org.au/2017/12/14/first-blacktown-patient-receives-life-changing-weight-loss-surgery/>, visited 9.3.18

We have taken these developments into account when determining the potential casemix for BPH, i.e.:

- Inclusion of obstetrics, gynaecology, bariatric surgery, chemotherapy and dialysis
- Exclusion of interventional cardiology because of its high cost and competition
- Exclusion of an Emergency Department due to a colocated public hospital Emergency Department and BPH's small size.

1.5. General Health Market

It is important to consider the underlying demand for private healthcare services and the broader healthcare environment, including pressures on funders. These are further explained in Appendix 4.1 with key points noted below.

It is widely recognised that the demand for private health services is being driven by four key factors:

- Population size and demographics
- Private health insurance (PHI) coverage
- Medical technologies & changing care models
- Broader healthcare changes.

Ageing Population

- Australia's population is growing and ageing. This trend is reflected in the Blacktown catchment
- Older people drive demand for hospital services and contribute to the bulk of hospital admissions and bed days
- Older people have longer lengths of stay
- The demand pressures will continue to impact payers and government policy.

Private Health Insurance

- PHI is the main funding source for private hospitals with government policy playing a pivotal role. 45.6% of the population are covered by PHI
- Despite some recent falls in PHI participation, a number of government initiatives are underway to reform PHI and improve the attractiveness e.g. lower cost of the product. Historically, reductions in PHI rates have not resulted in significant reductions in admission rates, as people likely to use hospital services retain their membership. Typically, younger healthier people are the most likely to discontinue their PHI membership
- The country's largest player Ramsay Health is positive about the outlook of the sector.

2. MARKET ASSESSMENT AND TARGET SERVICE PROFILE

2.1. BPH Catchment Demographics

Population size

The population in the catchment is estimated at 556,321 people in 2018 and is projected to increase to 763,533 by 2032, representing a 37% increase (Table 2).^{12 13} The projected annual growth to 2032 of 2.3% is much faster than the Sydney metropolitan annual growth of 1.6%. The population growth is driven by high population growth rates in Baulkham Hills, Blacktown and Mount Druitt SA3s.

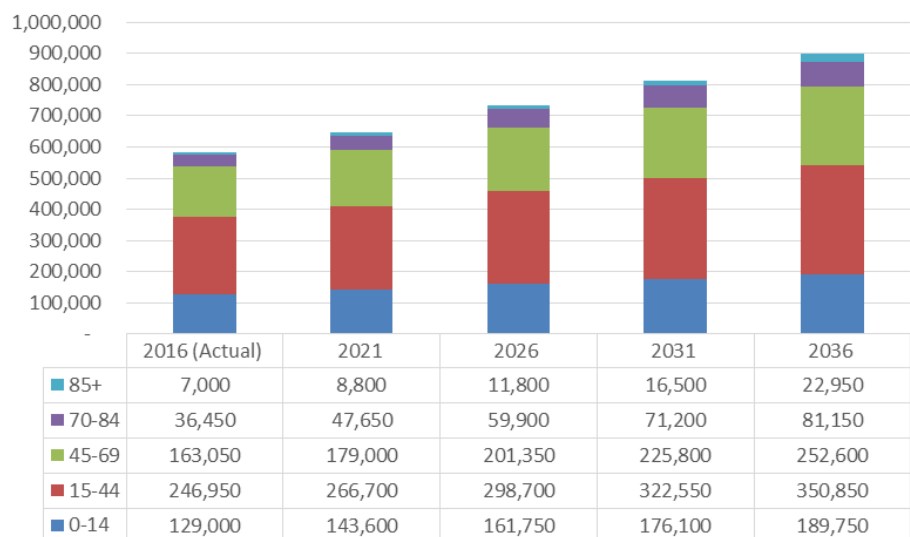
Table 2: Estimated population of catchment and projections

SA3	2016 (ABS proj.)	2018	2027	2032	Annual growth rate 2016-2032
Baulkham Hills	148,761	156,407	207,726	236,657	2.9%
Blacktown	139,391	145,296	176,369	193,521	2.1%
Mount Druitt	115,220	120,101	145,786	159,964	2.1%
Blacktown - North	95,745	99,801	121,145	132,926	2.1%
Rouse Hill - McGraths Hill	34,081	34,716	38,051	40,464	1.1%
Total	533,198	556,321	689,077	763,533	2.3%

The population projections by age group for Blacktown, The Hills and Hawkesbury LGAs are shown in Figure 7. The fastest growing age groups are 70-84 and 85+ which are growing at 4.1% and 6.1% per year respectively. The size of the 85+ age group will triple by 2036.

Figure 7: Population projection of Blacktown, The Hills and Hawkesbury LGAs by age group¹⁴

The projected population annual growth rate of 2.3% is lower than the Hardest overnight bed growth rate of 2.8% (inflated by the higher growth in older cohorts) which appears reasonable.



¹² ABS 2017. '3218.0 - Regional Population Growth, Australia, 2016', <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>, visited 7.3.18

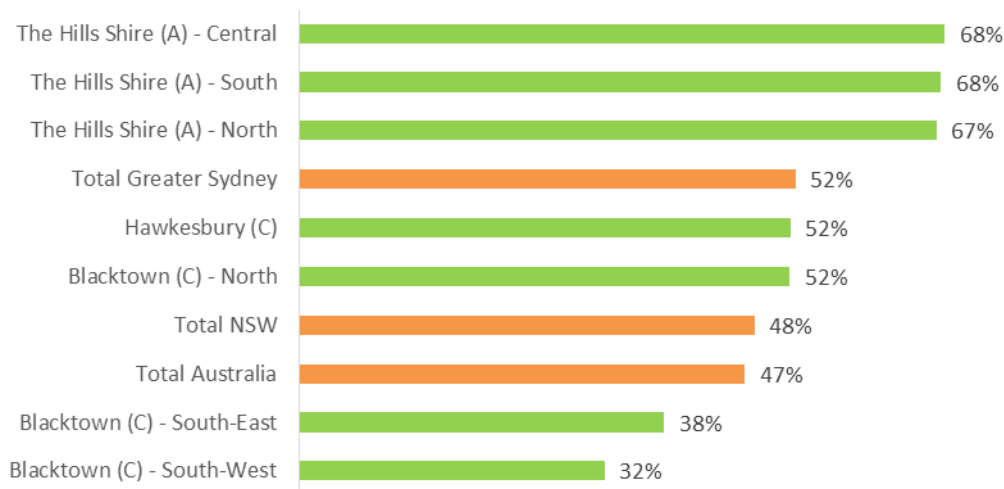
¹³ NSW Government Planning & Environment 2017. 'Population projections', <http://www.planning.nsw.gov.au/Research-and-Demography/Demography/Population-projections>, visited 7.3.18

¹⁴ NSW Government Planning & Environment 2017. 'Population projections', <http://www.planning.nsw.gov.au/Research-and-Demography/Demography/Population-projections>, visited 7.3.18

Private Insurance

A comparison of the insurance level by Statistical Local Area of the catchment and the broader geography is shown in Figure 8. The Hills Shire which generally corresponds with Baulkham Hills SA3 has the highest insurance rates (67-68%). Blacktown SLAs exhibit a range of insurance rates, with Blacktown South West having the lowest rate (32%) and Blacktown North having the highest rate (52%). On average, the catchment has an insurance rate of 55%, which is above the insurance rates of Greater Sydney (52%), NSW (48%) and the national average (47%).¹⁵ This is expected to increase with the rise of household incomes (resulting from new housing developments) and an ageing population.

Figure 8: Private insurance rate by SLA (2007-08)¹⁶



Private insurance in the catchment is high and is expected to increase with higher average household incomes and an ageing population

Socio-economic Status

The Index of Relative Socio-economic Disadvantage (IRSD) is a general socio-economic index that summarises a range of information about the economic and social conditions of people and households within an area.

- A low score indicates relatively greater disadvantage in general. For example, an area could have a low score if there are (among other things): many households with low income, many people with no qualifications, or many people in low skill occupations.
- A high score indicates a relative lack of disadvantage in general. For example, an area may have a high score if there are (among other things): few households with low incomes, few people with no qualifications, and few people in low skilled occupations.

¹⁵ Based on Blacktown, The Hills Shire and Hawkesbury SLAs.

¹⁶ PHIDU 2014. 'Private health insurance (modelled estimates), persons aged 15 years and over 2007-08'

ABS provides an IRSD by SA2, based on data from 2011 Census. Although it is a few years old, it provides some insight into the level of socio-economic disadvantage across the catchment region.

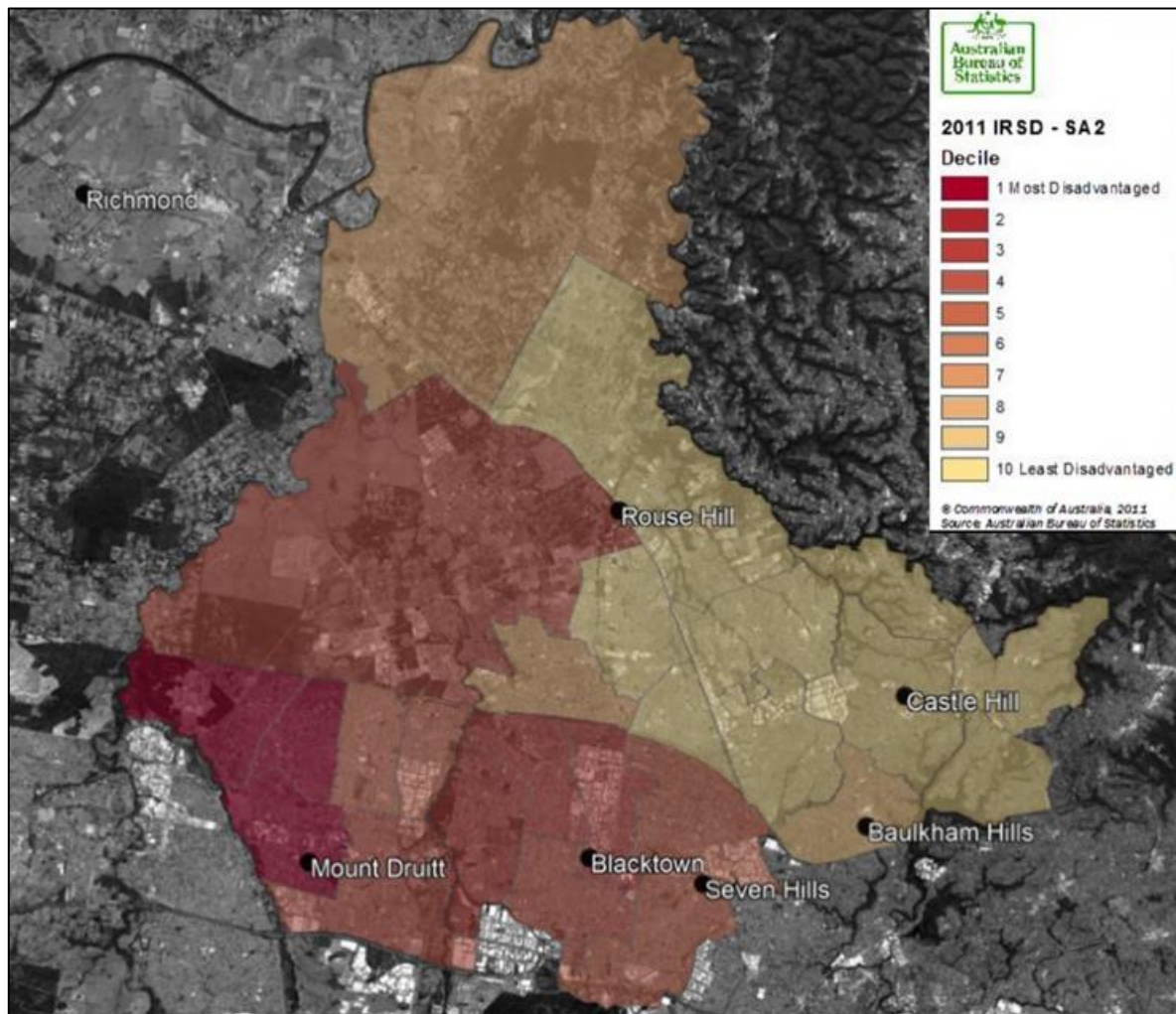
As seen in Figure 9, the catchment has a spectrum of socioeconomic disadvantage:

- Mount Druitt is the most disadvantaged
- Baulkham Hills and Rouse Hill - McGraths Hills have the least disadvantaged populations
- Blacktown North and Blacktown have moderately disadvantaged populations.

Generally, the lower the socioeconomic disadvantage, the higher is the level of private health insurance. These characteristics are reflective in the relative private health insurance coverage by SLAs in Figure 8.

The catchment is in a region of ongoing development, especially in Blacktown North, and it is expected that this will decrease the level of socioeconomic disadvantage and increase the level of private health insurance.

Figure 9: Socio-economic disadvantage by SA2 (2011)¹⁷



¹⁷ ABS 2013. '2033.0.55.001 - Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia, 2011', <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/2033.0.55.0012011?OpenDocument>, visited 8.3.18

Chronic disease

Chronic disease in the catchment (Blacktown, The Hills Shire, Hawkesbury LGAs) is similar to Greater Sydney, with high cholesterol, respiratory system diseases and musculoskeletal diseases representing the top 3 chronic diseases.¹⁸ The rate of diabetes in Blacktown LGA (7.8 per 100) is slightly higher than the Greater Sydney average (6.3 per 100).¹⁹

High cholesterol, respiratory disease and musculoskeletal disease are the most common chronic diseases in the catchment, similar to Greater Sydney

2.2. Competitor Analysis

The geographical distribution of surrounding overnight and day private facilities are shown in Figure 10 and Figure 11. A full list of competitor hospitals with their details are shown in the Appendix 4.2 (Table 14).

Most of the overnight facilities lie in the Bella Vista and Westmead suburbs, with a small surgical and rehabilitation hospital in Mt Druitt (Minchinbury Community Private Hospital). Two of the private hospitals, Norwest and Westmead Private, are large and sophisticated, with Norwest one of only three hospitals in the State providing private Emergency Department services.

Norwest Private Hospital underwent a recent expansion in 2016 increasing from 216 beds to 277 beds. Westmead Private Hospital will have 56 additional beds by mid-2019 (Stage 2 development).

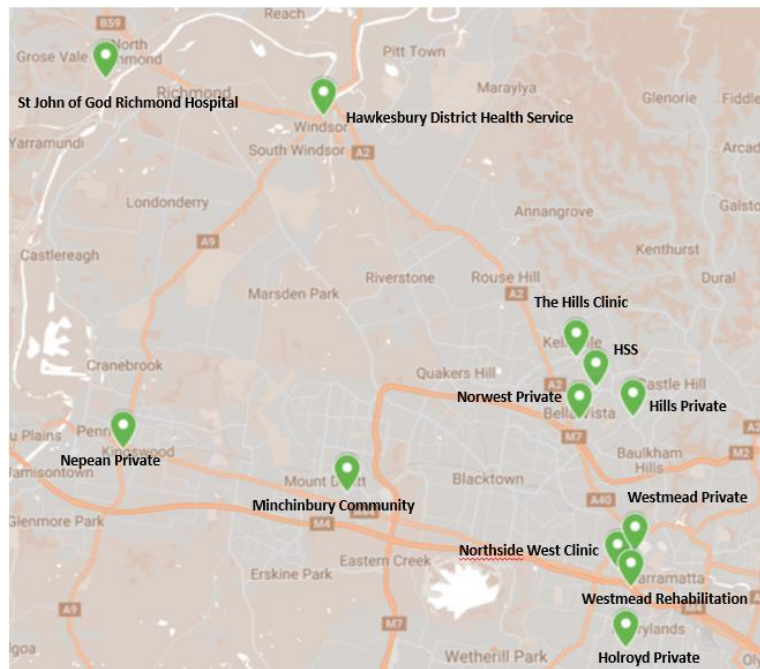
There are plans by the State government to spend \$300 million for the development of Rouse Hill Hospital.²⁰ This could be a potential competitor for BPH if it attracts private patients, especially if a co-located private hospital is part of the contract.

¹⁸ PHIDU 2016. 'Social Health Atlas of Australia', <http://phidu.torrens.edu.au/social-health-atlases/data#social-health-atlases-of-australia-local-government-areas>, visited 8.3.18

¹⁹ Ibid.

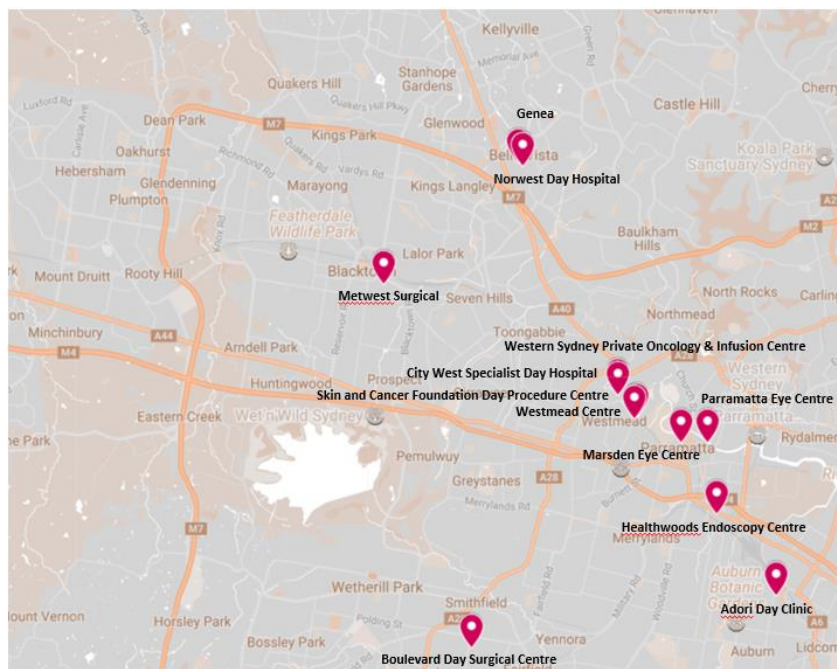
²⁰ Hawkesbury Gazette 2017. 'Rouse Hill Hospital gets funding in state budget', <http://www.hawkesburygazette.com.au/story/4763852/planning-to-begin-for-new-hospital/>, visited 8.3.18

Figure 10: Overnight private facilities



Most of the private day facilities lie in Westmead and Parramatta suburbs, with an ophthalmology clinic in Blacktown (Metwest Surgical). It is not known if there will be developments of new or existing day facilities.

Figure 11: Day only private facilities



There is strong competition in the catchment with capacity for existing hospitals to expand

2.3. Unmet demand based on average population bed rate

To test the reasonableness of Hardes data and the potential private bed gap, an estimation of the current unmet private hospital bed demand²¹ in the catchment was calculated using:

- NSW average private hospital licensed bed population rate (1.07 per 1,000) for demand^{22 23}
- ABS population estimates by SA3²⁴
- NSW Planning & Environment 2016 population projection growth rates by LGA²⁵
- Current overnight bed days from Hardes (FY2017)
- Existing hospital beds and known planned expansions.²⁶

With these assumptions, Table 3 shows a current undersupply of 51 overnight beds, which increases to 129 beds by 2027 and 209 beds by 2032. This is reasonably consistent with Hardes and clarifies the potential bed gap at 2017, which theoretically could be closed by spare capacity at Westmead and Norwest and other existing private hospitals.

Table 3: Estimation of unmet bed demand based on population utilisation rate and supply

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beds required (demand)	583	595	608	621	634	651	668	686	704	722	737	753	768	784	801	817
Current overnight beds	532	532	532	532	532	532	532	532	532	532	532	532	532	532	532	532
Westmead Private Hospital expansion			56	56	56	56	56	56	56	56	56	56	56	56	56	56
Norwest Private Hospital expansion		20	20	20	20	20	20	20	20	20	20	20	20	20	20	20
Total supplied beds	532	552	608	608	608	608	608	608	608	608	608	608	608	608	608	608
Unmet bed demand	51	43	0	13	26	43	60	77	95	114	129	144	160	176	192	209
Hardes data	532					611					701					804

²¹ Unmet demand for all specialties, some of which may not be attractive to a private hospital operator

²² AIHW 2017. 'Hospital resources 2015-16', <https://www.aihw.gov.au/reports/hospitals/ahs-2015-16-hospital-resources/report-editions>, visited 7.3.18

²³ Excludes private free-standing day hospital facilities

²⁴ ABS 2017. '3218.0 - Regional Population Growth, Australia, 2016', <http://www.abs.gov.au/ausstats/abs@.nsf/mf/3218.0>, visited 7.3.18

²⁵ NSW Government Planning & Environment 2017. 'Population projections', <http://www.planning.nsw.gov.au/Research-and-Demography/Demography/Population-projections>, visited 7.3.18

²⁶ Assumed that the recent expansion of Norwest Private has a 3 year ramp up of activity.

2.4. Target clinical services and market share

Following a detailed competitor analysis in the catchment, we determined the indicative market share assumptions in order to generate an indicative casemix and required infrastructure.

Market Share Assumptions

In determining the future opportunity for BPH we preferred taking a percentage of the growth rather than a percentage of the total market, as shown in Figure 12 and

Figure 13.

Figure 12: Share of same day admissions projection

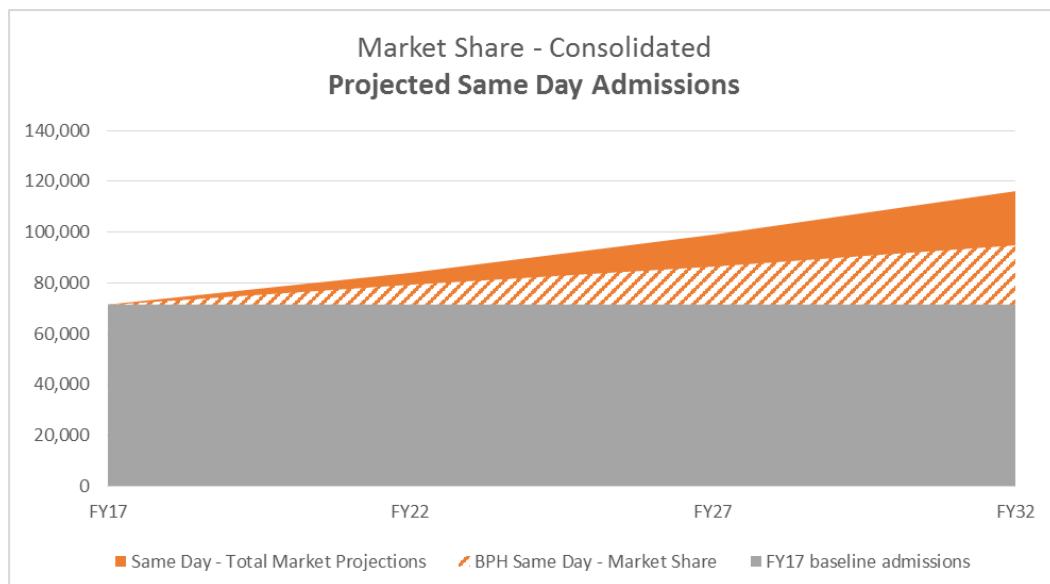


Figure 13: Share of overnight admissions projection

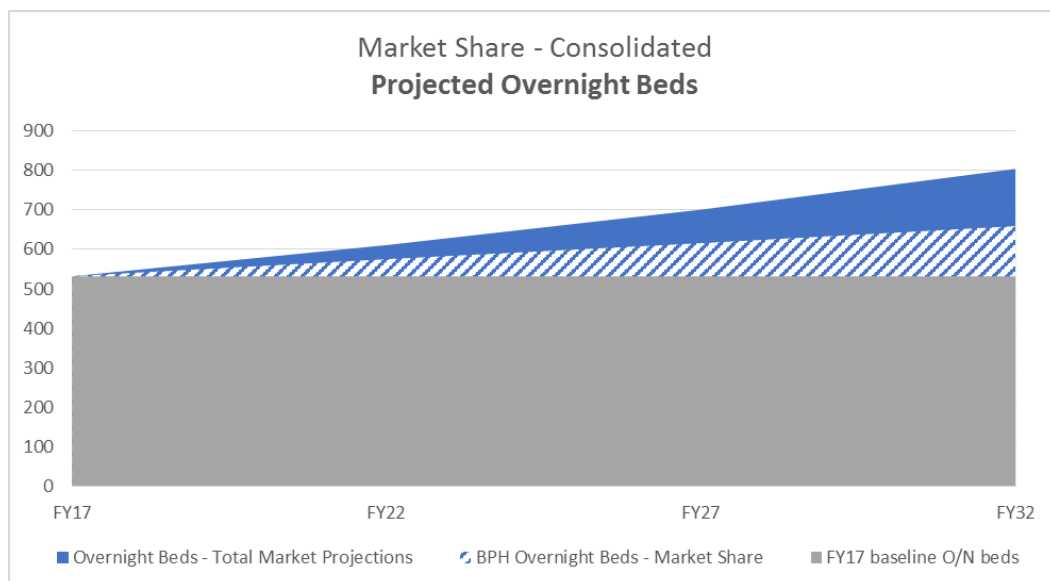


Table 4: Market share assumptions for each SA3

Market Share Assumptions		Mt Druitt	Blacktown	Blacktown - North	Baulkham Hills	Rouse Hill - McGraths Hill
Market Share	Obstetrics, Gynecology, Renal Dialysis	20% total market	20% total market	20% total market	20% total market	20% total market
	All Other Specialties	70% market growth	70% market growth	30% market growth	30% market growth	30% market growth
Inflows	Upper GIT Surgery	+20%	+20%	+20%	+20%	+20%
	All Other Specialties	+10%	+10%	+10%	+10%	+10%

- We assumed for most specialties, that the current demand for private hospital activity is fully met by current private hospital supply, so we have projected the market share for a potential BPH as a proportion of the growth in activity only, i.e. a proportion of any activity above current FY17 actuals (Figure 12,
- Figure 13). The remainder proportion of growth would be serviced by competitors, such as expansions of Westmead Private and Norwest Private Hospitals.
 - The market share varies by SA3: for Blacktown and Mount Druitt we applied a 70% share of projected growth, assuming less competition in these geographical areas, also reflecting the co-location with Blacktown Hospital.
 - For Blacktown North, Baulkham Hills, and Rouse Hill - McGraths Hill SA3s we applied a 30% market share of projected growth, assuming stronger competition by the existing and expanding private hospitals in the Baulkham Hills area (especially Norwest and HSS).
- Exceptions for market share: for 3 specialties (obstetrics, gynaecology and renal dialysis) we applied a projected market share of 20% of the **total market** across all five SA3s. We determined that a more “aggressive” approach would be necessary in these 3 areas **to achieve sufficient scale and viability**. With the less aggressive approach (i.e. share as % of growth only), the achievable scale would be too small for viability, especially for obstetrics (where the projected growth in bed days above FY2017 activity is almost nil due to expected reductions in average length of stay). We believe this approach is reasonable given the colocation with the public hospital and the large number of clinicians delivering services today at Blacktown.
- Inflows of activity from outside of the catchment: a default 10% factor was applied across all specialties. The only exception was bariatric surgery (included in upper GIT surgery), which is expected to attract higher inflows due to Blacktown Hospital being a centre of excellence in this specialty; for this reason a 20% inflow factor was used for this specialty.

Casemix Scenarios

Some specialties are more attractive than others to potential private operators and more/less inclined to be enticed away from Blacktown Hospital. Four casemix scenarios have been prepared for consideration in the next stage of market sounding (

Table 5). These include combinations of Surgical/Medical, Psychiatric and Rehabilitation specialties. The Base Scenario is Scenario 3 which includes all key specialty groups, and is presented in this section.

Table 5: Summary of Scenarios

Scenario	Description	Location of Details
Scenario 1	Surgical/Medical	Table 16 (Appendix)
Scenario 2	Surgical/Medical + Psychiatry	Table 17 (Appendix)
Scenario 3 (BASE)	Surgical/Medical + Psychiatry + Rehabilitation	Table 6
Scenario 4	Surgical/Medical + Rehabilitation	Table 18 (Appendix)

The number of theatres, delivery rooms, chemotherapy chairs and renal dialysis chairs do not vary across scenarios, since these requirements are not affected by rehabilitation or psychiatric activity.

Medical specialties were included in all scenarios (with the exception of Immunology and Infections because of the absence of an Emergency Department). Cardiothoracic Surgery and Neurosurgery were also excluded, because of their high complexity, their absence in Blacktown Hospital and because they generally only occur in larger private hospitals. In addition, Interventional Cardiology was excluded because of the existing competition delivering services in a small market and the scale that would be required to make the unit viable does not seem to be achievable.

The list of specialties in each scenario is presented in the Appendix (Table 15).

Table 6: Scenario 3 (Surgical/Medical + Psychiatry + Rehabilitation) projected activity and market shares – BASE

Scenario 3	Same Day			Overnight		
Surgical/Medical + Psych + Rehab	Market Share - Projected Admissions - incl. INFLOWS			Market Share - Projected Admissions - incl. INFLOWS		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	3,392	6,175	9,282	1,065	1,914	2,837
Medical	604	1,302	2,098	425	881	1,412
Obstetrics	72	89	107	591	626	655
Chemotherapy	288	745	1,280	0	0	0
Renal Dialysis	1,508	1,842	2,223	2	2	4
Drug & Alcohol	122	251	400	34	75	120
Rehab	1,503	3,809	6,598	230	535	886
Psychiatry - Acute	380	824	1,339	86	175	276
Grand Total	7,868	15,039	23,326	2,433	4,208	6,190

% Projected Total Market	Same Day			Overnight		
	% Projected Admissions			% Projected Admissions		
Surgical	8%	13%	18%	6%	10%	13%
Medical	7%	13%	18%	7%	12%	16%
Obstetrics	22%	22%	22%	22%	22%	22%
Chemotherapy	5%	12%	18%	0%	0%	0%
Renal Dialysis	22%	22%	22%	22%	22%	22%
Drug & Alcohol	8%	14%	19%	9%	15%	20%
Rehab	9%	19%	26%	8%	15%	20%
Psychiatry - Acute	9%	16%	21%	8%	13%	18%
Grand Total	9%	15%	20%	8%	12%	15%

2.5. Indicative Infrastructure

To determine infrastructure requirements (i.e. size and scale), we have used throughput factors applied to the target casemix from Harges data (Section 0 in Appendix).

Based on the market shares outlined in Section 2.4, the indicative infrastructure of BPH under the different scenarios is shown in Table 7. The number of overnight beds in the largest scenario (128) is 61% of the unmet bed demand calculated in Table 3. This allows competitors to account for the remainder market share as a result of expansion of existing private hospitals or new services.

Table 7: Indicative scale of infrastructure required for each scenario

FY32 PROJECTED POTENTIAL SCALE							
Scenarios	BEDS			Theatres	Chemo Chairs	Renal Chairs	Delivery Rooms
	Overnight	Same Day	Total Beds				
Scenario 1 Surgical/Medical	49	23	72	7.0	2.7	4.6	2.5
Scenario 2 Surgical/Medical + Psych	80	26	107	7.0	2.7	4.6	2.5
Scenario 3 (BASE) Surgical/Medical + Psych + Rehab	128	40	168	7.0	2.7	4.6	2.5
Scenario 4 Surgical/Medical + Rehab	97	36	133	7.0	2.7	4.6	2.5

Further scenarios for Chemotherapy, Renal Dialysis and Obstetrics have been considered given that Harges projections for these specialties appear to be conservative. If higher market growth rates²⁷ were used, then the indicative infrastructure would be 7 renal dialysis chairs, 9 chemotherapy chairs, 4 delivery rooms and 11 overnight obstetric beds.

2.6. Benefits to Blacktown Community

The scale of the potential private hospital opportunity in Blacktown is substantial and would deliver a range of significant economic and other benefits to the local community, including but not limited to:

- A large number of new skilled jobs by FY32
- A substantial new infrastructure project of up to \$142m which would deliver jobs and economic benefit during construction
- Creating greater scale on the health campus will attract clinicians (including allied health professionals) who will deliver more public and private health services for the local community
- Western Sydney Local Health District (WSLHD) would have potential to gain economies of scale, rental and recruitment benefits
- Teaching, training and research opportunities would be boosted.

²⁷ Dialysis CAGR 6.8%, Chemotherapy CAGR 7.7%, Obstetrics CAGR 2.7%

Allied health professionals will also be attracted to BPH, especially if there is rehabilitation and a full range of supporting facilities (e.g. gym, pool).

The indicative operating FTEs, floor space area and project cost of the Base Scenario is shown in Table 8.²⁸

Table 8 Indicative operating FTEs, area and cost of Base Scenario

	Low	High
Operating FTEs	327	376
Area (m ²)	30,627	35,221
Project Cost	\$124m	\$142m

2.7. Clinicians Profile

Of key importance to a proposed BPH are the clinicians and the ability of a hospital operator to attract and retain sufficient high quality doctors. Co-location at Blacktown Hospital would make it a more straightforward task for the hospital operator to attract doctors and reduce the risk of uneconomic hospital activity and low occupancy.

The number of clinicians by specialty required for the Base Scenario in FY32 are shown in Table 9. In total, this is estimated at 48 surgeons and 19 anaesthetists.

Table 9: Projected clinicians for Base Scenario (Scenario 3) in FY32

Projected Surgeons + Anaesthetists in FY32	Est. Surgeons	Est. Anaesthetists	Est. Total Surgeons + Anaesthetists
Breast Surgery	1.5	0.5	2.0
Colorectal Surgery	0.4	0.1	0.6
Dentistry	0.7	0.2	1.0
Diagnostic GI Endoscopy	5.9	2.0	7.9
Ear, Nose & Throat	3.6	1.2	4.8
Gynaecology	6.0	2.0	8.0
Head & Neck Surgery	0.5	0.2	0.7
Non Subspecialty Surgery	2.8	0.9	3.7
Obstetrics	1.2	0.4	1.6
Ophthalmology	12.8	4.3	17.0
Orthopaedics	2.3	2.3	4.5
Plastic & Reconstructive Surgery	3.0	2.0	5.0
Upper GIT Surgery	2.4	0.8	3.2
Urology	3.9	1.3	5.2
Vascular Surgery	0.8	0.3	1.0
Grand Total	47.8	18.5	66.3

²⁸ Includes clinical suites and a 278 carpark spaces.

The number of clinician appointments at surrounding private hospitals is shown in Table 10.²⁹ Clinicians may have multiple appointments across hospitals. Norwest Private and Westmead Private Hospital have the largest number of appointed clinicians, reflecting high volumes of activity in the market.

Table 10: Number of clinician appointments by specialty in surrounding private hospitals³⁰

Specialty	Norwest Private Hospital	Westmead Private Hospital	Nepean Private Hospital	HSS	Holroyd Private Hospital	Minchinbury Community Hospital	The Hills Private Hospital	Northside West Clinic	Hawkesbury District Health Service	Westmead Rehabilitation Hospital	The Hills Clinic - Castle Hill
Bariatric Surgery	4	4		4							
Breast Surgery	4	1	2	2							
Cardiology	26	21	12								
Colorectal Surgery	4	6	4	5							
Dentistry		1	6	1	7	2			1		
ENT	10	12	5	5	1	1			1		
Gastroenterology	16	7	8	13		3			1		
General Medicine		1	2	1					1		
General Surgery	22	16	18	7	5	3			3		
Head & Neck Surgery	3	3									
Neurosurgery	6	8	3								
Obstetrics & Gynaecology	34	45	11	5	3				3		
Ophthalmology	5	4	5	7	7	3					
Oral and Maxillofacial Surgery	3	11	6	1		1					
Orthopaedics	31	18	17	16	3	2			2		
Plastic Surgery	9	12	3	7	3						
Psychiatry				6			6	14			5
Rehabilitation	2		2	9	2	5	8		1	7	
Respiratory Medicine	5	6	3	1							
Urology	8	17	7	2	1						
Vascular Surgery	6	5	3								
Total	198	198	117	92	32	20	14	14	13	7	5

The number of doctors across all these hospitals is shown in Table 11. Large numbers of specialists are present in Obstetrics & Gynaecology, Orthopaedics, General Surgery, Gastroenterology and Cardiology, which may make it is easier to recruit clinicians for these specialities. These numbers indicate that the doctors needed to be recruited for BPH is achievable.

Table 11: Number of unique clinicians in each specialty in the surrounding private hospitals

Specialty	Number of Doctors
Bariatric Surgery	7
Breast Surgery	5
Cardiology	51
Colorectal Surgery	12
Dentistry	18
ENT	24
Gastroenterology	43
General Medicine	4
General Surgery	54
Head & Neck Surgery	4
Neurosurgery	13
Obstetrics & Gynaecology	84
Ophthalmology	29
Oral and Maxillofacial Surgery	18
Orthopaedics	70
Plastic Surgery	24
Psychiatry	25
Rehabilitation	26
Respiratory Medicine	14
Urology	28
Vascular Surgery	10
Total	563

²⁹ Determined by web search

³⁰ Clinicians may have multiple appointments across hospitals.

2.8. SWOT Analysis

A SWOT analysis has been performed of a potential BPH (Figure 14). While there is significant competition servicing the catchment, the population is growing and ageing, and the private hospital bed gap is increasing. The proximity to an expanding and developing Blacktown public hospital will be highly attractive to a private hospital operator.

Figure 14 SWOT analysis

Strengths <ul style="list-style-type: none"> Proximity to expanding Blacktown Public Hospital Strong and growing clinician pool already at Blacktown Public will allow any proposed private hospital to target greater market shares in specific specialities Growing and ageing population Private hospital bed gaps growing in catchment High private health insurance in North West part of primary catchment 	Weaknesses <ul style="list-style-type: none"> Large significant competitors for private acute services e.g. Westmead Private (Ramsay owns), and Norwest (Healthscope) with growth potential at existing private hospitals in catchment Green field site and development risks Potential difficulty in gaining tier 1 contracts (a formal agreement between the hospital and health fund) if major operator not involved
Opportunities <ul style="list-style-type: none"> As Blacktown public continues to expand and develop more complex services opportunities to expand casemix at the private should be available There could be specific additional specialities planned based on recruiting key/star clinicians – i.e. neurosurgeons. This would change the nature of infrastructure and would require intensive care Clinical suites would boost attractiveness to operator/clinicians Develop protocols to transfer private patients from Blacktown hospital – PHI reforms in funding private patients in public hospitals could make this more attractive 	Threats <ul style="list-style-type: none"> Expanding or new private hospital in wealthier part of catchment (Rouse Hill for example) Competitors controlling key doctors at existing private hospitals Market reforms in PHI could target specific services and models of care with focus on private orthopaedic rehabilitation and certain mental health services

Key Risks and Mitigating Strategies

The key risks of BPH and mitigating strategies are shown in Table 12. The most important risk is the availability of co-located land for BPH.

Table 12 Key risks of BPH and mitigating strategies

Risk	Mitigation
Securing land co-located with Blacktown Hospital	Early consultation with WSLHD
LHD support	Early consultation to obtain LHD support
Scale of BPH	Consider additional specialties e.g. psychiatry, rehabilitation
Tier 1 contract agreement	Involve a major operator
Rouse Hill Hospital	Offer superior services to private patients
New and expanding private hospital developments	Monitor media releases and company reports
Clinician availability	Approach clinicians in Blacktown Hospital and market benefit of co-location

3. NEXT STAGES

This market assessment has identified potential services that BPH could provide and categorised them into four scenarios. The next steps could involve consideration of the following issues:

- Discussions with WSLHD re interest in supporting the progression of the project with focus on
 - The availability of land co-located with Blacktown Hospital,
 - The pro's and con's for the LHD
 - The process to progress the project and what Council can do to support
- Market sounding with private operators to obtain feedback on the concept and hospital scenarios, with a focus on the detailed casemix outlined in the Appendix
- Decision whether to proceed to market or not with WSLHD as contracting party
- Blacktown Health Precinct Master Plan to provide a framework for the development of efficient and effective service delivery
- Information Memorandum
- Plan to go to market strategy.

4. APPENDIX

4.1. General Health Market

It is important to consider the underlying demand for private healthcare services and the broader healthcare environment, including pressures on funders.

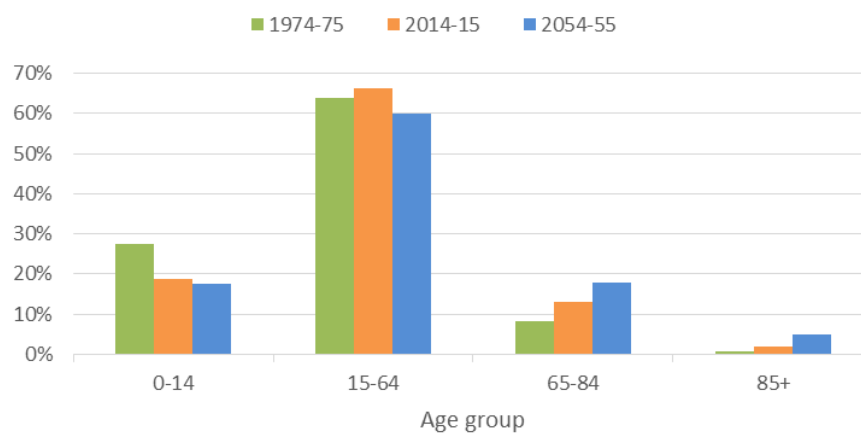
It is widely recognised that the demand for private health services is being driven by four key factors:

- Population size and demographics
- Private health insurance coverage
- Medical technologies & changing care models
- Broader healthcare changes.

Ageing Population

Australians will live longer and continue to have one of the longest life expectancies in the world. The graph below reveals that Australia is facing a significant increase in the number of older people over the next 40 years as highlighted below:³¹

Figure 15: Age profile change of Australia 1974 - 2055



The Government's latest intergenerational report highlights statistics of the Australian population by 2054-55:

- Population to grow to 39.7m
- Proportion over 65 will increase to 23% of the population
- Proportion over 85 will more than double to 4.9% of population.

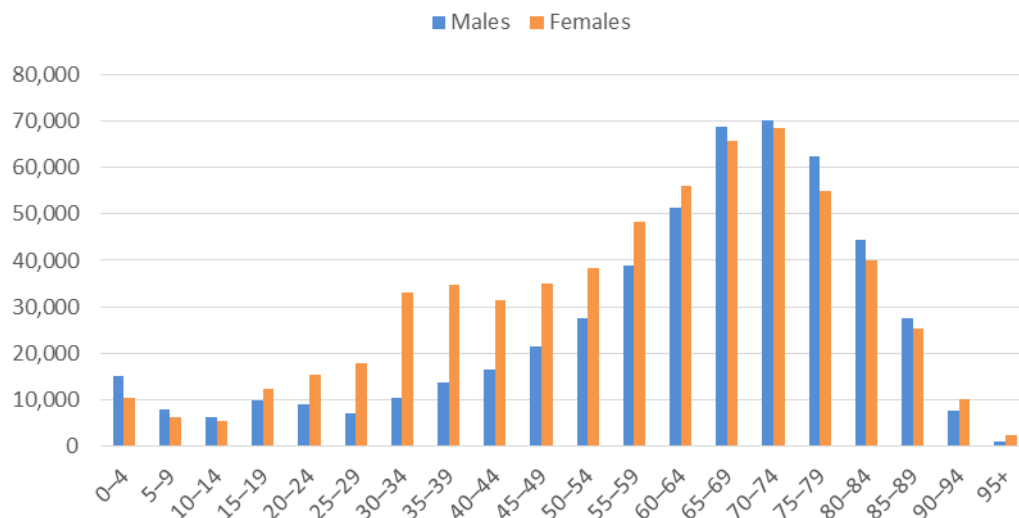
³¹ Australian Government, The Treasury. '2015 Intergenerational Report', <https://treasury.gov.au/publication/2015-intergenerational-report/>, visited 1.3.18

There are a number of factors that are combining to produce Australia's ageing population:

- The Baby Boom Generation refers to those people born between 1946 and 1965. This post-war period was marked by high levels of immigration and high birth rates which peaked at 3.6 babies per woman in 1961. This cohort of the population will be 65 – 84 years of age by the year 2031.
- Since this baby boom there has been a steady decline in fertility. Women have been choosing to have fewer children for many reasons including the introduction of oral contraception, women's increased participation in the paid workforce, and changes in the perception of the ideal family size. The decline in the birth rate means that there are fewer younger people. This combined with the ageing of the baby boomer generation means that overall the population is ageing.
- Due to medical advances and a higher standard of living, Australia's life expectancy has also continued to increase. It is projected that by 2054-55, life expectancy at birth will have increased by 3-4 years to 95.1 years for males and 96.6 years for females.³²

The older age groups account for the bulk of hospital admissions and bed days as shown in Figure 16 and Figure 17.³³ With more comorbidities in the older age group, the average length of stay increases with age (Figure 18). The ageing population will therefore drive growth for private hospital services. Increased hospitalisations for females between the ages of 30 and 39 are mainly due to the obstetric admissions.

Figure 16: Private hospital episodes by gender and age group in December 2017 – Australia



³² Ibid.

³³ APRA 2018. 'Private Health Insurance Membership and Benefits', <http://www.apra.gov.au/PHI/Publications/Pages/Private-Health-Insurance-Membership-and-Benefits.aspx>, visited 1.3.18

Figure 17: Private hospital bed days by gender and age group in December 2017 – Australia

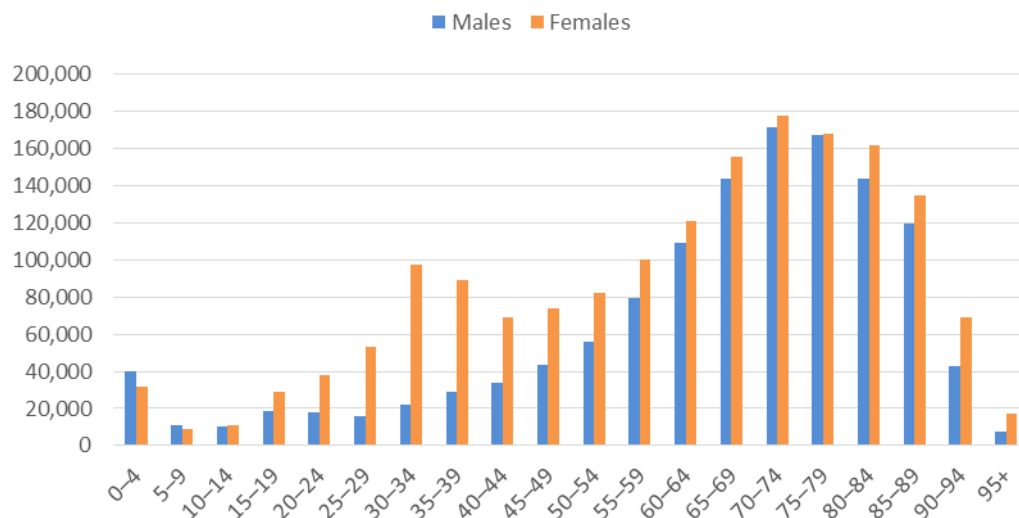
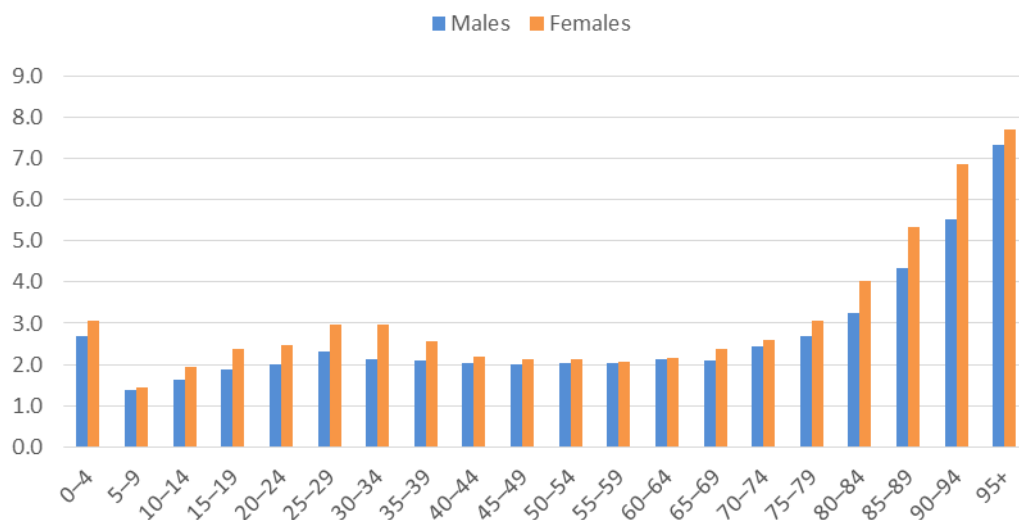


Figure 18: Private hospital average length of stay (days) by gender and age group in December 2017 - Australia



Private Health Insurance Cover

Private health insurance is the fundamental revenue source for private hospitals and is highly regulated. A strong private health care system takes pressure off the public health system and adds significant finance for the sector as a whole. As at 31 December 2017, there were 11.3m people with private hospital treatment cover in Australia (45.6% of the population), and 3.7m people in NSW (46.9% of the population).³⁴

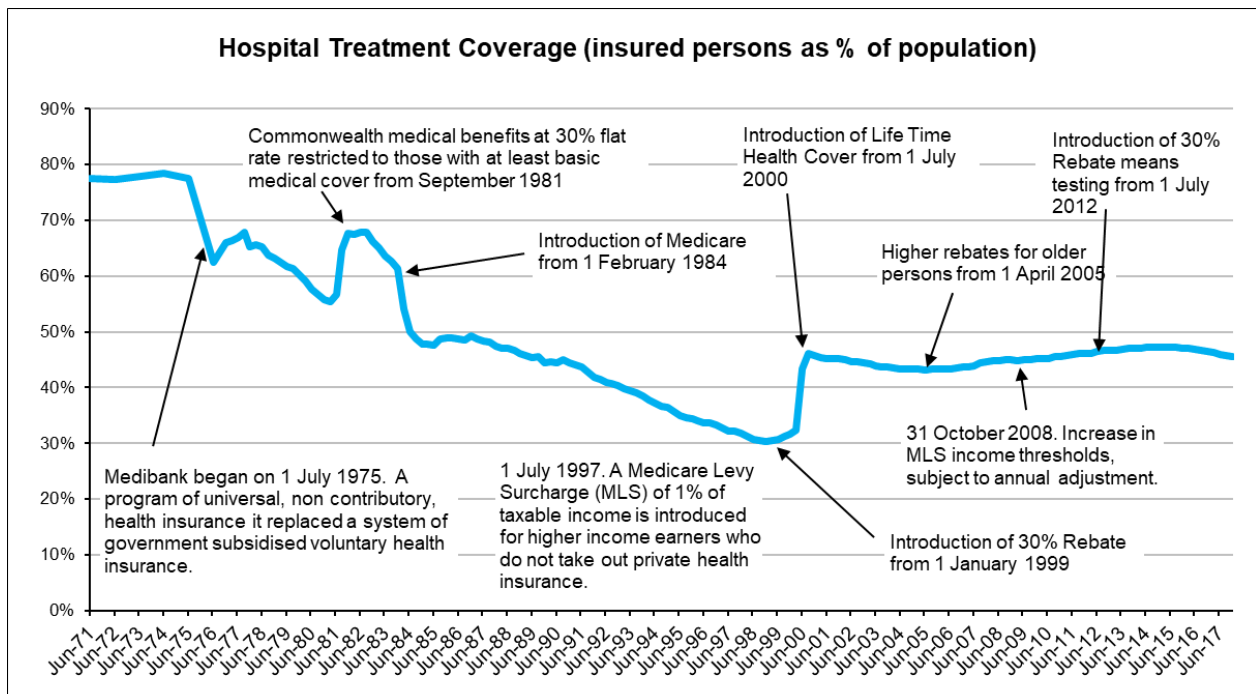
A previous Liberal Government developed a series of initiatives designed to not only increase membership of private health insurance, but also to secure long-term premium stability. These initiatives included the introduction of:

- (a) the 30% private health insurance rebate;
- (b) Lifetime health cover; and
- (c) Medicare levy surcharge for high-income earners without private health insurance.

Subsequently, private health insurance membership in Australia increased nearly 16 percentage points from a low of 30.3% in the December quarter 1998 to 46.6% of the Australian population for the December quarter 2016.

Despite some recent negative changes to private health insurance including means testing of the 30% rebate, health insurance participation rates for hospital cover have remained strong as demonstrated below:

Figure 19: Hospital treatment coverage in Australia³⁵



³⁴ APRA, 'Statistics – Private Health Insurance Membership and Coverage December 2017 (released 13 February 2018)', <http://www.apra.gov.au/PHI/Publications/Pages/Membership-and-Coverage.aspx>, visited 7.3.18

³⁵ APRA 2018. 'Private Health Insurance Statistical Trends', <http://www.apra.gov.au/PHI/Publications/Pages/Statistical-Trends.aspx>, visited 1.3.18

Potential negative changes and impact

Whilst there remains significant uncertainty over future government policy, there will continue to be budgetary pressure on health expenditure as the population ages. Notwithstanding, the demand for quality service and rapid access for acute care services is likely to remain strong for private and self-insured patients given the pressures on the public system.

Further negative changes to health insurance policy are unlikely to have significant impact for BPH activity levels for the following reasons:

- The introduction of the levy and means testing of the rebate has had no obvious impact on health insurance participation rates as per above. Lifetime health cover had the most significant uplift impact in 2000
- The most likely impact will be on people under 30 dropping out of health insurance. This cohort are minimal users of private hospital services
- Older people in previous health insurance coverage drops tended to stay in as highlighted below:

In the 1990's when private insurance participation rates dropped to historical low levels, the volume of private hospital services did not fall, with older people remaining covered and representing the aged groups with highest demand for hospital and cancer care services.

This is highlighted by the graph below (Figure 20) which shows that the private insurance initiatives under the Howard Liberal government had the impact of attracting a large increase in younger people.

Figure 20: Average age of total people with hospital treatment membership by state – Australia³⁶

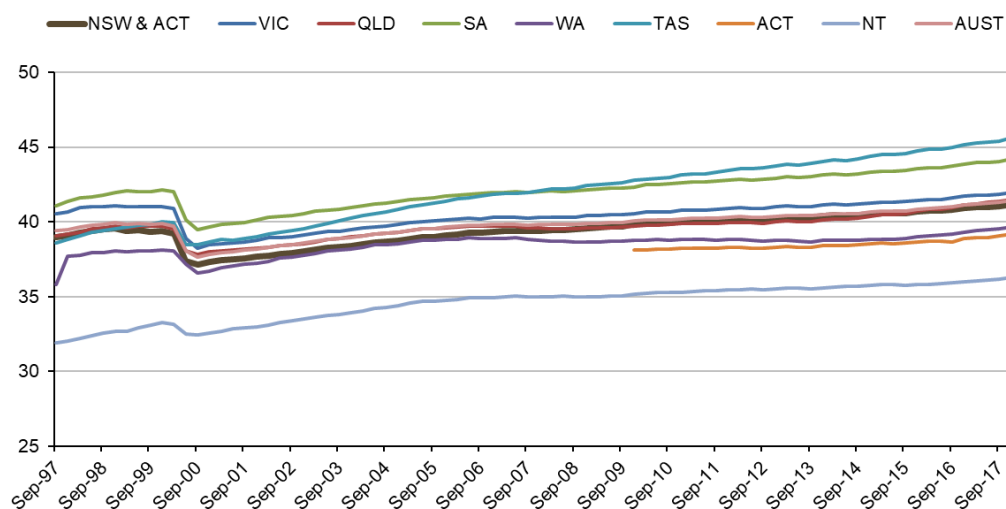
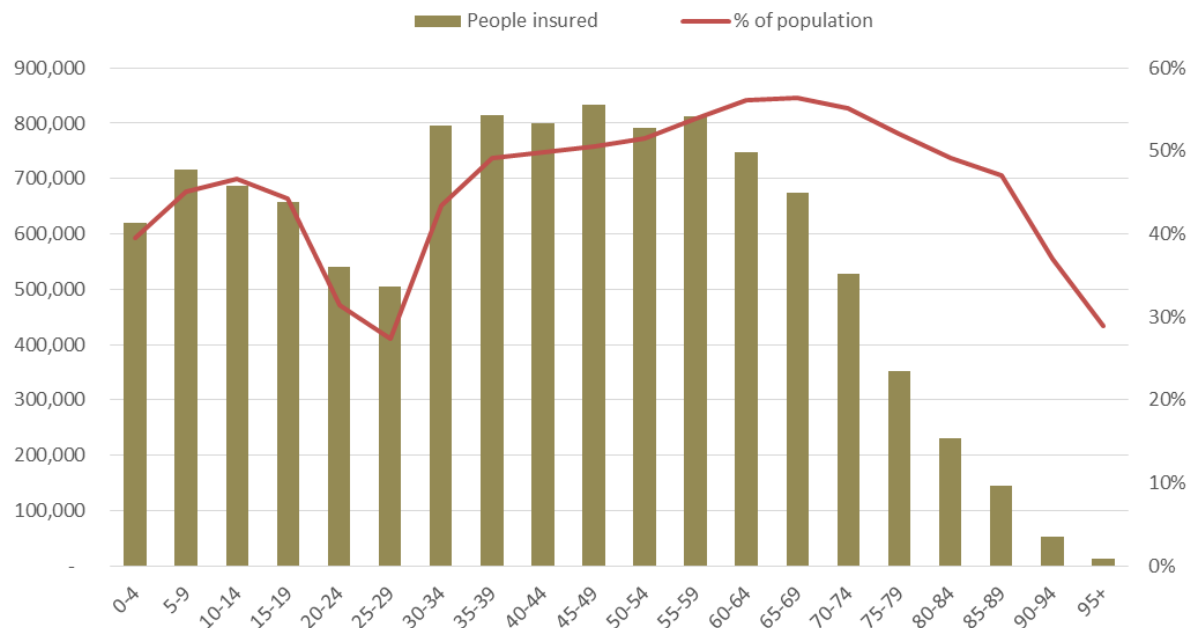


Figure 21 shows the number of insured persons by age cohort for Australia as at 30 June 2017. The highest number of insured persons is in the 45-49 age group. However, as expected the older age group of 65-69 has the highest percentage of the population coverage.

³⁶ APRA 2018. 'Private Health Insurance Statistical Trends', <http://www.apra.gov.au/PHI/Publications/Pages/Statistical-Trends.aspx>, visited 1.3.18

Figure 21: Hospital treatment insured persons by age cohort as at June 2017 – Australia^{37 38}



We would expect any negative drop in health insurance coverage will impact coverage by younger cohorts. This could have a significant impact on the financial performance of private health insurers who would then pressure private hospital service margins as occurred during the late 1990's.

Other macro industry issues with potential to pressure private hospital performance levels include:

- Private health insurance campaign focused on affordability & reform proposals which target private hospital costs with lower health insurance rebates. The proposed hospital will be able to continuously strive for lower lengths of stay to get greater throughput and cost efficiencies. This will require sound management
- Prosthesis pricing & rebates is currently subject to review
- MBS review and potential to impact certain surgical procedures with lower rebates
- Pressure from Department of Veterans' Affairs to reduce private hospital contracts to be more aligned to health insurers
- Increased reporting and quality requirements being pushed by PHI with penalties for avoidable readmissions etc.

³⁷ Ibid.

³⁸ ABS 2017. '31010DO002_201609 Australian Demographic Statistics, Jun 2017', <http://www.abs.gov.au/AUSSTATS/abs@.nsf/DetailsPage/3101.0Jun%202017?OpenDocument>, visited 1.3.18

Private health insurance reforms 2017

The Minister for Health, the Hon Greg Hunt MP, announced a series of reforms to private health insurance on 13 October 2017 to make private health insurance simpler and more affordable for Australians. The changes will be phased in gradually with key reforms impacting private hospitals summarised below:

Table 13: Private health insurance reforms announced on 13 October 2017

Key Reform	Timing	Implication for Private Hospitals
Simplification of PHI products to Gold, Silver Bronze & basic	April 2019	Enhanced transparency to reduce loss of PHI members.
Upgrade of website to make it easier to compare PHI products	Dec 2019	Enhanced Transparency making PHI more attractive
Reduce benefits for prostheses	From Feb 2018	Lower PHI premiums should stem loss of members. Minimal impact on private hospital margins
Insurers required to allow members to upgrade PHI to access mental health service immediately	From Feb 2018	Will initially boost demand for private mental health services
Allow insurers to discount premiums by up to 10% for 18 to 29 year-olds	March 2018	Make PHI more attractive for younger people who typically do not use private hospitals but will assist in keeping premiums lower if successful
Allow insurers to cover travel & accommodation costs for people in regional/rural areas	March 2018	Positive especially for more complex private hospitals collocated to major teaching hospitals with inflows from non-metro areas
Streamline 2 tier default to protect consumers	Jan 2019	Assist new private hospitals gain initial PHI pricing if not contracted
Permit higher excesses	March 2018	Positive for choice and could lower premium costs making PHI more attractive for younger cohorts
Greater transparency for medical/specialist gaps	Dec 2018	Positive for private hospital volumes if specialists reduce patient fees
Review models of care – rehabilitation and day only mental health	Dec 2018	May have negative impact on hospital services where community or day only care models show better/similar outcomes
Reform use of public hospital by private patients	Dec 2018	Positive – with NSW public hospitals likely to see volumes transferred to private sector. Colocated private likely to convert most

It remains early days with only some of the reforms being recently implemented and there is a range of industry views. Ramsay was largely positive in its Half Year Result announcement on 28 Feb 2018 emphasising:³⁹

“Government reforms announced in the period, which aim to improve affordability of private health insurance in Australia, will overall, impact positively on the industry”

³⁹ Ramsay Health Care 2018. ‘Results Briefing – Half Year ended 31 December 2017’, http://www.ramsayhealth.com/-/media/Documents/RHC/Investor/2018/Market_Briefings_28022018c.pdf, visited 12.3.18

More specifically Ramsay highlighted:

Current Operating Environment

- Reduction in PHI membership but increasing demand in key market demographic – the over 65s
- Private patients in public hospitals - unsustainable
- Recent focus on private healthcare and improving value and affordability will impact positively overall
- Stable reimbursement environment with majority of funding arrangements negotiated in FY17 with multiyear terms.

Operational Outlook

- Volume growth continues to be driven by an ageing population rise in chronic disease and a growing mental health burden
- Non-hospital earnings growth opportunities emerging.

4.2. Competitor Private Facilities

Table 14: Private facilities and competitor information

Private Hospital	Location	Owner	Beds	Specialties	Notes (e.g. expansion, specialties, strengths)
Hawkesbury District Health Service	Windsor	St John of God	125	Anaesthesia	Takeover in July 2015 by St John of God Healthcare (one of the largest not-for-profit providers in Australia). Not in catchment but will currently draw patients from catchment. St John of God are sophisticated operator and would strongly defend market share.
				Emergency	
				Gastrointestinal Endoscopy	
				Intensive Care Level 1	
				Maternity	
				Medical	
				Neonatal	
				Paediatric	
				Renal Dialysis	
				Surgical	
Hills Private Hospital	Baulkham Hills	Healthscope	111	Medical	Older style hospital changed to current services offering after opening of Norwest. Healthscope have strong market position and will protect its position in mental health and rehabilitation and continue to benefit from flow on from Norwest
				Mental Health	
				Rehabilitation	
Holroyd Private Hospital	Guildford	Macquarie	48	Anaesthesia	Older style hospital likely to be negatively impacted if BPH targets rehab work
				Cosmetic Surgery	
				Gastrointestinal Endoscopy	
				Medical	
				Paediatric	
				Rehabilitation	
				Surgical	
Hospital for Specialist Surgery	Baulkham Hills	48 specialists	78	Anaesthesia	Opened in 2015 with capacity to take on greater activity and expand. Expect the operator which is clinician owned to strongly encourage existing clinicians to not support BPH
				Cosmetic Surgery	
				Gastrointestinal Endoscopy	
				Medical	
				Paediatric	
				Rehabilitation	
				Surgical	
Minchinbury Community Private Hospital	Mount Druitt	Macquarie	59	Anaesthesia	Older style hospital likely to be negatively impacted if BPH targets rehab work
				Cosmetic Surgery	
				Gastrointestinal Endoscopy	
				Medical	
				Paediatric	
				Rehabilitation	
				Surgical	
	Kingswood	Healthscope	109	Anaesthesia	

Private Hospital	Location	Owner	Beds	Specialties	Notes (e.g. expansion, specialties, strengths)
Nepean Private Hospital				Cardiac Catheterisation	Healthscope recently acquired land to expand.
				Cosmetic Surgery	The facility is outside the catchment but will currently service patients from western side of primary catchment.
				Gastrointestinal Endoscopy	
				Intensive Care Level 1	Will have minimal impact on BPH
				Maternity	
				Medical	
				Neonatal	
				Paediatric	
				Surgical	
Northside West Clinic	Wentworth ville	Ramsay	73	Anaesthesia	Recent refurbishment including the re-launch of the drug & alcohol service with the addition of 5 single ensuite rooms. Ramsay sophisticated player who will strongly compete against BPH if mental health, drug & alcohol are targeted at BPH
				Medical	
				Mental Health	
Norwest Private Hospital	Bella Vista	Healthscope	277	Anaesthesia	Newish (2009) facility in good position in relation to high insurance population and major roads. Likely to be the most significant competitor to BPH and has potential for expansion.
				Cardiac Catheterisation	
				Cardiac Surgery	
				Chemotherapy	
				Cosmetic Surgery	Key attributes: <ul style="list-style-type: none">Emergency DepartmentIn 2016, increased from 216 beds to 277 beds, with a total of 19 theatres and 19 ICU beds43 bed maternity unit, of which 37 are private roomsPlanning for extension to allow for 15 additional consulting suites
				Gastrointestinal Endoscopy	
				Intensive Care Level 2	
				Maternity	
				Medical	
				Neonatal	
				Paediatric	
				Renal Dialysis	
				Surgical	
St John of God Richmond Hospital	North Richmond	St John of God	88	Anaesthesia	Facility is largely focused on private mental health. SJOG are sophisticated player who will protect its clinical base to avoid any seepage to BPH if mental health is part of BPH's casemix
				Medical	
				Mental Health	
The Hills Clinic	Kellyville	Healthe	59	Medical	Acquired by Healthe in May 2017
				Mental Health	Will be strong competitor if BPH targets mental health.
Westmead Private Hospital	Westmead	Ramsay	159	Anaesthesia	Ramsay is strong operator with sophisticated approach to protecting its relationships with clinicians and will strongly protect its market share. The facility is also ideally positioned adjacent to Westmead Hospital.
				Cardiac Catheterisation	
				Cardiac Surgery	
				Chemotherapy	
				Cosmetic Surgery	The hospital has expansion plans with Stage 2 ready by mid-2019: <ul style="list-style-type: none">31 additional maternity rooms, including 8 spacious parenting suites
				Gastrointestinal Endoscopy	

Private Hospital	Location	Owner	Beds	Specialties	Notes (e.g. expansion, specialties, strengths)
				Intensive Care Level 2	<ul style="list-style-type: none"> 14 cot special care nursery 11 new surgical rooms.
				Interventional Neuroradiology	
				Maternity	
				Medical	
				Neonatal	
				Paediatric	
				Renal Dialysis	
				Surgical	
Westmead Rehabilitation Hospital	Merrylands	Healthe	65	Medical Rehabilitation	Opened in 2005 and at full capacity. Unlikely to impact any BPH initiative
City West Specialist Day Hospital	Westmead	City West Day Surgery	N/A	Anaesthesia Cosmetic Surgery Gastrointestinal Endoscopy Paediatric Surgical	3 operating theatres with urology, ophthalmology, endoscopy and gynaecology Unlikely to have significant impact on BPH
Francis Street Ophthalmic Day Procedure Centre	Richmond	Luke Hazell	N/A	Anaesthesia Surgical	Small eye clinic Unlikely to have significant impact on BPH
Genea Bella Vista	Bella Vista	Genea	N/A	Anaesthesia Surgical	Fertility clinic Unlikely to have significant impact on BPH
Marsden Eye Surgery Centre	Parramatta	Various Doctors	N/A	Anaesthesia Surgical	Eye clinic with 19 Ophthalmologists Will not impact on proposed BPH casemix.
Metwest Surgical	Blacktown	Hereward	N/A	Anaesthesia Surgical	Eye clinic with 11 Ophthalmologists Will not impact on proposed BPH casemix.
Norwest Day Hospital	Bella Vista	AAC Norwest Day Surgery	N/A	Anaesthesia Cosmetic Surgery Paediatric Surgical	Includes Norwest Eye Clinic with 5 Ophthalmologists Will not impact on proposed BPH casemix.
Parramatta Eye Centre	Parramatta	Parramatta Eye Centre	N/A	Anaesthesia Surgical	Established in 2014 with 10 Ophthalmologists
Skin and Cancer Foundation (Westmead) Day Procedure Centre	Westmead	Skin & Cancer Foundation Australia	N/A	Anaesthesia Cosmetic Surgery Surgical	
Western Sydney Private Oncology & Infusion Centre	Westmead	Ramsay	N/A	Chemotherapy	Will not be significant competition for BHP given growth for this service.
Westmead Centre	Westmead	Marie Stopes Int	N/A	Women's health	Will have minimal impact from BPH.

4.3. Detailed Scenario Assumptions

Table 15: Specialities targeted in each scenario

Scenarios	Scenario 1	Scenario 2	Scenario 3	Scenario 4
	Surgical /Medical	Surgical /Medical + Psych	Surgical /Medical + Psych + Rehab	Surgical /Medical + Rehab
Specialty	Included in Scenario Y/N	Included in Scenario Y/N	Included in Scenario Y/N	Included in Scenario Y/N
Breast Surgery	Y	Y	Y	Y
Cardiology	Y	Y	Y	Y
Cardiothoracic Surgery	N	N	N	N
Chemotherapy	Y	Y	Y	Y
Colorectal Surgery	Y	Y	Y	Y
Dentistry	Y	Y	Y	Y
Dermatology	Y	Y	Y	Y
Diagnostic GI Endoscopy	Y	Y	Y	Y
Drug & Alcohol	N	Y	Y	N
Ear, Nose & Throat	Y	Y	Y	Y
Endocrinology	Y	Y	Y	Y
Gastroenterology	Y	Y	Y	Y
Gynaecology	Y	Y	Y	Y
Haematology	Y	Y	Y	Y
Head & Neck Surgery	Y	Y	Y	Y
Immunology & Infections	N	N	N	N
Interventional Cardiology	N	N	N	N
Medical Oncology	Y	Y	Y	Y
Neurology	Y	Y	Y	Y
Neurosurgery	N	N	N	N
Non Subspecialty Medicine	Y	Y	Y	Y
Non Subspecialty Surgery	Y	Y	Y	Y
Non-acute (Rehab, PAL, GER)	N	N	Y	Y
Obstetrics	Y	Y	Y	Y
Ophthalmology	Y	Y	Y	Y
Orthopaedics	Y	Y	Y	Y
Plastic & Reconstructive Surgery	Y	Y	Y	Y
Psychiatry - Acute	N	Y	Y	N
Renal Dialysis	Y	Y	Y	Y
Renal Medicine	Y	Y	Y	Y
Respiratory Medicine	Y	Y	Y	Y
Rheumatology	Y	Y	Y	Y
Upper GIT Surgery	Y	Y	Y	Y
Urology	Y	Y	Y	Y
Vascular Surgery	Y	Y	Y	Y

4.4. Scenarios 1, 2 & 4

Table 16: Scenario 1 (Surgical/Medical) projected activity and market shares

Scenario 1	Same Day			Overnight		
Surgical/Medical	Market Share - Projected Admissions - incl. INFLOWS			Market Share - Projected Admissions - incl. INFLOWS		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	3,392	6,175	9,282	1,065	1,914	2,837
Medical	604	1,302	2,098	425	881	1,412
Obstetrics	72	89	107	591	626	655
Chemotherapy	288	745	1,280	0	0	0
Renal Dialysis	1,508	1,842	2,223	2	2	4
Drug & Alcohol	0	0	0	0	0	0
Rehab	0	0	0	0	0	0
Psychiatry - Acute	0	0	0	0	0	0
Grand Total	5,863	10,155	14,989	2,082	3,423	4,908

% Projected Total Market	Same Day			Overnight		
	% Projected Admissions			% Projected Admissions		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	8%	13%	18%	6%	10%	13%
Medical	7%	13%	18%	7%	12%	16%
Obstetrics	22%	22%	22%	22%	22%	22%
Chemotherapy	5%	12%	18%	0%	0%	0%
Renal Dialysis	22%	22%	22%	22%	22%	22%
Drug & Alcohol	0%	0%	0%	0%	0%	0%
Rehab	0%	0%	0%	0%	0%	0%
Psychiatry - Acute	0%	0%	0%	0%	0%	0%
Grand Total	7%	10%	13%	7%	10%	12%

Table 17: Scenario 2 (Surgical/Medical + Psychiatry) projected activity and market shares

Scenario 2	Same Day			Overnight		
Surgical/Medical + Psych	Market Share - Projected Admissions - incl. INFLOWS			Market Share - Projected Admissions - incl. INFLOWS		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	3,392	6,175	9,282	1,065	1,914	2,837
Medical	604	1,302	2,098	425	881	1,412
Obstetrics	72	89	107	591	626	655
Chemotherapy	288	745	1,280	0	0	0
Renal Dialysis	1,508	1,842	2,223	2	2	4
Drug & Alcohol	122	251	400	34	75	120
Rehab	0	0	0	0	0	0
Psychiatry - Acute	380	824	1,339	86	175	276
Grand Total	6,365	11,230	16,728	2,203	3,673	5,303

% Projected Total Market	Same Day			Overnight		
	% Projected Admissions			% Projected Admissions		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	8%	13%	18%	6%	10%	13%
Medical	7%	13%	18%	7%	12%	16%
Obstetrics	22%	22%	22%	22%	22%	22%
Chemotherapy	5%	12%	18%	0%	0%	0%
Renal Dialysis	22%	22%	22%	22%	22%	22%
Drug & Alcohol	8%	14%	19%	9%	15%	20%
Rehab	0%	0%	0%	0%	0%	0%
Psychiatry - Acute	9%	16%	21%	8%	13%	18%
Grand Total	8%	11%	14%	7%	10%	13%

Table 18: Scenario 4 (Surgical/Medical + Rehabilitation) projected activity and market shares

Scenario 4	Same Day			Overnight		
Surgical/Medical + Rehab	Market Share - Projected Admissions - incl. INFLOWS			Market Share - Projected Admissions - incl. INFLOWS		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	3,392	6,175	9,282	1,065	1,914	2,837
Medical	604	1,302	2,098	425	881	1,412
Obstetrics	72	89	107	591	626	655
Chemotherapy	288	745	1,280	0	0	0
Renal Dialysis	1,508	1,842	2,223	2	2	4
Drug & Alcohol	0	0	0	0	0	0
Rehab	1,503	3,809	6,598	230	535	886
Psychiatry - Acute	0	0	0	0	0	0
Grand Total	7,366	13,963	21,588	2,313	3,959	5,794

% Projected Total Market	Same Day			Overnight		
	% Projected Admissions			% Projected Admissions		
Specialty Group	FY22	FY27	FY32	FY22	FY27	FY32
Surgical	8%	13%	18%	6%	10%	13%
Medical	7%	13%	18%	7%	12%	16%
Obstetrics	22%	22%	22%	22%	22%	22%
Chemotherapy	5%	12%	18%	0%	0%	0%
Renal Dialysis	22%	22%	22%	22%	22%	22%
Drug & Alcohol	0%	0%	0%	0%	0%	0%
Rehab	9%	19%	26%	8%	15%	20%
Psychiatry - Acute	0%	0%	0%	0%	0%	0%
Grand Total	9%	14%	19%	7%	11%	14%

4.5. Detailed Casemix – Scenario 3

Specialty	Same Day Projected Admissions			Overnight Projected Admissions			Overnight Projected Beds		
	FY22	FY27	FY32	FY22	FY27	FY32	FY22	FY27	FY32
Breast Surgery	30	78	133	29	65	107	0.3	0.7	1.0
Cardiology	32	70	115	35	65	99	0.5	0.9	1.5
Chemotherapy	288	745	1,280	0	0	0	0.0	0.0	0.0
Colorectal Surgery	29	26	21	18	29	39	0.3	0.5	0.6
Dentistry	60	99	131	3	6	10	0.0	0.1	0.1
Dermatology	3	6	10	2	5	7	0.0	0.0	0.1
Diagnostic GI Endoscopy	870	1,885	3,030	32	66	105	0.2	0.5	0.8
Drug & Alcohol	122	251	400	34	75	120	2.4	5.3	8.7
Ear, Nose & Throat	124	257	397	77	142	207	0.3	0.6	0.9
Endocrinology	18	31	45	10	19	29	0.1	0.2	0.2
Gastroenterology	33	79	131	43	90	143	0.4	0.9	1.4
Gynaecology	886	947	1,010	254	266	276	2.0	2.0	1.9
Haematology	93	200	325	8	14	20	0.0	0.1	0.1
Head & Neck Surgery	9	17	27	19	39	62	0.2	0.3	0.4
Medical Oncology	9	25	41	12	23	37	0.2	0.4	0.7
Neurology	28	62	100	54	114	186	0.7	1.5	2.4
Non Subspecialty Medicine	323	695	1,117	62	131	210	0.9	2.0	3.3
Non Subspecialty Surgery	50	97	147	117	232	356	1.2	2.3	3.5
Non-acute (Rehab, PAL, GER)	1,503	3,809	6,598	230	535	886	12.8	28.5	47.6
Obstetrics	72	89	107	591	626	655	8.6	8.6	8.5
Ophthalmology	785	1,648	2,626	12	22	32	0.1	0.1	0.2
Orthopaedics	169	331	505	255	518	800	3.2	6.3	9.3
Plastic & Reconstructive Surgery	211	447	722	39	82	133	0.7	1.4	2.3
Psychiatry - Acute	380	824	1,339	86	175	276	6.8	14.2	22.7
Renal Dialysis	1,508	1,842	2,223	2	2	4	0.0	0.0	0.0
Renal Medicine	50	102	163	13	27	43	0.2	0.3	0.5
Respiratory Medicine	15	32	51	180	378	612	1.0	2.5	4.5
Rheumatology	0	0	0	7	16	26	0.1	0.2	0.3
Upper GIT Surgery	6	14	22	89	201	329	0.6	1.4	2.2
Urology	143	287	444	101	210	333	0.6	1.2	1.9
Vascular Surgery	18	41	68	19	34	48	0.1	0.2	0.3
Grand Total	7,868	15,039	23,326	2,433	4,208	6,190	44.7	83.3	128.0

4.6. Infrastructure Assumptions

Overnight activity:

- Occupancy rate 80%
- 365 operating days per year

Same Day activity:

- Occupancy rate 80%
- 240 operating days per year (5 days/week for 48 weeks)
- 12 operating hours/day
- 2.6 day separations per day

Theatres:

- Occupancy rate 80%
- 240 operating days per year (5 days/week for 48 weeks)
- 11 operating hours/day
- C-sections account for 37% of obstetric separations⁴⁰

Delivery rooms: 300 births per suite/year⁴¹

Renal & Chemo chairs:

- 2 patients per day per chair
- 240 operating days per year (5 days/week for 48 weeks).

⁴⁰ NSW Government Health. 'Mothers and Babies Report 2016', <http://www.health.nsw.gov.au/hsnsw/Pages/mothers-and-babies-2016.aspx>, visited 8.3.18

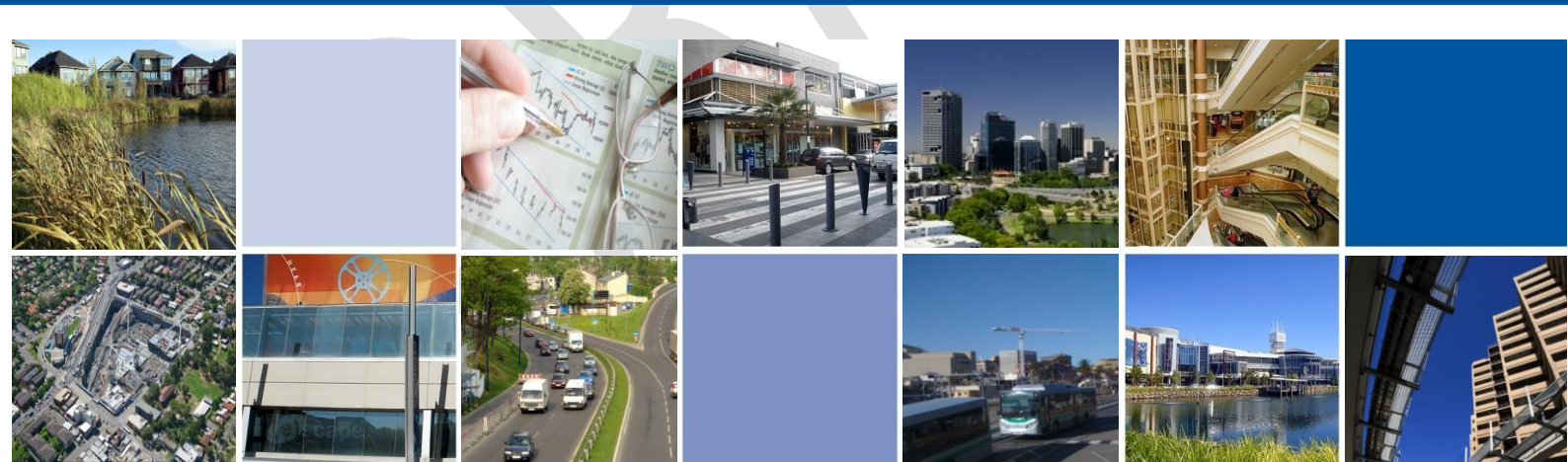
⁴¹ NSW Government Health. 'Mothers and Babies 2014', <http://www.health.nsw.gov.au/hsnsw/Pages/mothers-and-babies-2014.aspx>, visited 8.3.18

Blacktown Health Precinct

Potential Market Assessment

April 2019

DRAFT



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Table of contents

Executive Summary	6
1. Introduction	10
2. Demographic Profile	11
2.1 Age Profile	11
2.2 Socio-demographic profile	13
3. Strategic Context	16
3.1 Successful and innovative health precincts	17
3.2 Provision of health services and employment	19
3.3 Ageing population	21
3.4 Private Health Insurance Coverage	22
3.5 Health Illness trends	23
4. Health Services	25
4.1 Demand for GPs and Allied Health	26
4.2 Existing Supply of GPs and Allied Health	27
4.2.1 Medical/health related employment	28
4.2.2 Existing Supply of Medical/health related services (excluding public hospital)	28
4.3 Specialist Medical Services	28
4.4 Key Findings	29
4.5 Development Potential for Health Services	31
5. Seniors Housing	32
5.1 Existing Supply – Independent Retirement Living (ILU)	32
5.2 Existing Supply – Residential Aged Care Facility (RACF)	33
5.3 Proposed Retirement Villages and RACFs	33
5.4 Gap Assessment for ILUs	35
5.4.1 Penetration Rates for ILUs	35
5.4.2 Demand for ILUs	36
5.4.3 Gap Assessment	37
5.5 Gap Assessment for RACFs	38
5.6 Sensitivity Analysis	39
5.6.1 Sensitivity Analysis (ILU Gap Assessment)	40
5.6.2 Sensitivity Analysis (RACF Gap Assessment)	41
5.7 Development Potential for Seniors Housing	41
6. Nursing Facilities.....	43

6.1	Professional standards	43
6.2	Practising Nurses	43
6.3	Nursing Students	44
6.4	Overall Supply - Tertiary Qualified Nurses	47
6.5	Demand for Nursing Facilities	47
6.6	Nursing Teaching Institutions	49
7.	Health Staff Accommodation	51
7.1	Health Industry Trends	51
7.2	Staff Accommodation Complex (Westmead)	51
7.3	Short-Term Accommodation	52
7.4	Development Potential for Health Staff Accommodation	53
7.5	Development Potential for Short Term Accommodation	53
8.	Commercial & Retail Opportunities within the Proposed Health Precinct	54
8.3	Blacktown Area Office Opportunity	55
8.4	Blacktown Area Retail Potential	56
8.5	Commercial & Retail Opportunities within the Proposed Health Precinct	57
9.	Purpose Built Student Accommodation (PBSA)	58
9.1	Metropolitan Market Context	58
9.2	Western Sydney University: PBSA Provisions	58
9.3	Development Potential for PBSA at Blacktown	59
10.	Childcare	60
10.1	Existing & Proposed Childcare Centres	60
10.2	Gap Assessment	61
10.3	Development Potential for PBSA at Blacktown	62
11.	Conclusion.....	63

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Executive Summary

MacroPlan has been engaged by Hames Sharley and Blacktown City Council to undertake an economic assessment of the existing and future market conditions for specific land and floorspace uses at the proposed Blacktown Health Precinct. The context of this report is having regard for recent population and employment growth trends and ageing, and existing land uses, and the proposed renewal/redevelopment project in the Blacktown CBD. This assessment considers the existing provision of health services at nearby towns and will identify where business synergies are possible.

Our report outputs will support the project team to understand the potential floorspace demand for health/medical services and other specific land uses at the potential Blacktown Health Precinct, and will assist Council to establish the Concept Plan for a Strategic Healthcare Precinct.

The function and form of health precincts around the world is changing including the measurement for success. The size and co-location of medical uses within these precincts is not on its own an indicator of a successful health precinct. The largest hospital knowledge precinct in the world, the Texas Medical Centre, which has over fifty-plus organisations, is not achieving meaningful collaboration, which is fundamental to creating innovative precincts¹.

The most successful health precincts are internationally competitive and are often described as 'innovation districts'. These districts are transit-accessible precincts that include health assets surrounded by a network of medical institutions, a mix of complementary industry tenants, housing, ancillary facilities and services².

The changing nature and mix of uses within health precincts are also changing the built form of health precincts. Buildings in innovative health precincts are getting larger and taller as the pursuit for collaboration commands that more departments, organisations and uses be located within the same building to facilitate the opportunity to congregate, exchange ideas, meet, talk and eat. This includes providing spaces for healthcare professionals to walk, talk, think and work³.

Flexibility is therefore key in planning for these types of precincts, given the broad mix of uses that often make them successful. Each health precinct is unique in some manner, however there are a range of principles which define successful health precincts nationally and internationally and they include:

- Brand recognition / pulling power through embracing size and scale;
- High concentrations of specialisation / expertise;
- Industry connections and connectivity including active engagement of business and industry and presences of incidental locations to stop and have casual interactions;
- Health, educational and research uses including partnerships;
- Porous / permeable boundaries which promote a clear focus on market and outcome domains over institutional domains;

¹ Michaela Sheahan, Architecture Australia – May 2015 (Issue 3), *The importance of public spaces and pedestrians in hospital precincts*

² Greater Sydney Commission (March 2018), *Greater Sydney Region Plan*, p115

³ Michaela Sheahan, Architecture Australia – May 2015 (Issue 3), *The importance of public spaces and pedestrians in hospital precincts*.

- Housing diversity including designs for different types of people and their varying lifestyles;
- Urban fabric including density and diversity of building types and activated street frontages including ground floor retail;
- Mix of uses which provide services and lifestyle amenities that provide relief from work pressures and opportunities to engage and interact with the community;
- “3D” approach to use of land and space – more than one use per space but rather vertical spaces and focus on integration / collaboration; and
- Shared and creative “play spaces” / “innovation spaces”.

With a number of health and innovation precincts being established in Greater Sydney, the Blacktown Health Precinct will need a competitive advantage in the form of:

- A broadly-based strategy that integrates a mix of uses
- Globally recognised tenants
- A deep ‘industry structure’ facilitating the growth of subject matter experts
- Anchor infrastructure
- Points of difference

Health precincts evolve over time however they must diversify in their use to become ‘innovative’ and hence deliver improved economic outcomes.

We have summarised our findings and recommended land use options (with its sequencing) in the table below, to explore the range of potential tenants / operators in the health precinct in the future.

Our analysis and assessment are discussed in greater detail in later sections of this report.

Summary of demand assessment for specific land uses

Land Use	Identified demand (2021-2036)	Justification for the provision of supply	Timing/Sequencing*
1. Private Hospital	<ul style="list-style-type: none"> 50-100 beds (based on O'Connell report) 5,000 to 10,000 m² GFA Potential for another 50-100 beds additional demand 5,000 to 10,000 m² GFA 	<ul style="list-style-type: none"> Ageing population Private health insurance coverage has increased over the past five years in Australia Private hospitals have gained market share in the General Hospitals industry, with private health insurance growth exceeding increases in public hospital funding. 	<ul style="list-style-type: none"> 'Anchor use'
2. GPs & Allied Health	<ul style="list-style-type: none"> A multi-faceted development concept of 9,000 to 10,000 m² GFA <ul style="list-style-type: none"> Medical – 2,000 to 3,000 m² GFA 7,000 m² GFA for allied health practitioners, supporting uses (i.e. gym, wellness centre, alternative health, etc.) 	<ul style="list-style-type: none"> Rapidly increasing population Ageing population Need space for a major/branded operator Need spaces for specialist Specific allied health services (dedicated physio studio, chiropractors, pathology etc.) more awareness of these type of health uses 	<ul style="list-style-type: none"> 'Anchor use' or 'Follow up'
3. Retail	<ul style="list-style-type: none"> 2,000-2,500 m² GFA <ul style="list-style-type: none"> Including a small supermarket of between 1,000 and 1,500 m² 	<ul style="list-style-type: none"> Rapidly increasing population Creating local employment opportunity Very limited contribution from the surrounding residential main trade area population The proposed Warrick Lane Development in an area just beyond (north-west) of the Precinct will include a yet to be determined amount of retail GFA/GLA Convenience, service and food retail focus to serve immediate worker population in particular. Complement well with medical and other health related uses at subject land. Stage 2 hospital will include additional retail. 	<ul style="list-style-type: none"> 'Follow up'
4. Commercial	<ul style="list-style-type: none"> 4,000-5,000 m² GFA 	<ul style="list-style-type: none"> The potential health precinct can attract interest from health providers (e.g. medical/consulting suites), education, R&D, and a range of SMEs seeking to purchase strata office. Attract doctors and experienced health professionals Complement well with medical and other health related uses at subject land Need spaces for medical specialists – mostly obsolete office stock available in the immediate locality 	<ul style="list-style-type: none"> 'Early activator' or 'Anchor use'

5. Student Accommodation	<ul style="list-style-type: none"> • 5,500 - 6,500 m² GFA <ul style="list-style-type: none"> o internal communal floorspace of about 1,500-1,800 m² 	<ul style="list-style-type: none"> • At present, there is no student accommodation supply provided within Blacktown. • Potentially 1,000 students in 2021 and 5,000 student in 2026 (i.e. new University campus at Blacktown CBD) • Western Sydney University, there is a current composition of foreign student-to-PBSA beds of 27%. 	<ul style="list-style-type: none"> • 'Early activator' or 'Anchor use'
6. Seniors housing	<ul style="list-style-type: none"> • Blacktown Health Precinct <ul style="list-style-type: none"> o 2-4 large-scale villages o 18,000 to 36,000 m² GFA o 2-3 large-scale RACFs o 8,000 to 12,000 m² GFA 	<ul style="list-style-type: none"> • Ageing population • Lack of retirement options in the immediate locality • Complement well with the existing RACF, new private hospital, upgraded public hospital, and new Blacktown health precinct • Local employment/tertiary education opportunity (for new campus & TAFEs) • Development potential within Blacktown LGA (i.e. next 5 years): <ul style="list-style-type: none"> o 400-800 ILUs o 300-500 aged care places 	<ul style="list-style-type: none"> • 'Early activator'
7. Healthcare staff accommodation	<ul style="list-style-type: none"> • 8,000 - 12,000 m² GFA <ul style="list-style-type: none"> o 80 m² GFA for average/typical unit size (i.e. per unit) 	<ul style="list-style-type: none"> • Attract doctors and experienced health professionals • Creating local employment opportunity • Complement well with medical and other health related uses at subject land • Could be a positive influence on the local community 	<ul style="list-style-type: none"> • 'Early activator'
8. Nursing Teaching Institution	<ul style="list-style-type: none"> • 2,000 - 3,000 m² GFA 	<ul style="list-style-type: none"> • Increasing demand for nursing courses nationally and in NSW. • Complement well with the existing TAFE, Blacktown public hospital, new private hospital, and other health related land uses at the health precinct • Could be a positive influence on the local community 	<ul style="list-style-type: none"> • 'Early activator' or 'Anchor use'
9. Short Term Accommodation	<ul style="list-style-type: none"> • 150-200 rooms 6,500 - 8,500 m² GFA 	<ul style="list-style-type: none"> • Solid demand with increasing numbers of holiday visitors and business travellers • Serviced apartment could attract both holiday visitors and business travellers, particularly those who are budget-constrained 	<ul style="list-style-type: none"> • 'Anchor use' or 'Follow up'
10. Childcare Centre	<ul style="list-style-type: none"> • 2,500 and 3,500 m² GFA <ul style="list-style-type: none"> o 2 large-scale centres (100-150 places each) o 2-4 small to moderate scale centres (50-100 places each) 	<ul style="list-style-type: none"> • Rapidly increasing population • Creating local employment opportunity • Could be a positive influence on the local community 	<ul style="list-style-type: none"> • 'Early activator'

Source: MacroPlan (2019)

* Sequencing order: 'Early activator' < 'Anchor use' < 'Follow up'. This is not an actual development staging, but an early planning/concept based on the same principle as staging.

1. Introduction

Health precincts evolve over time however they must diversify in their use to become 'innovative' and hence deliver improved economic outcomes. With a number of health and innovation precincts being established in Greater Sydney, the Blacktown Health Precinct will need a competitive advantage to stimulate its growth. Blacktown Hospital is developing specialisations in certain health areas (e.g. obesity and general wellbeing) and this is likely to continue in the future. This provides opportunities to attract and have high concentrations of health expertise relating to these health conditions.

However, having high concentrations of medical uses will not on its own deliver a successful and innovative health precinct. Flexibility is key in planning for these precincts, given the broad mix of uses that often make them successful. A market assessment has been undertaken of the below uses to determine the potential future demand (by 2036) for these uses within the Blacktown Health Precinct based on a broader view of the surrounding locality (SA3) and / or LGA. A review of the current and forecast demographic profile of Blacktown has also be undertaken given it will influence the demand for health services and other infrastructure.

This report has considered the future demand for the following uses:

- Health services (Section 4)
- Seniors housing (Section 5)
- Nursing teaching institutes & facilities (Section 6)
- Accommodation for healthcare staff (Section 7)
- Commercial & Retail Opportunities within the Proposed Health Precinct (Section 8)
- Student accommodation associated with a future university campus in Blacktown (Section 9)
- Childcare Facilities (Section 10).

2. Demographic Profile

This section of the report outlines the projected population levels for the Blacktown LGA. Population trends and forecasts for Blacktown have been based on the population projections prepared by the New South Wales Department of Planning and Environment, released in 2016.

2.1 Age Profile

Forecast population by age cohorts is shown below in Table 1. The Blacktown population at the time of year 2016 was estimated at 349,100. Looking forward, official projections have Blacktown growing at an average annual rate of 2.0% over the 20 years to 2036. This would see the LGA population increase by 172,300 to 521,400 by 2036.

Table 1: Blacktown LGA Population Projections, 2016 - 2036

	2016	2021	2026	2031	2036	CAGR (%)
0-19	104,050	114,750	127,850	139,250	149,950	1.8%
20-34	78,650	82,400	88,500	94,450	103,800	1.4%
35-54	95,400	106,000	118,900	128,850	138,150	1.9%
55-64	34,250	38,200	42,100	46,600	52,250	2.1%
65+	36,750	45,850	56,200	66,650	77,250	3.8%
Total	349,100	387,200	433,550	475,800	521,400	2.0%

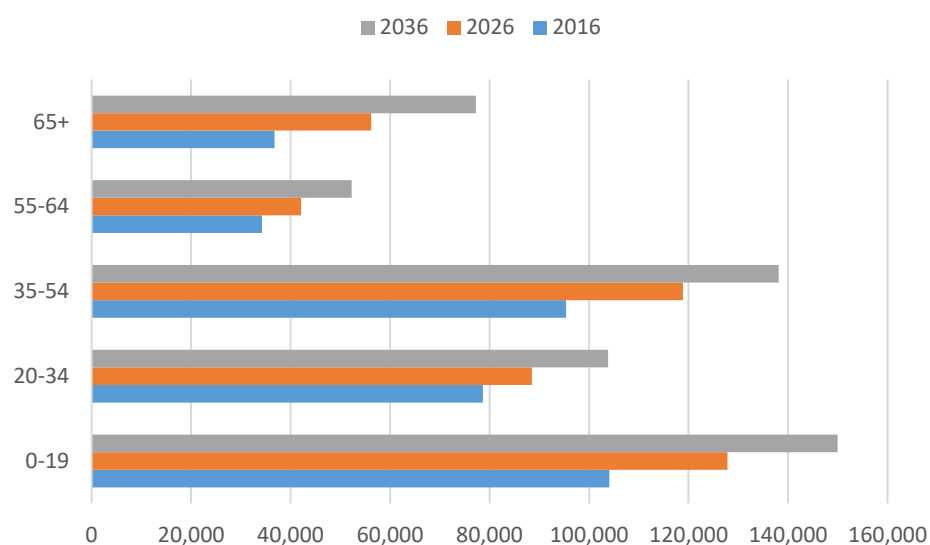
Source: DP&E Population Projections (2016), MacroPlan (2019)

At 2016, the dominant cohorts in the study area are 0-19s and 20-34s, accounting for 30% and 23% of the total resident population. This reflects the nature of the region and is expected to maintain its young age profile.

While the age of residents remains skewed towards a young adult population, significant increases are expected for the elderly population (i.e. those aged 65 years and over) over the next 20 years. This reflects the need for the future redevelopment of the site to accommodate the growing and ageing population of Blacktown and North West Growth Area generally.

Notably, the 65 year+ population for the Blacktown LGA is projected to grow at a significant growth rate between 2016 and 2036, equating to average growth rate of 3.8% per annum. This rate of growth is far greater than that were observed in the New South Wales (2.6%) and Greater Sydney (2.9%).

Figure 1: Projected Population Growth by Age Cohorts, Blacktown LGA

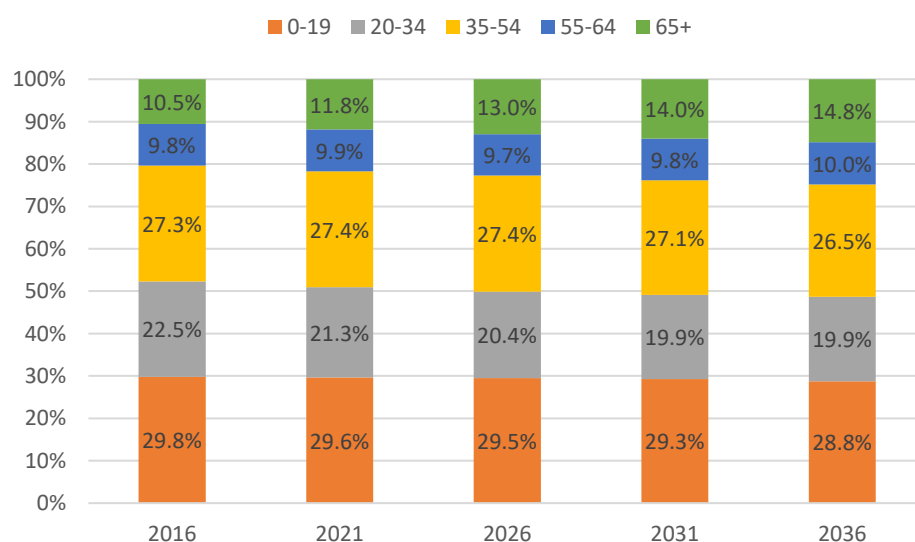


Source: DP&E Population Projections (2016), MacroPlan (2019)

Our population projection analysis has revealed the following key drivers and trends:

- Total population is increasing – so there will be more babies, kids, teenagers, elderly etc.
- Ageing population – Increasing share in health services-reliant age cohorts (i.e. 65+). Senior residents will visit medical/allied health once every 1-2 weeks.
- Nationally, around 50% of Medicare service visitations are by persons aged 55 and above and 35% by those 65 years and above. Yet these populations represent around 28% and 16% of the Australian population.

Figure 2: Projected Population Proportion by Age cohorts, Blacktown LGA



Source: DP&E Population Projections (2016), MacroPlan (2019)

2.2 Socio-demographic profile

In Tables 2 to 4 below, we set out the key socio-demographic Census data for selected statistical areas and Greater Sydney for 2016, and compared with New South Wales and Australia. In reference to the 2016 profile, the key points to note include the following:

- The Blacktown region (SA3 and LGA) population has a younger age profile compared with 'Greater Sydney', with a higher than average proportion for residents aged 0 – 14 years of age, and a lower proportion age 65 years or older.
- The median personal income and household income levels in the Blacktown SA3 are on lower by 9-10% respectively than for the 'Greater Sydney'.
- The Blacktown LGA has income levels is on par with the Sydney Metropolitan average, reflective of North West Growth area.
- The proportion of the younger population is higher in the Blacktown LGA than 'Greater Sydney' and 'NSW' Benchmarks. This characteristic is also prevalent across the Blacktown SA3 region.
- The proportion of children is also higher in the Blacktown SA3 region versus Greater Sydney, but its age profile is more in line with the 'Greater Sydney' average.
- Home ownership levels within the Blacktown SA3 are on par with the respective 'Greater Sydney' average.
- When comparing the proportion of homes within the Blacktown LGA that are privately owned (64%) to the Sydney Metropolitan average (62%), indicating a higher proportion of home ownership.
- The Blacktown SA3 region has a higher than average proportion of lone person households, at 1.3% higher than the Blacktown LGA.
- Within the catchment there is also a significantly higher proportion of overseas born residents (43%) when compared to the Sydney Metropolitan average (37%).

Table 2: Socio-demographic profile 2016 – Population and Households

Census item	Blacktown SA3	Blacktown LGA	Greater Sydney	New South Wales	AUSTRALIA
Population	134,753	336,962	4,823,991	7,480,228	23,401,892
• Children 0-14	20.4%	22.8%	18.7%	18.5%	18.7%
• Working age 15-64	67.2%	66.9%	67.4%	65.2%	65.6%
• Seniors 65 and over	12.4%	10.3%	13.9%	16.3%	15.7%
• Indigenous population	2.1%	2.8%	1.5%	2.9%	2.8%
• Non-Indigenous population	97.9%	97.2%	98.5%	97.1%	97.2%
Population	134,753	336,962	4,823,991	7,480,228	23,401,892
• 0-14 years	20.4%	22.8%	18.7%	18.5%	18.7%
• 15-24 years	13.0%	13.7%	13.0%	12.5%	12.8%
• 25-54 years	43.2%	43.2%	43.5%	40.8%	41.1%
• 55-74 years	18.3%	16.4%	18.6%	20.9%	20.6%
• 75 years +	5.2%	3.9%	6.2%	7.2%	6.8%
Household (no.)	44,846	106,249	1,675,260	2,670,010	8,448,770
Average household size	3	3.2	2.8	2.6	2.6
- Family households	80.2%	83.3%	74.4%	72.7%	71.8%
Couple families with children	42.4%	46.2%	36.9%	33.2%	32.1%
Couple families without children	22.2%	20.7%	24.9%	26.6%	27.1%
Single parents families	14.1%	15.0%	11.3%	11.6%	11.4%
Other families	1.5%	1.4%	1.4%	1.2%	1.2%
- Non-family households	19.8%	16.7%	25.6%	27.3%	28.2%
Lone person	8.2%	6.9%	9.2%	10.4%	10.8%
Other household	11.6%	9.8%	16.3%	16.9%	17.3%
Country of birth	134,753	336,962	4,823,991	7,480,228	23,401,892
Australia born	52.0%	54.1%	57.1%	65.5%	66.7%
Overseas born	42.8%	40.4%	36.8%	27.7%	26.3%
• Asia	23.4%	20.7%	17.7%	12.2%	9.8%
• Europe	5.2%	4.4%	6.8%	6.0%	7.0%
• Other	48.1%	46.4%	41.0%	31.1%	30.2%
Country of birth not stated	5.3%	5.8%	6.5%	7.1%	7.3%
Country of birth	134,753	336,962	4,823,991	7,480,228	23,401,892

Source: ABS Census of Population & Housing (2016), MacroPlan (2019)

Table 3: Socio-demographic profile 2016 – Housing Preferences

Census item	Blacktown SA3	Blacktown ©	Greater Sydney	New South Wales	AUSTRALIA
Dwelling structure	45,058	106,205	1,759,927	2,889,057	9,325,955
Separate house	75.7%	74.2%	52.5%	59.9%	64.8%
Semi-detached	12.4%	15.3%	12.9%	11.0%	11.3%
Flat, unit, apartment	6.4%	4.9%	25.9%	18.0%	11.7%
Other	0.2%	0.4%	0.5%	0.8%	0.7%
Not stated	0.3%	0.3%	0.4%	0.5%	0.4%
Unoccupied	5.0%	4.8%	7.7%	9.9%	11.2%
Tenure Type	42,786	101,100	1,623,883	2,604,332	8,286,082
Fully owned	26.3%	22.5%	29.1%	32.2%	31.0%
Being purchased	36.8%	41.9%	33.2%	32.3%	34.5%
Rented	33.3%	32.2%	34.1%	31.8%	30.9%
Other	0.6%	0.6%	0.9%	0.9%	1.0%
Tenure type not stated	3.1%	2.8%	2.7%	2.8%	2.7%

Source: ABS Census of Population & Housing (2016), MacroPlan (2019)

Table 4: Socio-demographic profile 2016 – Income and Household Expenses

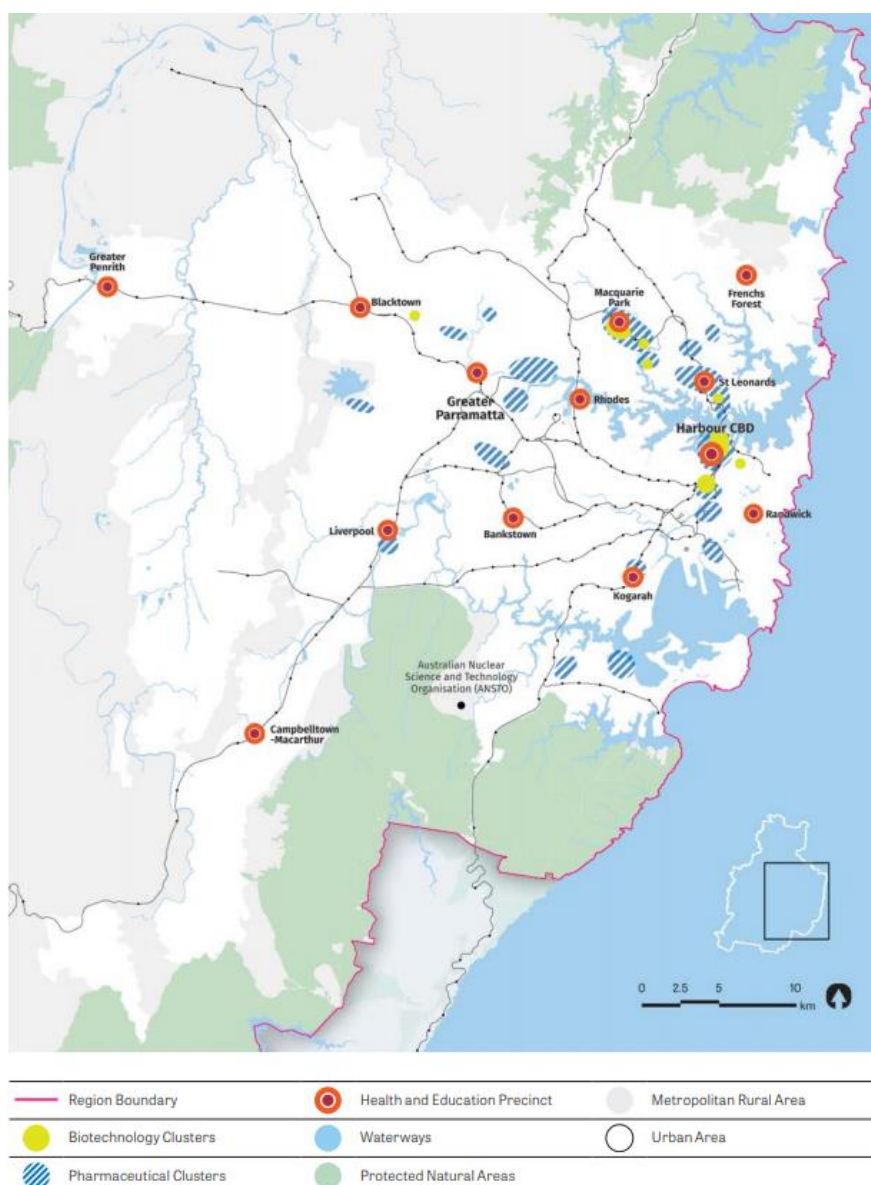
Census item	Blacktown SA3	Blacktown (C)	Greater Sydney	New South Wales	AUSTRALIA
Income					
Median personal weekly income	\$652	\$672	\$719	\$664	\$662
Median family weekly income	\$1,723	\$1,817	\$1,988	\$1,780	\$1,734
Median household weekly income	\$1,584	\$1,711	\$1,750	\$1,486	\$1,438
Household expenses					
Median weekly rent	\$380	\$380	\$440	\$380	\$335
Median monthly mortgage repayments	\$2,000	\$2,150	\$2,167	\$1,986	\$1,755

Source: ABS Census of Population & Housing (2016), MacroPlan (2019)

3. Strategic Context

Blacktown has been identified as one of 13 a health and education precincts in Greater Sydney (Figure 3). Blacktown Hospital and the Clinical School and Research Centre form part of the District's health facilities and specialist services. Blacktown Hospital is a major teaching hospital for medical students at Western Sydney University. As such the health and education precinct provides opportunities for a private hospital and associated specialist medical services that support practitioners, students and patients⁴.

Figure 3: Health and education precincts in Greater Sydney



Source: Greater Sydney Commission, Greater Sydney Regional Plan (2018)

⁴ Greater Sydney Commission, *Central City District Plan* (March 2018)

TAFE NSW Western Sydney and a new university campus have the potential to further grow Blacktown as a health and education precinct. The Precinct current has the three key stakeholders (i.e. Government, academia and industry) to continue to facilitate the transformation of the precinct into an innovative district.

Blacktown and Mount Druitt Hospital is a single hospital operating across two campuses – one at Blacktown and one at Mount Druitt. Blacktown Hospital provides a 24-hour emergency service, intensive and high dependency care, sub-specialty acute medical and surgical care, obstetrics and newborn care and sub-acute rehabilitation. Inpatient acute mental health and community mental health services are delivered from Bungaribee House. Mount Druitt Hospital offers 24-hour emergency care, and a district-wide role in the provision of planned surgery, with a high proportion of general, orthopaedic and breast surgery⁵.

The Blacktown Mount Druitt Clinical School and Research Centre offers a range of research, ranging from liver and cancer-related research to metabolic research and diabetes. Its proximity to Blacktown Hospital has enabled significant collaboration with health professionals to tackle the issues facing communities in Western Sydney, and around the world

The Precinct's specialisations in certain health areas (e.g. obesity and general wellbeing) is likely to continue into the future. This provides opportunities to attract and have higher concentrations of health expertise relating to specific health conditions and thereby strategically position Blacktown as having a specialised role in Greater Sydney and NSW.

Several factors will influence the Blacktown Health Precincts success. This includes the land use mix and development yield / floor space supply as well as the Precinct's ability to continue to specialise in specific medical conditions impacting Sydney's growing population. The Precinct's proximity to the Blacktown CBD and train station will also support the Precinct's growth potential, providing accesses to services, amenity and infrastructure which will be sought by workers, visitors and residents.

3.1 Successful and innovative health precincts

The function and form of health precincts around the world is changing including the measurement for success. The size and co-location of medical uses within these precincts is not on its own an indicator of a successful health precinct. The largest hospital knowledge precinct in the world, the Texas Medical Centre, which has over fifty-plus organisations, is not achieving meaningful collaboration, which is fundamental to creating innovative precincts⁶.

The most successful health precincts are internationally competitive and are often described as 'innovation districts'. These districts are transit-accessible precincts that include health assets surrounded by a network of medical institutions, a mix of complementary industry tenants, housing, ancillary facilities and services⁷.

⁵ NSW Health, Western Sydney Local Health District, <http://www.wslhd.health.nsw.gov.au/Blacktown-Mount-Druitt-Hospital/Blacktown-Mount-Druitt-Hospital>

⁶ Michaela Sheahan, Architecture Australia – May 2015 (Issue 3), *The importance of public spaces and pedestrians in hospital precincts*

⁷ Greater Sydney Commission (March 2018), *Greater Sydney Region Plan*, p115

The changing nature and mix of uses within health precincts are also changing the built form of health precincts. Buildings in innovative health precincts are getting larger and taller as the pursuit for collaboration commands that more departments, organisations and uses be located within the same building to facilitate the opportunity to congregate, exchange ideas, meet, talk and eat. This includes providing spaces for healthcare professionals to walk, talk, think and work⁸.

Flexibility is therefore key in planning for these types of precincts, given the broad mix of uses that often make them successful. Each health precinct is unique in some manner, however there are a range of principles which define successful health precincts nationally and internationally and they include:

- Brand recognition / pulling power through embracing size and scale;
- High concentrations of specialisation / expertise;
- Industry connections and connectivity including active engagement of business and industry and presences of incidental locations to stop and have casual interactions;
- Health, educational and research uses including partnerships;
- Porous / permeable boundaries which promote a clear focus on market and outcome domains over institutional domains;
- Housing diversity including designs for different types of people and their varying lifestyles;
- Urban fabric including density and diversity of building types and activated street frontages including ground floor retail;
- Mix of uses which provide services and lifestyle amenities that provide relief from work pressures and opportunities to engage and interact with the community;
- “3D” approach to use of land and space – more than one use per space but rather vertical spaces and focus on integration / collaboration; and
- Shared and creative “play spaces” / “innovation spaces”.

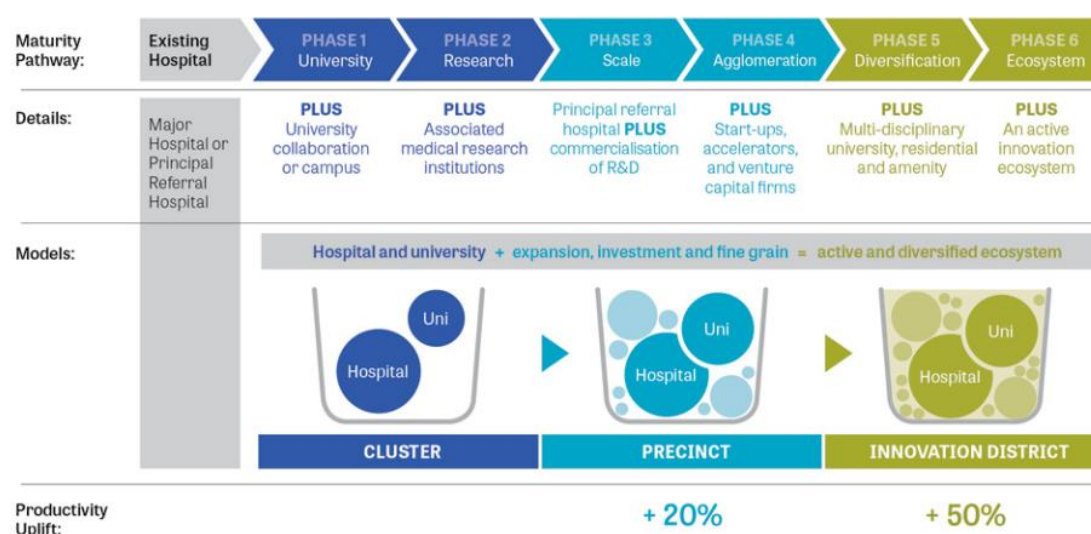
With a number of health and innovation precincts being established in Greater Sydney, the Blacktown Health Precinct will need a competitive advantage in the form of:

- A broadly-based strategy that integrates a mix of uses
- Globally recognised tenants
- A deep ‘industry structure’ facilitating the growth of subject matter experts
- Anchor infrastructure
- Points of difference

Health precincts evolve over time however they must diversify in their use to become ‘innovative’ and hence deliver improved economic outcomes. Figure 4 below shows the evolution of such precincts.

⁸ Michaela Sheahan, Architecture Australia – May 2015 (Issue 3), *The importance of public spaces and pedestrians in hospital precincts*.

Figure 4: Maturity Pathway for health and education precincts



Source: Greater Sydney Region Plan (2018)

3.2 Provision of health services and employment

Health care is provided through a network of services across Sydney ranging from large hospitals providing complex emergency and planned services through to care in people's homes and community health centres. It includes ambulance services, local hospitals, population health and preventative services, mental health services, primary care including general practice, allied health services, pharmacy, dental care and residential aged care⁹.

Health care and social assistance is Australia's largest industry employing 1,168,000 of Australia's 12.6 million workers nationwide (i.e. 13.3% of all workers)¹⁰. This industry is forecast to continue to grow at 2.8% per annum over the next 5 years on the back of continued population growth and an ageing population. As a knowledge base sector, the industry continues to transform due to factors such as:

- Technology and digitisation
- Enterprise consolidation
- Globalisation and service exports
- Chronic disease and new models of care
- Clustering

Within Blacktown LGA, the health care and social assistance industry employs approximately 10,600 people in 2016 (i.e. 10% of all workers in the LGA)¹¹. The industry is forecast to grow at 2.3% per annum over the next 5 years. Clustering of health services already exists within Blacktown which has been acknowledge by Council through the identification of the Blacktown Health Precinct (Figure 5).

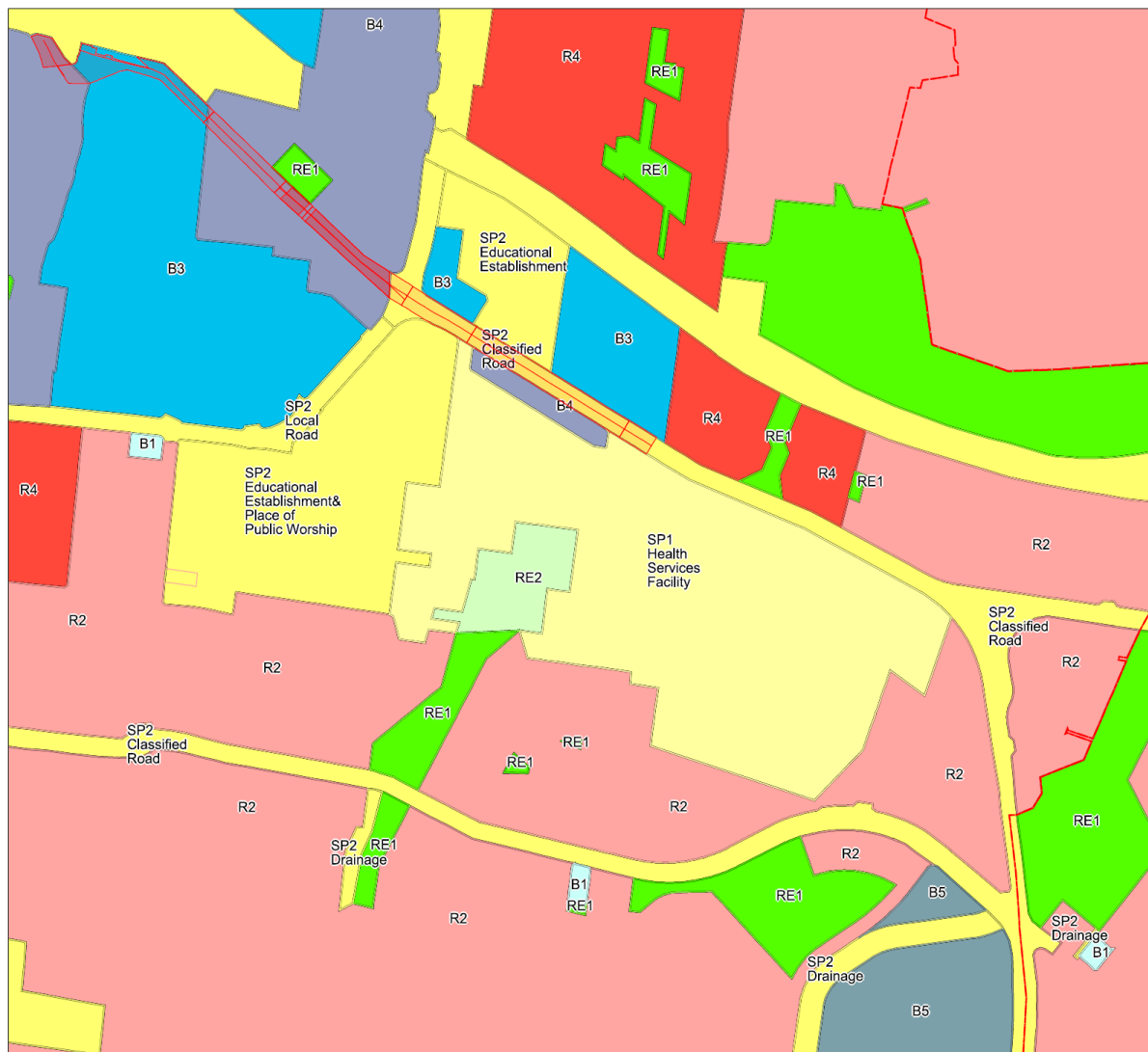
⁹ Greater Sydney Commission, *Greater Sydney Region Plan* (March 2018), p113

¹⁰ Department of Jobs and Small Business, May 2018 Employment Levels

¹¹ Department of Jobs and Small Business, May 2018 Employment Levels, SA4 data

The ageing population of Blacktown LGA will support the demand and growth of existing and future health and medical services and therefore jobs within Blacktown. On average, people aged 65 and over made four times as many claims for specialised services as people aged under 65¹². Hence the opportunity to concentrate older people within or in proximity to the Blacktown Health Precinct will further drive the demand for health services including specialised medical services.

Figure 5: Current Blacktown Health Precinct – SP1 Health Services Facility zoned land



Source: Blacktown LEP (2015)

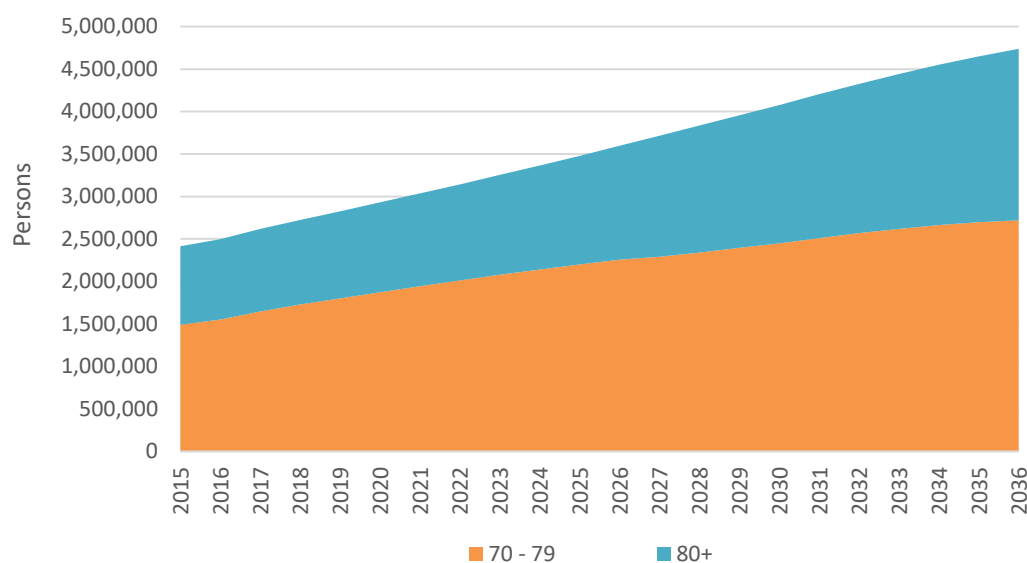
¹² Australian Institute of Health and Welfare (September 2018) <https://www.aihw.gov.au/reports/older-people/older-australia-at-a-glance/contents/health-aged-care-service-use/health-care-gps-specialists>

3.3 Ageing population

Australia's ageing population will be a primary driver of health services growth over the next five years. Australia's median age is projected to continue growing as the baby boomer generation ages.

As illustrated in Figure 5, the population aged 70 years and over is forecast to almost double over the next 20 years, increasing by 2.2 million people over the period. More importantly, both the number and proportion of Australians aged 80 and over will grow to represent nearly 43% of the population aged 70 years and over.

Figure 6: Population Projections, number of persons aged 70 years and over, Australia



Source: ABS Population Projections (2018)

With an aging population comes an attendant health issue that drive increases in care demand and associated costs, including:

- Coronary heart disease (CHD) was the leading underlying cause of death for both males and females in Australia in 2016, accounting for 12 % of all deaths. 65% of these were deaths in people aged 75 and over; 7% were deaths of people under the age of 55.
- Malignant neoplasms of digestive organs (e.g., gastrointestinal cancer) is the second most common underlying cause of death in Australia, accounting for 9 % of all deaths. 46% of these were deaths in people aged 75 and over; 9% were deaths of people under the age of 55.
- Cerebrovascular disease (e.g., stroke) is the third most common underlying cause of death in Australia, accounting for 5% of all deaths in 2016. Stroke deaths increase greatly with age, with 75% of deaths occurring in people aged 75 or over in 2016.

In 2017, people aged 65 and over are estimated to account for 33% of health services revenue, despite only making up about 15% of Australia's population. This age bracket is expected to continue expanding as a share of the population over the next five years, which will consequently boost health services revenue.

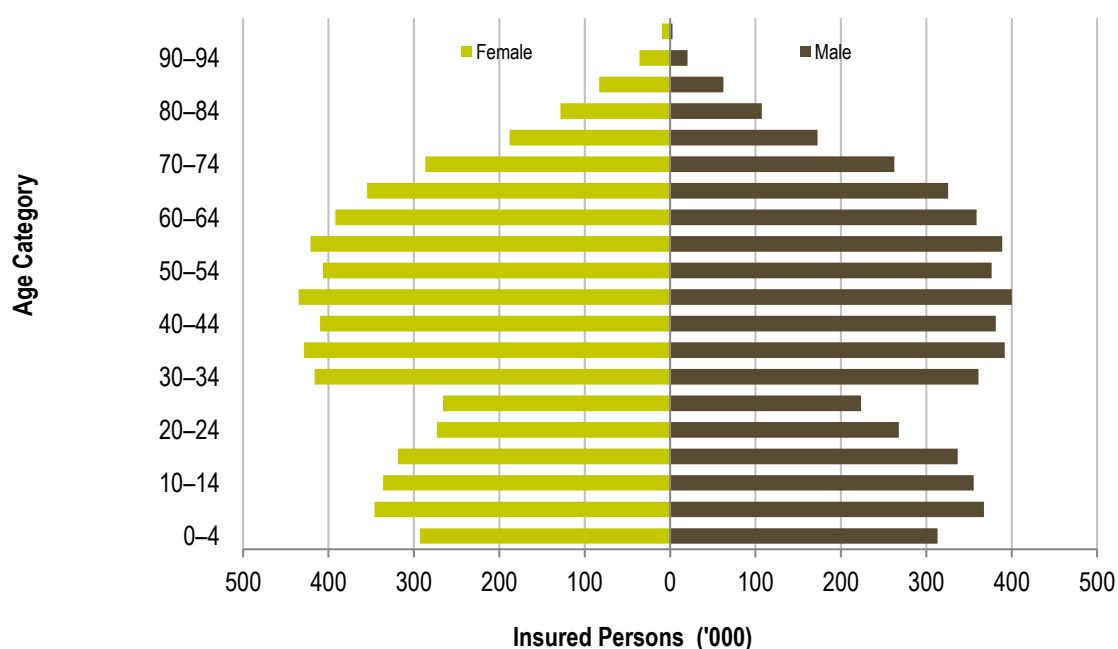
Greater Sydney's population continues to grow, and it is also ageing. Population growth forecasts for the Central City District region anticipate significant increases in the 65+ age cohort. Between 2016 to 2036, the 65-84 age group will increase from 101,300 to 197,900 people (i.e. a 95% proportional increase) and the 85+ age group will increase from 13,900 to 39,400 people (i.e. an 183% proportional increase)¹³.

In the Blacktown LGA, the number of people aged 65 or over will increase by 40,550 people, accounting for almost a fifth of its population growth in the next 20 years¹⁴. The increase in people aged 65 and over will drive the demand for health services, social infrastructure and housing diversity to cater for the ageing population.

3.4 Private Health Insurance Coverage

The ageing population has also partially driven growth in private health insurance coverage. Older people tend to have greater private health insurance coverage than younger people. This disparity is due to the greater wealth accumulated by older people, which enables them to pay for private health insurance, along with their increased health issues that require services not covered by Medicare.

Figure 7: Insured persons for Hospital Treatment by Age and Gender, Australia



Source: APRA, Private Health Insurance Membership and Coverage (2018)

Private health insurance coverage has increased over the past five years. An estimated 11.3 million Australians will be covered by private health in 2017, up from 10.3 million people in 2011¹⁵.

¹³ Greater Sydney Commission, *Central City District Plan* (March 2018), p9

¹⁴ NSW Department of Planning and Environment, 2016 NSW household and dwelling projections data, Age profiles and dependencies

¹⁵ AIHW (2016)

The surge in private health coverage, driven by Federal Government incentives, has resulted in revenue increases across numerous health service industries.

Private hospitals have gained market share in the General Hospitals industry, with private health insurance growth exceeding increases in public hospital funding. Many health services that do not receive Medicare funding are benefiting from the private health insurance boom. Paying for services completely out of pocket is often too expensive for patients however, increased private health coverage has widened the client base for health services, such as dental services, optometry, physiotherapy, chiropractic services and osteopathy.

Private health benefits primarily fund these services, which may reduce or remove out-of-pocket costs for patients, resulting in demand growth.

3.5 Health Illness trends

Chronic diseases are the leading cause of illness, disability and death in Australia, driven by both our changing lifestyles and ageing population. In 2014-15, more than 11 million Australians had at least one of eight selected chronic diseases, and one-quarter of the population had two or more of them.

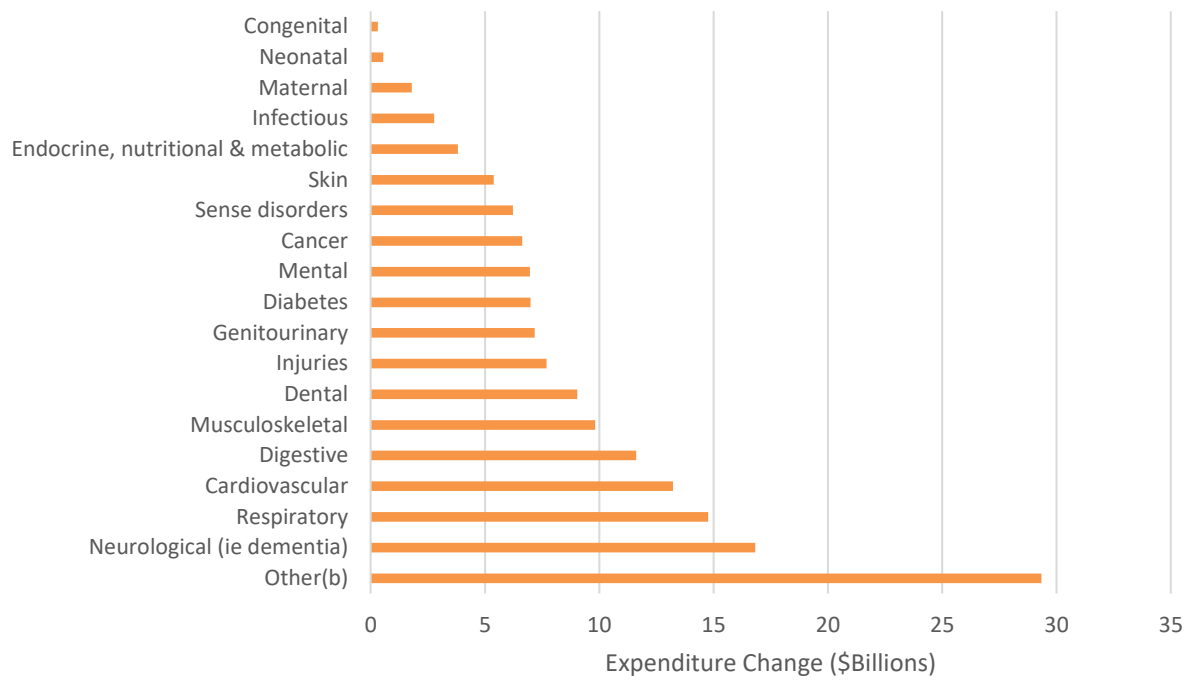
Notably, mental health-related issues are not a major cause of death, but they do cause significant ill health and disability in the Australian population. As illustrated in Figure 7, of identifiable expenditure, the largest projected growth segment, equating to an increase in expenditure of \$16.83bn to 2032/33 is for Neurological conditions, predominately being dementia.

Due to its personal, social and economic impact, tackling chronic disease and its causes are considered by the Australian Institute of Health and Welfare as ***the biggest health challenge that Australia faces***.

According to the Australian Institute of Health and Welfare, the growing chronic disease burden will require effective treatment of multiple chronic conditions and catering to complex health-care needs and will drive the evolution of new business models and patterns of service delivery.

The Blacktown Health Precinct is already focusing on research and treating patients with chronic diseases and illnesses such as obesity and diabetes and therefore is well positioned to treat this growing health issue.

Figure 8: Total Health and Residential Aged Care Expenditure (2002-2033)



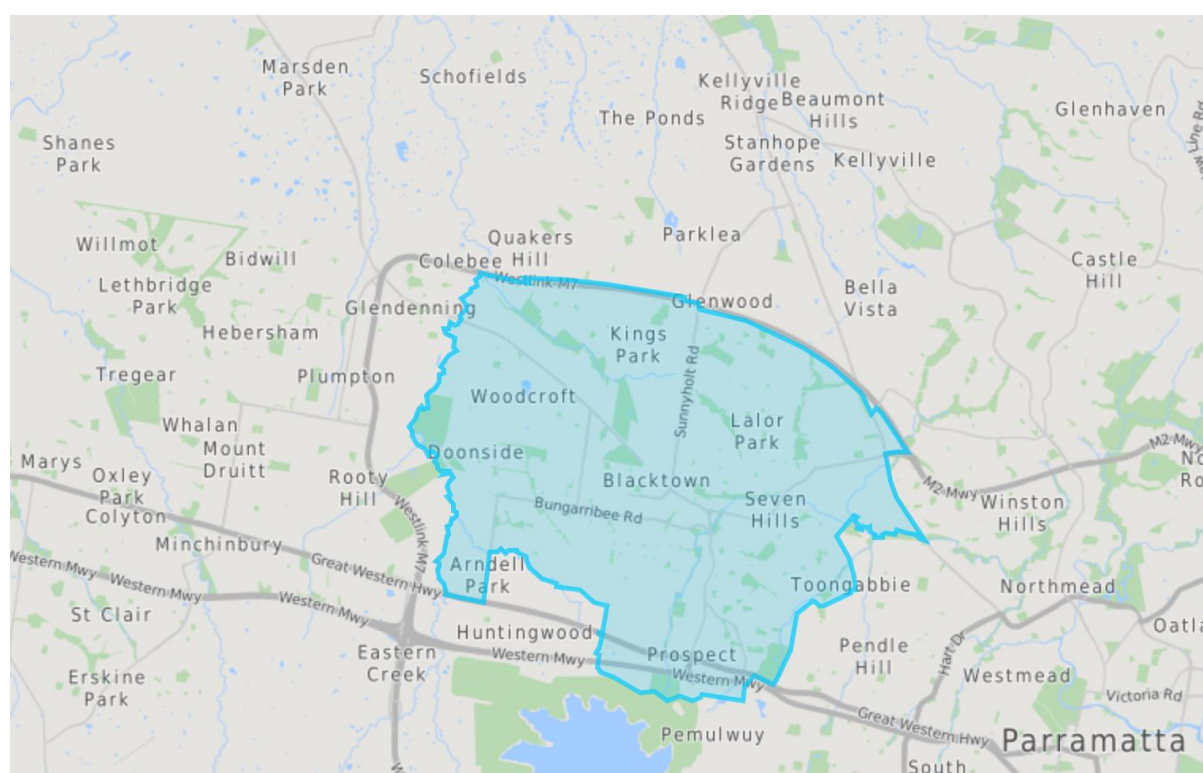
Source: AIHW, Projection of Australian health care expenditure by disease, 2003 to 2033 (2018)

4. Health Services

In this section of the report, MacroPlan reviews the characteristics of the current and future population and key demographic profile of the Blacktown region which is expected to influence the demand for health services. This includes medical centres, GPs and allied health services (e.g. dentists, physiotherapists, dieticians, etc.).

Most health/medical centres are self-contained (i.e. accessed) by residents in an immediate locality. We have assumed that there will be no demand beyond trade area for GPs and allied health (e.g. residents from Blacktown LGA would not travel all the way to Westmead for doctor's appointment). Hence, for the purpose of our demand and supply assessment for health services within the Blacktown Health Precinct, we define the catchment of this area as Blacktown SA3 (Figure 8).

Figure 9: Catchment area for health services relative to the Blacktown Health Precinct Study Boundary



Source: ABS (2019), MacroPlan (2019)

According to the Blacktown Private Hospital Independent Market Assessment (O'Connell 2018), the O'Connell Advisory's high-level demographic analysis and market profiling exercise has revealed the following key drivers and trends:

- Australia's population is growing and ageing. This trend is reflected in Blacktown.
- The O'Connell Advisory population projections have the Blacktown SA3 area population growing at an average annual rate of 2.1% between 2016 and 2032. This would see the Blacktown SA3 increase by 54,130 to 193,521 by 2032.

- Looking forward, the project population growth would be the most prominent amongst the 85+ year age cohort (6.1% per annum), followed by 70-84 year age cohort (4.1% per annum); and
- On average, the Blacktown region has an insurance rate of 55%, which is above the insurance rates of Greater Sydney (52%), NSW (48%) and the national average (47%).
- Blacktown is in a region of on-going development and is expected that this will decrease the level of socio-economic disadvantage and increase the level of private health insurance.

The O'Connell Advisory's analysis has revealed the following key drivers and trends:

- Total population is rapidly-increasing in the Blacktown SA3 – so there will be more babies, kids, teenagers, elderly etc.
- Ageing population – Increasing share in health services-reliant age cohorts (i.e. 65+). Senior residents will visit medical/allied health once every 1-2 weeks.
- Nationally, around 50% of Medicare service visitations are by persons aged 55 and above and 35% by those 65 years and above. Yet these populations represent around 28% and 16% of the Australian population.

4.1 Demand for GPs and Allied Health

The Department of Health publishes annual visitation data for medical services based off Medicare card data. This data shows that there is considerably higher utilisation rates for persons aged 55-64 years, 65-74 years, 75-84 years and 85+ years (i.e. proportion of utilisation of medical services for these population cohorts is much higher than their shares of the actual population).

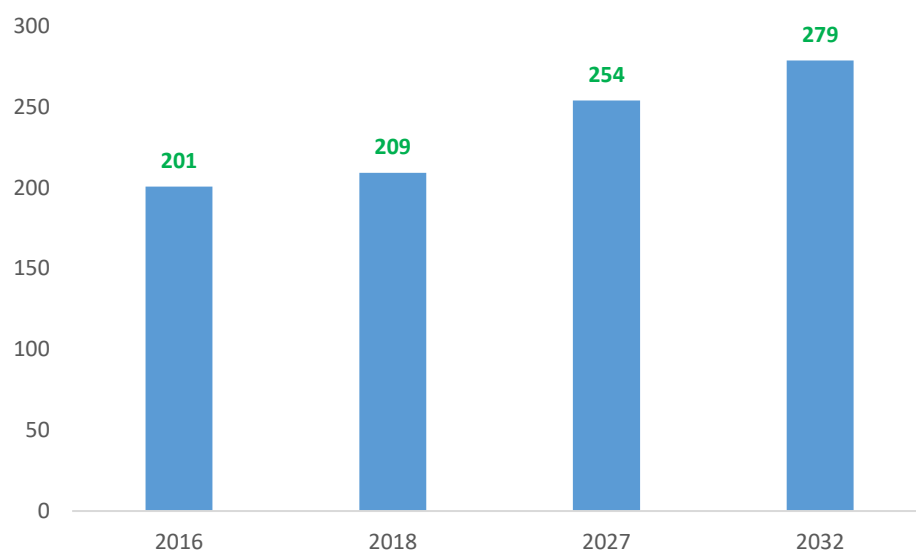
For our demand assessment, we have applied the benchmark of 144 GPs per 100,000 people (approximately 1 GP per 700 people) and adopted 650 allied health staff per 100,000 persons. These are below the metropolitan provision rates, (i.e. compared to Inner Sydney) particularly for allied health, reflecting a series of adjustments to allow for the socio-demographic profile, private health coverage, and future employment/workers profile at Blacktown.

The following charts present general projections of the estimated demand for medical and allied health services across the catchment over the period 2016 to 2036. We note the following:

- The aggregate demand is significantly greater as the breadth of allied health professional covers many fields, however, not all this demand would be met/serviced by local specialist in private local health clinics – i.e. registered allied health professionals can also work in a larger health precinct organisation and/or public health organisation, where a significant majority of general practitioners tend to work within medical centres.
- Overall, demand is expected to increase by 40% in Blacktown by 2036.
- A significant proportion of the allied health demand is attributable to dentists (about 30%).

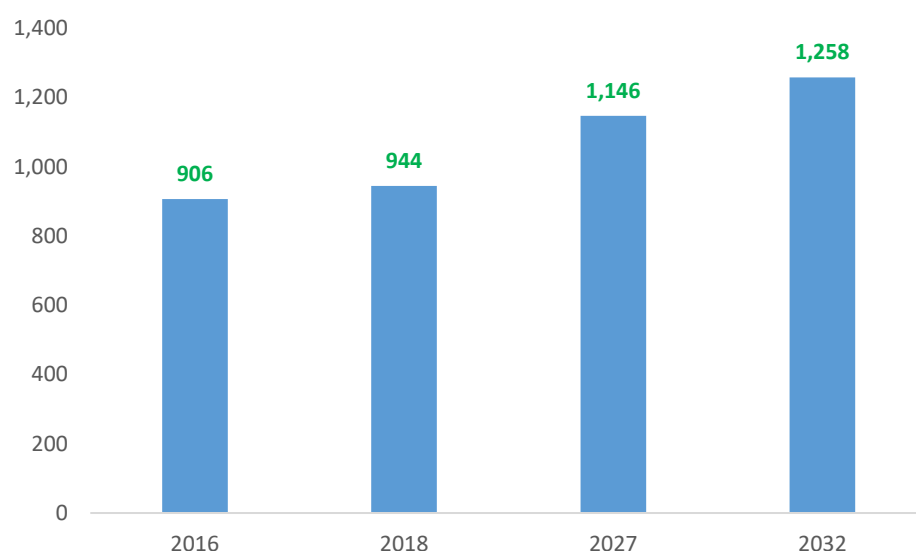
In terms of distribution/format of demand, other professions tend to be broadly distributed across private practice, hospitals, workplaces, education institutions, community health centres etc. For example, most chiropractors and optometrists work in private practice, whereas psychologists, physiotherapist, occupational therapists, tend to work broadly across a range of institutions including hospitals, universities, within organisations etc.

Figure 10: General Practitioner Demand (number of practitioners)



Source: Department of Health (2018), ABS (2018), MacroPlan (2018)

Figure 11: Allied Health Practitioner Demand (number of practitioners)



Source: Department of Health (2018), ABS (2018), MacroPlan (2018)

4.2 Existing Supply of GPs and Allied Health

The purpose of this section of the report is to provide an understanding of existing health and medical services within Blacktown SA3 and its surrounds.

4.2.1 Medical/health related employment

Table 6 presents the local medical employment and other health care/social assistance employment by detailed 4-digit ANZSIC, from the 2016 ABS Census, across the defined catchment area, and compares this with the provision across the 'NSW' and 'Australia'.

The following key points are noted:

- The defined catchment areas are significantly under-supplied in terms of medical/health related employment, relative to the rest of 'NSW' and Australia'. Most of this undersupply is driven by the lack of a hospital/health precinct within Blacktown as hospital related jobs make up a significant share of total medical related employment.
- There are 45 health/medical jobs per 1,000 residents in the catchment, compared with 56 across the 'NSW' and 58 across the nation.
- The provision of allied health services is below the 'NSW' average, particularly the provision of pathology, dental and other allied health services.
- Compared to Westmead (Parramatta SA3) & Liverpool (i.e. Liverpool SA3), the current provision of health/medical jobs

4.2.2 Existing Supply of Medical/health related services (excluding public hospital)

MacroPlan has also undertaken a desktop study of existing GPs and Allied health services positioned within the immediate locality, Blacktown CBD.

In the table 5, we have listed our findings (as at March 2019). There are 27 medical centres within the Blacktown CBD. Collectively, there are 140 general medical practitioners.

In terms of allied health services, there are 102 operators in the Blacktown CBD. Collectively, there are 182 allied health practitioners.

4.3 Specialist Medical Services

Table 6 also shows that Blacktown (SA3) is well below the state and national average for 'specialist medical services'. Well established health and education precincts should have a much higher concentration of specialised practitioners than the state and national average of 1.7 specialists per 1,000 residents. A comparison of the Blacktown Health Precinct against three of Greater Sydney's health and education precincts; Liverpool 3.1 specialists per 1,000 residents & Westmead 4.8 specialists per 1,000 residents; confirms that Blacktown not only has a shortage of specialised practitioners at a state and national level but is also significantly lower than other health and education precincts in Greater Sydney.

Table 5: Medical/health related services, Blacktown CBD

Medical Centre	27
Allied Health	102
Acupuncture	11
Alternative Health Services	1
Audiologists	1
Chiropractors	4
Dental Emergency Services	1
Dental Laboratories	2
Dental Prosthetists	4
Dentists	31
Dieticians	2
Hearing Aids Equipment & Services	3
Massage Therapy	8
Occupational Therapists	1
Optical Prescription Dispensers	2
Optometrists	9
Orthodontists	2
Osteopaths	1
Physiotherapists	11
Podiatrists	3
Psychologists	3
Speech Pathologists	2

Source: MacroPlan, ABS Census (2016)

4.4 Key Findings

The current provision of GPs is more than what the Blacktown region requires with an undersupply not forecast until at least 2036. In terms of allied health professionals, MacroPlan identified 537 professionals, this is undersupply of about 360 professionals.

Based upon this assessment, the delivery of 'one-stop-shop' medical centres that offer a range of services could boost the number of allied health professionals within the Health Precinct. Whilst there is no shortage of GPs, often a medical centre will require GPs as an anchor tenant to attract other health professionals.

- In terms of the provision of allied health services, the provision of 'pathology', 'dental' and 'other allied health services' is below the state & national average. The current provision is significantly lower than the Westmead & Liverpool health precincts.
- In terms of the provision of other health services, the provision of 'specialist' is below the state & national average. Again, the current provision at Blacktown is significantly lower than the Westmead & Liverpool health precincts.

Table 6: Medical related employment (2016)

	Blacktown SA3	Parramatta SA3	Liverpool SA3	NSW	Australia
	Total jobs	Per 1,000 residents	Total jobs	Per 1,000 residents	Total jobs
Resident population 2016	134,751	113,523	91,085	7,480,230	23,401,891
Health Care and Social Assistance, nfd	104	0.8	158	1.7	22,786
Hospitals, nfd	3	0.0	20	0.2	1,116
Hospitals (except Psychiatric Hospitals)	1,936	14.4	4,497	49.4	411,807
Psychiatric Hospitals	37	0.3	57	0.6	7,183
Medical and Other Health Care Services, nfd	61	0.5	90	1.0	15,639
Medical Services, nfd	0	0.0	17	0.2	1,277
General Practice Medical Services	570	4.2	547	6.0	96,012
Specialist Medical Services	148	1.1	285	3.1	39,024
Pathology and Diagnostic Imaging Services	160	1.2	444	4.9	42,188
Allied Health Services, nfd	5	0.0	11	0.1	1,421
Dental Services	206	1.5	227	2.5	47,899
Optometry and Optical Dispensing	66	0.5	100	1.1	15,419
Physiotherapy Services	67	0.5	95	1.0	19,716
Chiropractic and Osteopathic Services	19	0.1	22	0.2	8,698
Other Allied Health Services	174	1.3	249	2.7	68,694
Other Health Care Services, nfd	0	0.0	0	0.0	77
Ambulance Services	44	0.3	56	0.6	17,062
Other Health Care Services nec	14	0.1	41	0.5	8,116
Residential Care Services, nfd	0	0.0	0	0.0	695
Aged Care Residential Services	689	5.1	931	10.2	211,625
Other Residential Care Services	151	1.1	61	0.7	16,628
Social Assistance Services, nfd	84	0.6	109	1.2	21,466
Child Care Services	733	5.4	790	8.7	118,232
Other Social Assistance Services	808	6.0	598	6.6	158,232
Total	6,089	45.2	9,404	103.2	1,351,018
				56.1	57.7

4.5 Development Potential for Health Services

MacroPlan identified potential for a multi-faceted development concept of 9,000 to 10,000 m², including 2,000 – 3,000 m² the 'Health One concept' medical centre.

This means around 7,000 m² or so of private or not-for-profit (NFP) uses could potentially be supported in conjunction with the potential 'health one concept' medical centre. This could include:

- Not-for-profit head offices and government services
- A large medical centre (branded operator), which would include allied health specialists
- Specific allied health services (dedicated physio studio, chiropractors, pathology etc.)

Some supporting ancillary uses like a café, gym, wellness, alternative health and other commercial space (e.g. co-working space).

5. Seniors Housing

In this section we examine the market basis for a retirement living and aged care offer at the proposed health precinct at Blacktown.

We note that seniors housing tends to attract residents from a wider demand catchment than standard residential developments. Hence, for the purpose of our demand and supply assessment for seniors housing, we define the catchment of the subject site as Blacktown LGA.

Our assessment of market potential has therefore been informed by socio-demographic trends and drivers as well as an overview of competition in the retirement market in the Blacktown LGA. The assessment has not considered other factors that may attract older people to live in Blacktown such as access to amenity, services and infrastructure.

Our high-level socio demographic and market profiling exercise has revealed the following key drivers and trends:

- Like other parts of Sydney, the Blacktown LGA is ageing, but not exclusively so;
- Population growth over the five years to 2016 has been the most prominent amongst the 65+ year age cohort (5.1% per annum), followed by 55-64 year age cohort (2.6% per annum);
- The number of residents aged 65+ is expected to increase over the next 20 years, from 35,000 in 2016 to 72,000 by 2036;
- Our assessment of dwelling tenure data, asset values and the recent migration patterns demonstrates that many retirees in the Blacktown LGA choose to move to other LGAs that offer more retirement options (in terms of RACF or ILU) and/or retirement residential accommodation with more amenities (more local services, integrated with RACF, new retirement facilities etc.); and
- Higher income earning capacity and elevated house prices (since 2010) means that more retirees have the income & wealth capacity to partake in retirement and downsizing activity into a retirement product.

5.1 Existing Supply – Independent Retirement Living (ILU)

A competitive supply assessment has been undertaken for the Blacktown LGA with consideration for any new development in pipeline. This reconnaissance informs the supply characteristics of the catchment. Our assessment considers specialist provision of retirement village (ILUs) in the catchment.

Our investigation has identified 12 existing retirement villages, with 5 of these facilities offering a combined independent living and aged care provision (i.e. integrated) (Table 7). Subsequently, we derive a total of 711 ILUs. There existing units are provided in a low-density/ single storey building configuration generally.

Table 7: Existing Independent Living Retirement Villages

Existing Facility	Provider	Address	Suburb	ILUs
Blessed Frances Siedliska	Holy Family Polish Aged Care Services	116 Quakers Road	Marayong	28
Eighth Avenue Seniors Living	LAHC	18-26 Eighth Av	Seven Hills	14
Euroka Homes Retirement Village	Euroka Homes Retirement Village	51 Sunnyholt Road	Blacktown	25
Kings Langley Village	Adventist	54 Elsom Street	Kings Langley	75
Mullauna Village	Uniting Care	61 Bungarabee Rd	Blacktown	30
Rochford Place	Lendlease	12 Avoca Street	Ropes Crossing	206
Seven Hills Seniors Development	NSW Housing	5 Jordan Street	Seven Hills	17
Plumpton	Southern Cross Care	122 Hyatts Rd	Plumpton	40
St Elizabeth's Home	Trustees of the Hungarian Catholic Community	1 Symonds Rd	Dean Park	18
St Hedwig Village	Catholic Church	140 Reservoir Road	Blacktown	48
The Ponds	Anglicare	2 The Ponds Blvd	The Ponds	145
Aspire Elara	Stockland	Parish St & Elara Bvd	Marsden Park	65
Total	-	-	-	711

Source: MacroPlan (2019)

We also note that there are very limited trade-down (or downsize) opportunities for retirees in the immediate locality, particularly the Blacktown CBD. Our investigation has only identified 3 existing retirement villages, a total of 103 ILUs.

5.2 Existing Supply – Residential Aged Care Facility (RACF)

A similar supply assessment has been undertaken for aged care facilities. Overall, our investigation has identified 20 existing aged care facilities, and 5 of these facilities offer a combination of independent living units and aged care provision (Table 8). Subsequently, we have derived a total of 2,027 aged care places.

Compared to the independent retirement living, we note that there are relatively more options for retirees in the Blacktown CBD. Our investigation has identified 5 existing RACFs, a total of 406 places.

5.3 Proposed Retirement Villages and RACFs

An examination of projects listed on Cordell Connect and proposed estate masterplans has revealed there are 6 retirement living projects in the pipeline, 1 with both aged care and ILU provision. Collectively, the pipeline only provides for development of 337 ILUs to be constructed by 2022 (Table 9).

There are a further 5 proposed aged care facilities, one with both aged care and ILU provisions. Collectively, the potential development pipeline provides for approximately 624 new aged care places, to be constructed by 2023 (Table 10).

Notably, there is a potential for a new RACF development at Kings Langley to offer 600+ new aged care places, but this is still in early stage (i.e. the development site is still on sale and no development approval¹⁶).

Table 8: Existing Residential Aged Care Facilities

Existing Facility	Provider	Address	Suburb	Places
St Dominic's Home for the Elderly	The Congregation of the Dominican Sisters of Malta in New South Wales	171 Walters Road	Blacktown	50
Uniting Mullauna Blacktown	The Uniting Church in Australia Property Trust (NSW)	61 Bungarribee Road	Blacktown	65
Blacktown Nursing Home	Budumu Pty Ltd	190 Stephen Street	Blacktown	134
St Hedwig Village	St Hedwig Village	140 Reservoir Road	Blacktown	133
Blacktown Transitional Aged Care Service	NSW State Government (NSW Ministry of Health)	c/-Blacktown Hospital	Blacktown	24
St Elizabeth Home	St Elizabeth Home Limited	1 Symonds Road	Dean Park	114
Henley Manor	Japara Aged Care Services Pty Ltd	84 Earle Street	Doonside	71
Adventist Nursing Home	Seventh-day Adventist Aged Care (Greater Sydney) Ltd	56 Elsom Street	Kings Langley	87
Brother Alberts Home	Holy Family Services	116-132 Quakers Road	Marayong	146
Southern Cross Care St Francis Residential Aged Care	Southern Cross Care (NSW & ACT)	Southern Cross Village	Plumpton	50
Quakers Hill Nursing Home	DPG Services Pty Ltd	35 Hambledon Road	Quakers Hill	127
Our Lady Of Consolation Home	Our Lady of Consolation Aged Care & Services Limited	32 Evans Road	Rooty Hill	172
Residential Gardens	Residential Gardens For Spanish Speaking Frail Aged Limited	420 Woodstock Avenue	Rooty Hill	106
St Simeon Village	Serbian Orthodox Diocese Aged Care and Education Property Fund	261 Hyatts Road	Rooty Hill	51
Our Lady Of Consolation Nursing Home	Our Lady of Consolation Aged Care & Services Limited	32 Evans Road	Rooty Hill	131
Minchinbury Manor	Australasian Accommodation Aged Care Pty Limited	2 John Street	Rooty Hill	108
Seven Hills Nursing Home	Seven Hills Nursing Home Pty Ltd	1 Crews Road	Seven Hills	104
SummitCare St Marys	St Marys Gardens Aged Care Centre Pty Limited	57 Saddington Street	St Marys	126
Boronia House	Thompson Health Care Pty Ltd	183-197 Boronia Road	St Marys	124
Dudley Foord House	Anglican Community Services	4 View Street	The Pond	104
Total	-	-	-	2,027

Source: MacroPlan (2019), Australian Institute of Health and Welfare (2019)

¹⁶ Therefore, we excluded this potential development from our gap assessment.

Table 9: Proposed Independent Living Retirement Villages

Name	Address	Suburb	ILUs
Rooty Hill	1- 3 Rooty Hill Rd	Rooty Hill	147
Kings Langley Village	54 Elsom Street	Kings Langley	27
St Hedwig Village	140 Reservoir Road	Blacktown	65
Seven Hills Seniors Living Units	313 Seven Hills Rd (Lot 1 DP778916, Lot 1 DP338023)	Seven Hills	10
Frank Street Seniors Living Units	30 Frank St (Lot 7 Sec Z DP2042)	Mount Druitt	4
Adventist Aged Care	56 Elsom St (Lot 33 DP1089417)	Kings Langley	4
Total	-	-	337

Source: CordellConnect (2019), MacroPlan (2019)

Table 10: Proposed Residential Aged Care Facilities

Name	Address	Suburb	Places
Opal Aged Care Facility	37-43 Kildare Rd	Blacktown	149
Mount Druitt Aged Care Facility	21-27 Durham St & 56-60 Mount St	Mount Druitt	259
Vardys Road Residential Development	1 Vardys Rd (Lot 1)	Kings Langley	600
Minchinbury Manor	57 John St & 2-8 Sharon Pl (Lots 1-4 DP778377)	Rooty Hill	38
Hardi Aged Care	92 Solander Rd (Lot 58 DP29947)	Seven Hills	126
Quakers Road Residential Aged Care	116 Quakers Rd (Lot 101 DP1013737)	Marayong	52
Total	-	-	624

Source: CordellConnect (2019), MacroPlan (2019)

5.4 Gap Assessment for ILUs

5.4.1 Penetration Rates for ILUs

In order to ascertain future demand for retirement developments, we have sourced penetration rates for the Blacktown LGA. Obtained from Census data, these penetration rates refer to the percentage of the population by age cohort (typically 65 years and over) who live in retirement villages – essentially it is a probability function for retirement utilisation. Obviously, the younger the person, the less likely they are to reside in a retirement village. The average age of entry across Australia is estimated to be 76 years.

However, persons aged 55-64 could be at the retirement stage – if so, then these households could be potential candidates for new ILUs at Blacktown as well.

There are limitations to relying solely on Census data to derive penetration rates. Census based penetration rates can significantly underestimate demand for retirement villages as:

- They are based purely on supply, and do not consider any latent demand that may exist, i.e. where demand for retirement villages is constrained by limited supply.

- Secondly, the Census undercounts the number of occupied Independent Living Units (for numerous reasons).

Penetration rates can be influenced by a number of variables such as:

- Changing perceptions of retirement living;
- Affordability (this includes cost of development, final price of retirement units in relation to competing living options);
- Trends in retirement age;
- Supply of retirement living options (including amount and quality of supply);
- Characteristics of the region (e.g. is it a seaside, is it a growth area or an established area, availability of diverse facilities and services in close proximity, etc.); and
- Demographic characteristics of the catchment (e.g. income, ethnicity, etc.).

For the purpose of our assessment we consider the ABS-derived penetration rate in association with the above factors and the observed impacts of internal migration i.e. residents aged 55+ who have relocated from another region into the catchment area. Our calculated penetration rates for the various age cohorts are presented in the below table.

Table 11: Penetration Rates, Blacktown LGA (2016)

Age Cohort	Penetration Rate
55-59	0.2%
60-64	0.5%
65-69	1.3%
70-74	2.2%
75-79	3.7%
80-84	4.6%
85+	4.6%

Source: MacroPlan (2019), ABS Census (2016)

5.4.2 Demand for ILUs

Applying these age-specific penetration rates to the population projections, we generate a demand from 1,622 persons aged 55+ by 2026 and 2,289 persons by 2036.

Notably, couple families also live in retirement villages. In fact, according to ABS data, the average household size for those aged 65+ in the region is approximately 1.15 persons per household and varies dependent on age cohort. Those aged 85+ tend to have fewer people per household than the 'younger' age cohorts. Our modelling has used different household formation rates for selected age groups to determine demand for ILUs.

We estimate a current catchment demand for 963 ILUs (2016), which will increase to 1,516 ILUs by 2026 and 2,156 ILUs by 2036.

12: Demand for ILUs, In terms of persons

Age Cohort	2016	2021	2026	2031	2036
55-59	45	50	54	61	68
60-64	84	95	105	115	129
65-69	174	197	226	250	274
70-74	204	272	311	356	397
75-79	224	305	410	471	545
80-84	177	222	307	415	482
85+	128	162	209	284	394
Total	1,038	1,302	1,622	1,952	2,289

Source: MacroPlan (2019), ABS Census (2016)

Table 13: Demand for ILUs, In terms of persons

Age Cohort	2016	2021	2026	2031	2036
55-59	36	40	43	49	54
60-64	70	79	88	96	108
65-69	152	171	196	218	238
70-74	186	247	282	324	361
75-79	214	291	391	448	519
80-84	177	222	307	415	482
85+	128	162	209	284	394
Total	963	1,211	1,516	1,833	2,156

Source: MacroPlan (2019), ABS Census (2016)

5.4.3 Gap Assessment

Following our review of future supply and demand of retirement product in the Blacktown LGA, we have determined the market positions for Independent Retirement Living dwellings.

At present, there is a shortage of 252 ILUs across the catchment. However, due to the rapidly ageing profile and an increasing demand for downsizing, we envisage that there will be a shortage of 468 dwellings (undersupplied) by 2026 even though there are some proposed new ILUs in the pipeline.

We also anticipate the current market gap to deteriorate to an undersupply of 1,108 ILUs by 2036, if there is no future supply from 2022 onwards.

Table 14: Forecast Growth in ILU – Supply and Demand

	2016	2021	2026	2031	2036
Supply	711	941	1,048	1,048	1,048
Demand	963	1,211	1,516	1,833	2,156
Shortage/Surplus	252	270	468	785	1,108

Source: MacroPlan (2019), ABS Census (2016)

Our investigation also found that Blacktown LGA would be in a greater deal of deficit if it fails to take into account the rapid obsolescence of existing retirement living dwellings. Many existing retirement villages were established under the repealed SEPP 5 during the 1980s and therefore may not be appealing to the next wave of retirees.

If we assume a 10% rate of obsolescence of existing ILUs in the Blacktown LGA, we estimate that the current market is expected to already have had a shortage of 323 independent living options in 2016, increasing to 539 units by 2026 and 1,179 units by 2036.

Table 15: Forecast Growth in ILU – Supply and Demand (10% Obsolescence of Existing Stock)

	2016	2021	2026	2031	2036
Supply	640	870	977	977	977
Demand	963	1,211	1,516	1,833	2,156
Shortage/Surplus	323	341	539	856	1,179

Source: MacroPlan (2019), ABS Census (2016)

5.5 Gap Assessment for RACFs

The federal government has set national benchmarks for the provision of aged care places. At present the government has previously indicated a goal that for every 1,000 persons aged 70 and over there is a benchmark of 80 residential care places¹⁷.

According to the NSW Department of Planning and Environment (as well as ABS data), the population aged 70+ is expected to expand from 21,800 persons to 51,330 persons between 2016 and 2036.

Table 16: Forecast Growth in RACF – Supply and Demand

	2016	2021	2026	2031	2036
Supply	2,027	2,473	2,651	2,651	2,651
Demand	1,744	2,294	2,886	3,497	4,107
Shortage/Surplus	283	179	235	846	1,456

¹⁷ The Government was aiming for 45 home care places, 78 residential places and 2 STRC places per 1,000 people aged 70 and over by 2021–22 (AIHW 2018).

Source: MacroPlan (2019), ABS Census (2016)

Based on Federal Government aged care benchmarks, projected population of residents aged 70 years+ in the catchment area; there is currently a net surplus of 283 aged care places (2016). Future supply additions are expected to alleviate additional demand by 2021 and the market will still be fully saturated.

However, due to the rapidly ageing profile in the catchment area, there could be a shortage of 235 places in 2026 and 1,456 places in 2036 if there is no future supply from 2021 onwards.

We have also conducted a sensitivity analysis of our gap assessment, assuming a 10% of obsolescence of existing RACFs in the Blacktown LGA. We estimate that the current market is still fully saturated (a surplus of 80 places) however, it is expected to have a shortage of -23 places by 2021, blowing out to 438 places by 2026 and 1,658 places by 2036.

Table 17: Forecast Growth in RACF – Supply and Demand (10% Obsolescence of Existing Stock)

	2016	2021	2026	2031	2036
Supply	1,824	2,270	2,448	2,448	2,448
Demand	1,744	2,294	2,886	3,497	4,107
Shortage/Surplus	80	23	438	1,049	1,658

Source: MacroPlan (2019), ABS Census (2016)

5.6 Sensitivity Analysis

MacroPlan also conducted sensitivity analysis of our gap assessment – future supply and demand of retirement product in the catchment area (i.e. Blacktown LGA).

The rationale is that Blacktown represents as one of the fast-growing regions in NSW (and Australia) with house prices have grown rapidly over the last 5 years (i.e. went up by 60-70%) and growing population.

We note that the number of people aged 65 or over will increase by 40,550 people in the Blacktown LGA over the next 20 years¹⁸, accounting for almost a fifth of its anticipated population growth. Besides, households with large superannuation savings and substantial housing equity are more prevalent in Canberra (particularly, Canberra-based public servants). Consequently, the increase in people aged 65 and over will drive the demand for retirement living products to cater for the ageing population.

¹⁸ NSW Department of Planning and Environment, 2016 NSW household and dwelling projections data, Age profiles and dependencies

5.6.1 Sensitivity Analysis (ILU Gap Assessment)

Our reconnaissance considers the following notion – what would be the future market gap if the higher penetration rates are anticipated? MacroPlan escalated market penetration (as below) based upon those trends seen across Greater Sydney due to the rapidly ageing profile and an increasing demand for downsizing.

Table 18: Penetration Rates, Greater Sydney (2016)

Age Cohort	Penetration Rate
55-59	0.3%
60-64	0.6%
65-69	1.5%
70-74	3.2%
75-79	5.2%
80-84	7.4%
85+	9.1%

Source: MacroPlan (2019), ABS Census (2016)

Based on these penetration rates, we estimated that there is currently demand for 688 units in the catchment but expected to grow rapidly to 2,230 dwellings by 2026 and 3,247 dwellings by 2036. Consequently, our sensitivity analysis reveals that it returned a worsened shortage of independent living options in the catchment area – 1,182 units by 2026 and 2,199 units by 2036.

Table 19: Sensitivity Analysis – ILU Gap Assessment

	2016	2021	2026	2031	2036
Supply	711	941	1,048	1,048	1,048
Demand	1,399	1,769	2,230	2,730	3,247
Shortage/Surplus	688	828	1,182	1,682	2,199

Source: MacroPlan (2019), ABS Census (2016)

If we assume a 10% rate of obsolescence of existing ILUs in the Blacktown LGA, we estimate that the current market is expected to already have had a shortage of 759 independent living options in 2016, increasing to 1,253 units by 2026 and 2,270 units by 2036.

Table 20: Sensitivity Analysis – ILU Gap Assessment (10% Obsolescence of Existing Stock)

	2016	2021	2026	2031	2036
Supply	640	870	977	977	977
Demand	1,399	1,769	2,230	2,730	3,247
Shortage/Surplus	759	899	1,253	1,753	2,270

Source: MacroPlan (2019), ABS Census (2016)

5.6.2 Sensitivity Analysis (RACF Gap Assessment)

MacroPlan also escalated national benchmarks for the provision of aged care places based upon those trends seen across Greater Sydney and NSW due to the rapidly ageing profile and an increasing demand for downsizing. According to the Sixth report on the Funding and Financing of the Aged Care Sector (AIHW, July 2018), the provision ratio achieved for residential care & restorative care at 30 June 2018 was 81.7¹⁹.

Based on this higher benchmark, projected population of residents aged 70 years+ in the catchment area; there is currently a net surplus of 246 aged care places (2016). Future supply additions are expected to alleviate additional demand by 2021 and the market will still be fully saturated.

However, due to the rapidly ageing profile in the catchment area, there could be a shortage of 297 places in 2026 and 1,543 places in 2036 if there is no future supply from 2021 onwards.

Table 21: Sensitivity Analysis – RACF Gap Assessment

	2016	2021	2026	2031	2036
Supply	2,027	2,473	2,651	2,651	2,651
Demand	1,781	2,342	2,948	3,571	4,194
Shortage/Surplus	246	131	297	920	1,543

Source: MacroPlan (2019), ABS Census (2016)

If we assume a 10% rate of obsolescence of existing RACFs in the Blacktown LGA, we estimate that the current market is still fully saturated (a surplus of 80 places in 2016), however, it is expected to have a shortage of 72 places by 2021, blowing out to 499 places by 2026 and 1,746 places by 2036.

Table 22: Sensitivity Analysis – RACF Gap Assessment (10% Obsolescence of Existing Stock)

	2016	2021	2026	2031	2036
Supply	1,824	2,270	2,448	2,448	2,448
Demand	1,781	2,342	2,948	3,571	4,194
Shortage/Surplus	43	72	499	1,123	1,746

Source: MacroPlan (2019), ABS Census (2016)

5.7 Development Potential for Seniors Housing

The 'new ageing' demographic of the catchment is much more accustomed to vertical living and is expected to drive demand for this type of product into the future. Over the last 5 years to 2016, as well as the development of North West Growth Area, have positively impacted on incomes and wealth growth in the Blacktown LGA region. Through an economic multiplier effect,

¹⁹ 80 residential places and 1.7 STRC places per 1,000 people aged 70 and over

increased demand has increased the value of property substantially. Consequently, retirees have a greater capacity to downsize from an existing property to a new seniors housing and still realize a substantial positive cash-flow.

In our view, co-locating the potential new retirement village(s) with aged care facilities would be preferable. Provision of aged care would be consistent with greater provision of independent living housing, where older couple households are seeking to 'future proof' their downsizing moves through knowledge that RACF exists on-site or nearby provision of aged care would be consistent with greater provision of ILUs.

Based on our gap assessments, we identified that there is development potential within the Blacktown LGA for 400 to 800 ILUs and 300 to 500 aged care places by 2026. MacroPlan envisages that the Blacktown Health Precinct is well-located to absorb about 50-60% of the total market demand, equating to 2-4 large-scale villages (18,000 to 36,000 m² GFA) and 2-3 large-scale RACFs (8,000 to 12,000 m² GFA).

6. Nursing Facilities

In this section of the report, we provide an overview of nursing facilities in NSW to inform facility requirements and provide an overview of major players in order to consider what the locational requirements are for such facilities. This is supplemented by an overall supply and demand outlook for healthcare workers, particularly nursing students and staff in NSW.

6.1 Professional standards

There are two levels of regulated nursing in Australia – Registered Nurses (RNs) and Enrolled Nurses (ENs).

An RN must complete a minimum three-year bachelor degree and is registered with the Nursing and Midwifery Board of Australia (NMBA). RNs are university qualified and practise independently and interdependently.

An EN must complete a Certificate IV or a Diploma of Nursing from a vocational education and training provider (TAFE). ENs usually work alongside RNs to provide patients with basic nursing care, undertaking less complex procedures than RNs.

To maintain registration, both RNs and ENs are subject to a 'recency of practice' standard requiring a minimum period of practice of 450 hours within the last five years.

RN and EN education accreditation standards (developed by the Australian Nursing and Midwifery Council), specify a minimum number of clinical placement hours a course must provide for it to be accredited:

- A minimum of 800 hours of workplace experience for RNs
- A minimum of 400 of professional experience placement for ENs

6.2 Practising Nurses

There are currently 398,530 practising nurses and midwives in Australia²⁰. Of that total, 62,727 are categorised as EN's (16%), 321,681 as RN's (81%), and 7,925 nurses (2%) have both qualifications. There are approximately 5,117 practitioners with pure midwifery qualifications.

Victoria and NSW encompass the largest proportion of EN's in Australia – 20,243 (32%) and 13,569 (22%), respectively. These two states also constitute the largest share of RN's in Australia. Victoria has 71,972 RN's (25%) and NSW has 83,112 (29%).

²⁰ Nursing and Midwifery Board of Australia (March, 2018)

Table 23: Practising Nurses and Midwives - Australia

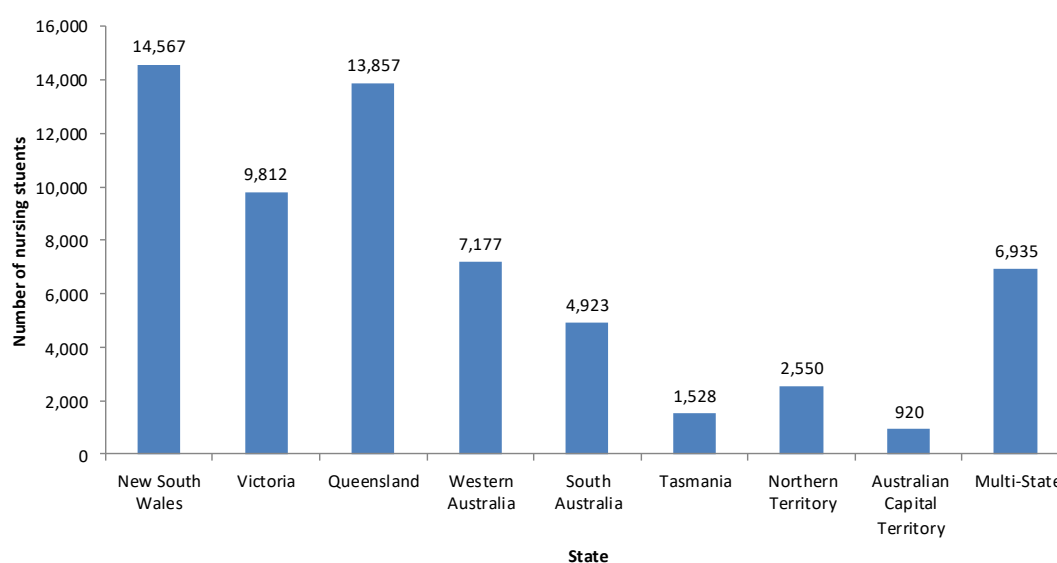
	ACT	NSW	NT	QLD	SA	TAS	VIC	WA	No PPP	Total
Enrolled Nurse (EN)	698	13,569	401	13,064	7,690	1,543	20,243	5,408	111	62,727
Registered Nurse (RN)	4,925	83,112	3,407	57,375	22,345	6,835	71,972	29,562	10,083	289,616
EN & RN	81	1,429	66	1,624	829	78	2,974	712	28	7,821
Midwife	163	1,171	89	1,024	624	33	1,326	430	191	5,051
Nurse (EN & RN) and Midwife*	503	7,758	496	5,708	1,870	626	7,526	2,840	291	27,618

Source: Nursing and Midwifery Board (2018)

6.3 Nursing Students

As at 2014, there were 53,307 total nursing students enrolled in Australian public universities. NSW comprised the largest number of enrolled students with 12,808, followed by Queensland (11,564) and Victoria (8,226).

Figure 12: Enrolled Nursing Students – Australian Universities (2016)



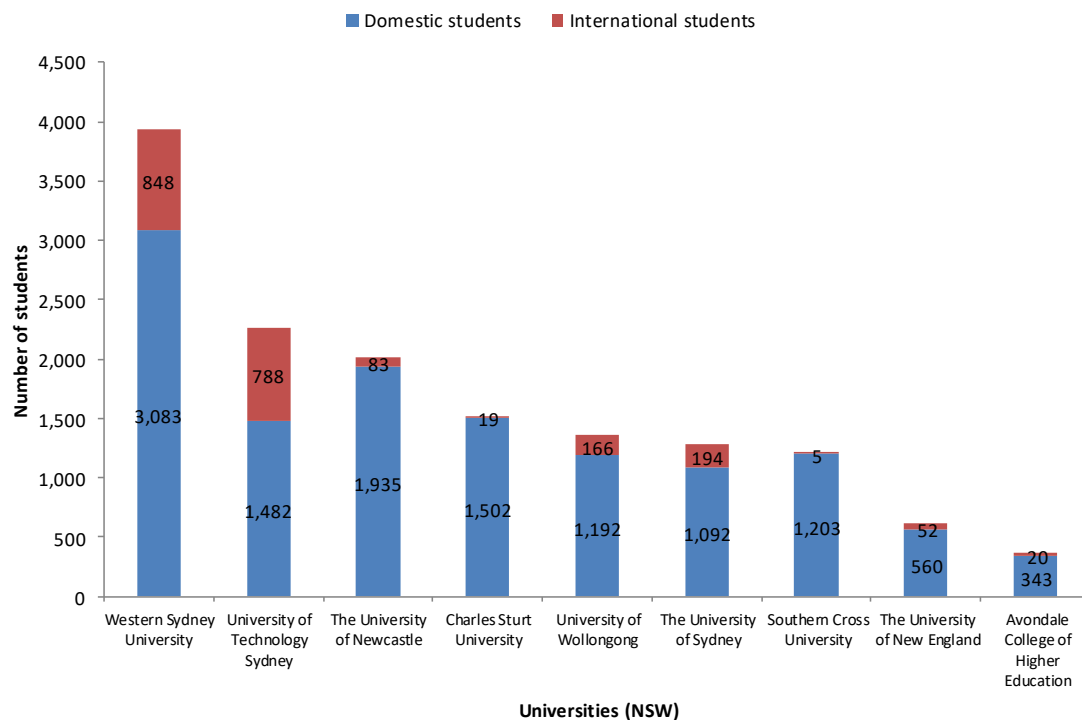
Higher

Education Statistics - uCube (2018)

The largest tertiary nursing education providers in NSW are the University of Western Sydney (UWS - 3,931 students), the University of Technology (UTS – 2,270 students) and the University of Newcastle (UN – 2,018 students). Notably, Charles Sturt University had the 3rd largest intake of domestic nursing students - 1,502 students.

UWS and UTS also had the largest intake of international nursing students amongst NSW public universities, with 848 and 788 students, respectively.

Figure 13: Enrolled Nursing Students – NSW Universities (2016)



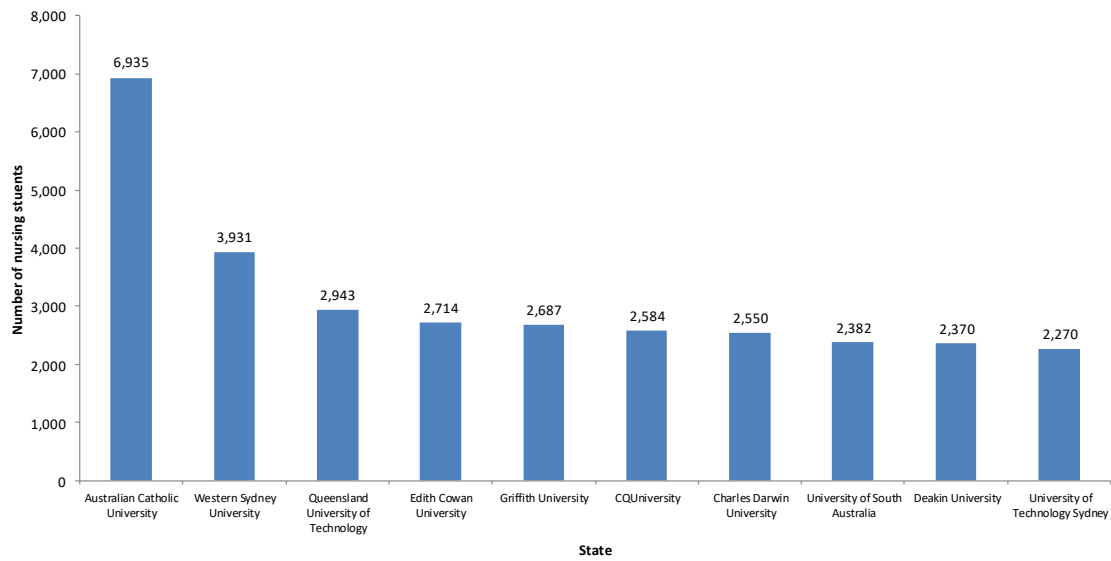
Higher Education Statistics - uCube (2018)

Of the private university providers, the Australian Catholic University has the largest number of nursing students in Australia (6,935), including 1,263 international students. Private enrolments are not available on a state-by-state basis (please refer to figure 10).

In 2016, the greatest number of tertiary qualified nursing students in NSW public universities graduated from UWS (981 students), followed by UTS (599 students) and the UN (447 students).

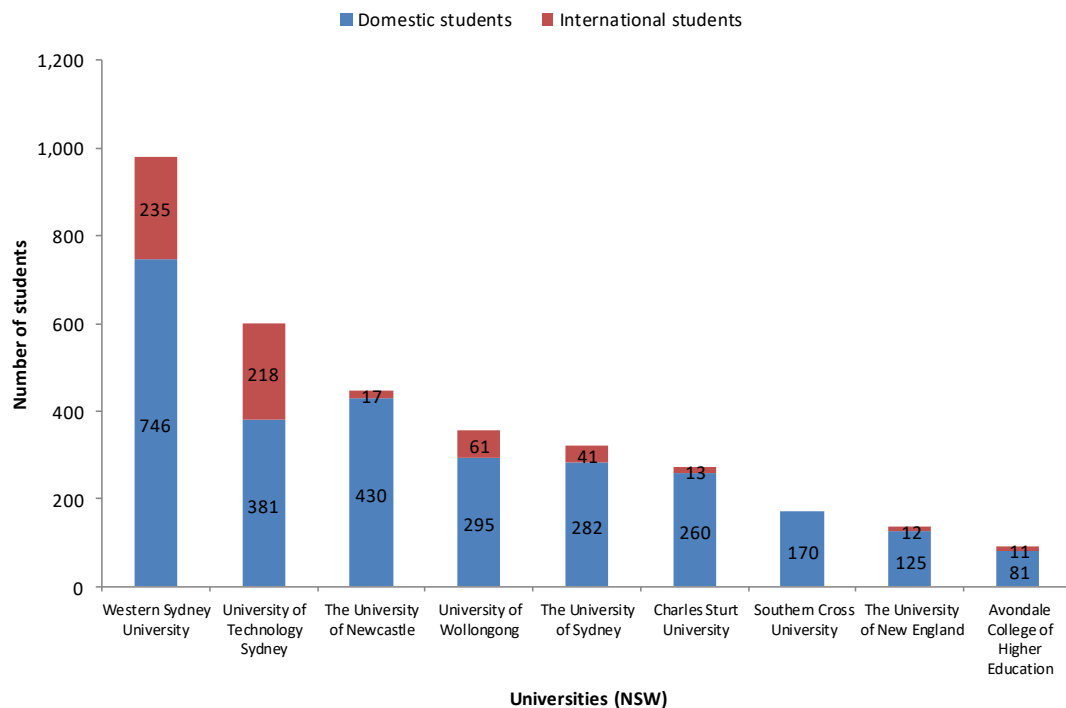
Comparing the number of university completions against enrolments suggests that there are a significant number of students who undertake their studies part-time. Post-graduate nursing qualifications are likely to be undertaken on this basis.

Figure 14: National Top 10 University Enrolments – Nursing Students only (2016)



Source: Higher Education Statistics - uCube (2018)

Figure 15: Nursing Completions – NSW Universities (2016)

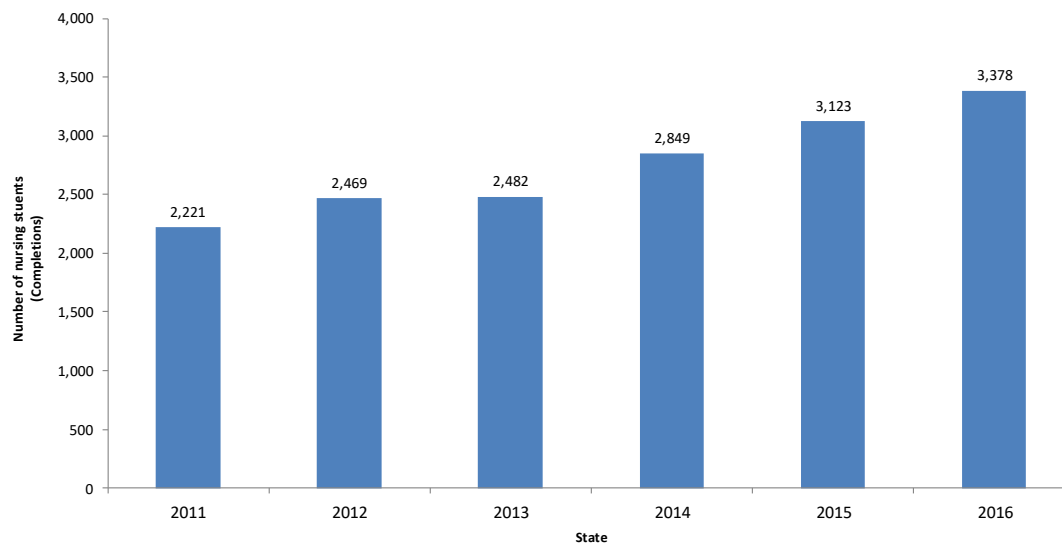


Source: Higher Education Statistics - uCube (2018)

6.4 Overall Supply - Tertiary Qualified Nurses

Between 2011 and 2016, an annual average of 2,750 nursing (and midwifery) students graduated from tertiary institutions in NSW. If we include private universities such as the Australian Catholic University, University of Notre Dame and other interstate universities, this figure is likely to be closer to 5,500.

Figure 16: Nursing student completions – NSW Universities (2011 to 2016)



Source: Higher Education Statistics - uCube (2018)

Between March 2016 and March 2018, an additional 5,184 NSW nurses and midwives were recorded in the Nursing and Midwifery Board of Australia database, demonstrating an annual average intake of 2,592 nurses.

Comparing the annual number of annual NSW tertiary completions (approximately 5,500 students per annum) against growth in RN numbers suggests there is an oversupply of tertiary qualified nursing students in NSW.

Over the two year period to 2018, the number of nurses and midwives expanded by an annual average of 21,650 in Australia. By comparison, the number of tertiary nursing (and midwifery) completions expanded by an annual average of 12,722. Evidently, in Australia, nurses and midwifery nursing staff are being sourced from overseas. Also, NSW trained and qualified nurses are more likely to find work in other states and territories.

6.5 Demand for Nursing Facilities

The demand for nursing is closely tied with nursing staff to patient bed ratios in NSW. At present there are no minimum legislative requirements dictating the number of nurses per bed in NSW. Unions have been active in pushing for mandated nurse-patient ratios to safeguard patient outcomes and to protect the interests of nurses and health practitioners, where demand significantly outstrips supply.

According to a study conducted by health professionals titled 'Ratios and nursing staff: the vexed case of emergency departments' (2014)²¹, the average number of emergency beds per nurse in NSW are as follows:

- morning shift – 3.8
- evening shift – 3.6
- night shift – 5.1

However, ratios as high as 8.4 (morning), 7.3 (night shift) and 16 (night shift) have been identified in particular hospitals on specific shifts.

The NSW Nurses and Midwives Association (2015) has advocated for the following ratio of nurses to patients:

- 1:3 for paediatrics;
- 1:4 for general adult inpatient wards, increasing to a ratio of 1:7 at night;
- 1:1 for resuscitation beds;
- 1:3 for emergency departments;
- 1:4 for adult inpatient mental health;
- 1:2 for child and adolescent inpatient mental health;
- 1:6 for long term mental health;
- 1:1 for ICU neonatal intensive care units;
- 1:2 for HDU neonatal intensive care units;
- 1:1 for adult and paediatric critical care (ICU);
- 1:2 for adult and paediatric critical care (HDU); and
- 1:2 for adult and paediatric critical care (CCU).

Our analysis of ABS hospital data (2016-17) demonstrates that, for private hospitals, there is currently an average allocation of staff per occupied bed of:

- 1.0:1 for Registered Nurses; and
- 0.2:1 for Enrolled Nurses.

²¹ Wise S, Duffield C, Roche M, Buchanan J – Ratios and nurse staffing: the vexed case of emergency departments (2014)

6.6 Nursing Teaching Institutions

According to the Australian Education Network (2018), there are currently 31 tertiary institutions that offer undergraduate nursing courses and 23 institutions that offer postgraduate nursing courses in Australia. In NSW, there are 10 institutions that offer undergraduate and 7 institutions offer postgraduate nursing courses on campus, as listed below.

NSW tertiary institutions that offer undergraduate nursing courses

- Australian Catholic University*
- Charles Sturt University
- Southern Cross University
- The University of Notre Dame Australia*
- The University of Sydney*
- University of Newcastle
- University of Tasmania
- University of Technology, Sydney*
- University of Western Sydney*
- University of Wollongong*

NSW tertiary institutions that offer postgraduate nursing courses

- Australian Catholic University
- Avondale College of Higher Education
- The University of Notre Dame Australia
- The University of Sydney
- University of Technology, Sydney
- University of Western Sydney
- University of Wollongong

Our comparison of nursing educational facilities across a number of provides is summarised in the following table.

Overall, our examination of nursing facilities has revealed:

- Floorspace ratios for nursing facilities range from 4m² of floorspace per student to 17m² per student.
- Generally, the quantum of floorspace per students is 5-6m²
- Central locations (i.e. UWS Campbelltown and Parramatta campuses) tend to have more densely populated nursing facilities.
- Regional locations (i.e. UWS Lithgow and Avondale College Lake Macquarie) have larger student to floorspace ratios.

Below, we examine the supply and demand outlook for nursing resources in the state.

Nursing Facilities

Institution	Characteristics	Education facilities	Students	Density (m ² per student)
University of Tasmania (Sydney Nursing Facilities)	<ul style="list-style-type: none"> Two campuses located in Rozelle and in Darlinghurst Rozelle Campus accommodates Bachelor of Nursing and Bachelor of Paramedic Practice Students Darlinghurst Campus only accommodates nursing students Darlinghurst Campus is co-located with St Vincent's Hospital Centrally located to the Sydney CBD, serviced by public transportation Bachelor of Nursing is in conjunction with the Sydney Local Health District 	<ul style="list-style-type: none"> 4,000 m² (Rozelle) 2,000 m² (Darlinghurst) 	<ul style="list-style-type: none"> 1,000 students (Rozelle) 400 students (Darlinghurst) 	<ul style="list-style-type: none"> 4m² per student (Rozelle) 5m² per student (Darlinghurst)
Avondale College of Higher Education	<ul style="list-style-type: none"> Two campuses located in Lake Macquarie and in Wahroonga (SAN Hospital site) Under-graduate and post-graduate qualifications Affiliation with the SAN hospital Nursing accommodation provided at the SAN hospital 	<ul style="list-style-type: none"> 1,000 m² (Lake Macquarie) 3,000 m² (Wahroonga) 	<ul style="list-style-type: none"> 60 students (Lake Macquarie) 450 students (Wahroonga) 	<ul style="list-style-type: none"> 17m² per student (Lake Macquarie) 6-7m² per student (Wahroonga)
University of Western Sydney (nursing facilities)	<ul style="list-style-type: none"> Nursing courses are offered at Campbelltown, Parramatta, Hawkesbury and Lithgow campus UWS also offers bridging courses at UWS College, with classes offered at Nirimba and Kingswood. Undergraduate and Post-graduate courses 3,543 total enrolments in 2014 (745 international students) Approximately 6,000-7,000 students currently enrolled. However, not all students will utilise facilities at the same time*. 	<ul style="list-style-type: none"> 3,000 m² (Parramatta) 5,000 m² (Campbelltown) 2,500 m² (Hawkesbury) 150 m² (Lithgow) 	<ul style="list-style-type: none"> 2,000 students (Parramatta) 2,000 students (Campbelltown) 500 students (Hawkesbury) 15 students (Lithgow) 	<ul style="list-style-type: none"> 1-2m² per student (Parramatta) 2-3m² per student (Campbelltown) 5m² per student (Hawkesbury) 10m² per student (Lithgow)

Source: Various Sources, MacroPlan (2019)

7. Health Staff Accommodation

In this section we examine the market basis for a health staff accommodation offer at the proposed health precinct at Blacktown.

7.1 Health Industry Trends

Health care and social assistance is Australia's largest industry employing 1,168,000 of Australia's 12.6 million workers nationwide (i.e. 13.3% of all workers)²². This industry is forecast to continue to grow at 2.8% per annum over the next 5 years on the back of continued population growth and an ageing population. As a knowledge base sector, the industry continues to transform due to factors such as:

- Technology and digitisation
- Enterprise consolidation
- Globalisation and service exports
- Chronic disease and new models of care
- Clustering

Within Blacktown LGA, the health care and social assistance industry employs approximately 10,600 people in 2016 (i.e. 10% of all workers in the LGA)²³. The industry is forecast to grow at 2.3% per annum over the next 5 years. Clustering of health services already exists within Blacktown which has been acknowledged by Council through the identification of the Blacktown Health Precinct.

7.2 Staff Accommodation Complex (Westmead)

The WSLHD currently provides staff accommodation to all employees of Western Sydney Local Health District (WSLHD), The Children's Hospital Westmead, students of clinical schools and allied health students of NSW regional universities attending practicum.

The staff accommodation complex is on the corner of Darcy and Bridge Roads, Westmead; 700m from the main entrance of Westmead Hospital. It is also 1km from Westmead Children's Hospital, and less than 1km from Westmead and Wentworthville Railway Stations. It comprises about 200 fully-furnished units, including self-contained 1 & 4 bedroom units.

At present, there are the following facilities and services available for the residents at the WSLHD staff accommodation complex:

- Most units are fully furnished and include an electric stove, refrigerator, automatic front-loading washing machine and dryer

²² Department of Jobs and Small Business, May 2018 Employment Levels

²³ Department of Jobs and Small Business, May 2018 Employment Levels, SA4 data

- Two tennis courts (for hire)
- Lawn reserve areas
- Children's playground
- Recyclable waste service
- Free open air parking
- Undercover parking available for a weekly fee

7.3 Short-Term Accommodation

Our analysis of current and proposed supply (of accommodation rooms) shows that there is about 650 rooms available in Blacktown LGA. At present, however, there is virtually no accommodation available or provided within the Black CBD.

Table 24: Current Supply, Short-Term Accommodation

Existing STA providers	Address	Suburb	Rooms	Grade
Nightcap at Colyton Hotel	Corner of Great Western Highway and Hewitt Street	Colyton	30	3.5
Novotel Sydney West HQ	33 Railway Street	Rooty Hill	164	4.5
Plumpton hotel	556 Richmond Rd	Glendenning	21	3
Alpha Hotel Eastern Creek	Cnr Peter Brock And Brabham Drive	Eastern Creek	164	4.5
Travelodge Hotel Blacktown Sydney	170 Reservoir Rd	Blacktown	120	3.5
Atura Blacktown	32 Cricketers Arms Road	Prospect	122	4
Toongabbie Hotel	15 Aurelia Street	Toongabbie	12	2.5
Cutmore Cottages - Meurants Manor	52 Meurants Lane	Glenwood	7	3
Cutmore Cottages - Highclaire House	11 Highclaire Place	Blacktown	7	3
Total			647	

Source: Various Sources, MacroPlan (2019)

Our assessment highlights that the Blacktown CBD has been unavailable to business visitor seeking convenience and quality of accommodation rooms and services, particularly for students, outside groups and guests, university and hospital staff and family of patients of the existing Blacktown Hospital.

The existing hotels in the Blacktown LGA would not accommodate the projected increase in demand. The Blacktown CBD, as well as the potential Blacktown Health Precinct, will continue to create demand for health/medical staffs, hospital visitors, and business travellers.

7.4 Development Potential for Health Staff Accommodation

At present, there is no health staff accommodation provided or proposed to be built within the Blacktown CBD.

Considering that Blacktown Hospital is a 700+ bed hospital²⁴, the second largest in the Western Sydney Local Health District (WSLHD), as well as the potential Blacktown private hospital, our view is that there is sufficient residual demand to absorb a further 100-150 staff accommodation units at the Blacktown Health Precinct.

Allowing 80 m² GFA for average/typical unit size (i.e. per unit), we anticipate that a provision of between 8,000 and 12,000 m² GFA is required for future healthcare staff accommodation purposes by 2036. This is a net figure which does not include open space, building setbacks, parking and interior and external roadways gross floor.

7.5 Development Potential for Short Term Accommodation

In terms of points of distinction against established hotels and serviced apartment at Blacktown, the path could lead toward a high/luxury grade hotel, extensive service model or towards a medium/high grade serviced apartment, with limited services.

Our analysis points to the latter. Blacktown still is on a lower status tier compared to Parramatta, and this is reflected in our demographic and employment assessments.

At present, there is no short-term accommodation provided or proposed to be built within the Blacktown CBD.

Even with the existing supply of about 650 rooms in the Blacktown LGA, our view is that there is sufficient residual demand to absorb further 150-200 rooms. We anticipate that a provision of between 6,500 and 8,500 m² GFA is required for future serviced apartment development by 2036

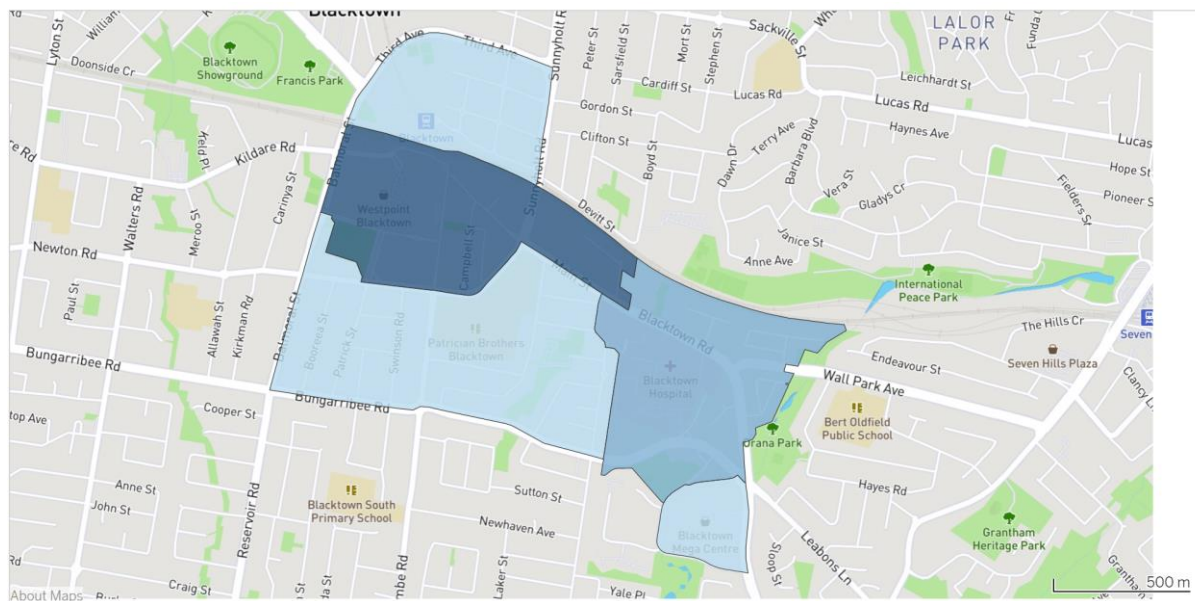
²⁴ This includes 501 beds at the Blacktown Hospital and a further 200 beds at the Mt Druitt campus,

8. Commercial & Retail Opportunities within the Proposed Health Precinct

8.1 Context and definition

In this section, for clarity, when reference is made to the 'Blacktown Area', we are referring to the area including the Blacktown CBD stretching through to area inclusive of the subject health precinct and the Hospital. This Area is shown on Figure 13.

Figure 17: Study Area Delineation, 'Blacktown Area'



Source TPA (2019)

Office uses broadly fit into three category types, these are:

- **Investment grade office assets:** These are generally defined as large floor plate office buildings within 'defined' office precincts. Within Sydney these include Sydney CBD, Macquarie Park and Parramatta, as well as others identified within this report. While the Blacktown CBD has some assets that broadly fits into this category we are aware that the majority of the A-REITS, which own the majority of investment grade assets, would consider Blacktown outside their investment profile.
- **Support office uses:** These uses generally provide localised services to the community and share some characteristics to retail uses. They often benefit from access to the public and therefore car parking and exposure are important considerations. Examples include real estate agents, local solicitors, health/medical specialists' offices.
- **Office uses that support another primary land use:** A small amount of office within an industrial facility or medical facility. This is not considered in significant detail in this report as the nature of this type of product is generally found outside the CBD. Note, for the purposes of definition we have assumed the small amount of office that supports retail uses within the 'support office uses' above.

Our observation of the opportunity for office uses in the Blacktown CBD generally fall into the second category. The Blacktown CBD has some potential for more of the first category, albeit, this has more risk associated to it and is in the longer term.

As defined above, support office generally provides localised services to the community. This type of office shares some characteristics with retail uses, mostly strip retail, particularly as it primarily seeks to service the local population, examples including; medical services, accounts and business services. Support office, by comparison to investment grade office, is typically smaller and often found within ground floor or part of another development (e.g. first floor above retail shops). The users are typically small local businesses.

8.2 Blacktown Area Employment in 2016

In order to make our assessment of the Blacktown Area, MacroPlan has identified the current level of employment within the Area. To do this we utilised Journey to Work (JTW) data (derived from the census by the ABS) and the Transport Performance and Analytics (TPA) employment forecast data (from Bureau of Transport Statistics data). We used employment figures from the Travel Zones which most accurately account for the study area.

From this data set we obtained the Full-time equivalent (FTE) by ANZIC industry code for both CBDs. We then made some broad assumptions having consideration to the types of employment which exist in the centres and split the employment by property types, these being; office, retail and other. This is summarised in the tables below.

Table 25: Employment within Blacktown Area, Property Types

Employment (no.)	2016	2021	2026	2031	2036
Retail	2,827	2,996	3,125	3,262	3,391
Office	2,572	2,572	2,802	3,005	3,208
Non-Retail	2,104	2,105	2,292	2,459	2,624
Total	7,504	8,090	8,589	9,094	9,629

Source: TPA (2019), ABS Census (2016), MacroPlan (2019)

8.3 Blacktown Area Office Opportunity

In deriving our assessment of the existing office stock in Blacktown CBD, we utilised the office employment derived above and multiplied by a square metre per employee of 20 m² (i.e. employment density) to derive the floor area of 51,450m² for office workers within the Blacktown CBD.

Based on our database, as at year 2016, approximately 32,000 m² are associated with investment grade office, and about 19,500 m² being utilised as a support office at the Blacktown CBD.

Table 26: Forecasted Office Floorspace Demand, Blacktown Area

Office Floorspace (m ²)	2016	2021	2026	2031	2036
Investment Grade	32,000	33,833	35,460	37,081	38,863
Additional Demand (cumulative)	-	1,833	3,460	5,081	6,863
Support Office	19,449	22,199	24,640	27,071	29,744
Additional Demand (cumulative)	-	2,749	5,191	7,622	10,295

Source: TPA (2019), ABS Census (2016), MacroPlan (2019)

While these methods are broadly in line, our view is this forecast is a mid-point assessment and in reality, this projected growth could be significantly higher through opportunity arising from a major tenant (most likely Government) or effectively zero if what has occurred in recent history for investment grade office continues.

We are of the view that from a demand perspective significant medium to long term opportunity should exist for the Blacktown Area. This opportunity will be driven by the significant population growth expected for Blacktown LGA. The Blacktown Area should therefore continue their logical role in supporting the local area through the provision of this support office.

By applying the TPA employment projections, we derived the additional demand for office space at the Blacktown Area of 8,600 m² by 2026 and 17,200 m² by 2036.

8.4 Blacktown Area Retail Potential

Potential retail facilities in the subject precinct could service several broad customer segments, defined as follows:

- **Workers** – including Blacktown Hospital staff as well as workers in the immediate surrounds.
- **Residents** – including residents in the immediate vicinity of Blacktown Hospital, who could potentially use hospital retail facilities if easily accessible and of the appropriate scale/mix.
- **Patients** – including inpatients and outpatients at Blacktown Hospital.
- **Visitors** – including visitors (i.e. family and friends) associated with patients at the Blacktown Hospital.
- **Students** – includes students/trainees at the hospital who do not form part of the official staff/worker estimates.

The *worker and visitor markets* would be key drivers of the demand for food catering and convenience-based non-food retail at the hospital. We expect a very limited contribution from the surrounding residential main trade area population, given the likely internalised nature of the proposed retail mix, the scale of the offer and the competitive effects of the surrounding retail hierarchy, which limits the extent of the potential residential trade area that could be served by external oriented retail facilities.

Therefore, to assess retail floorspace demand in the Blacktown Area, we utilised the retail employment derived above and multiplied by a square metre per employee of 45 m² (i.e. employment density²⁵) to derive the floor area of 140,624 m² for retail workers within the Blacktown Area.

By applying the TPA employment projections, we derived the additional demand for retail space at the Blacktown CBD of 7,630 m² by 2026 and 25,405 m² by 2036.

Table 27: Forecast Retail Floorspace Demand, Blacktown Area

Retail Floorspace (m ²)	2016	2021	2026	2031	2036
Retail	127,210	134,841	140,624	146,779	152,616
Additional Demand (cumulative)	-	7,630	13,414	19,569	25,405

Source: TPA (2019), ABS Census (2016), MacroPlan (2019)

8.5 Commercial & Retail Opportunities within the Proposed Health Precinct

Whilst the floorspace demand is derived from the *employment density metric* alone, it may seem conservative. However, also note that these figures refer to the wider 'Blacktown Area' as defined, *not* the proposed Health Precinct itself. Furthermore, the figures denote the *total retail floorspace demand* in the Area, some of which will escape.

The proposed Warrick Lane Development in an area just beyond (north-west) of the Precinct will include a yet to be determined amount of retail GFA/GLA, so will absorb some of the floorspace demand over the timeline (note the doubling of retail demand forecast in the 5 years between 2021 and 2026).

- Our preliminary view²⁶ is that there is sufficient residual demand to absorb a further 4,000-5,000 m² of commercial/office floorspace. MacroPlan envisages that the potential health precinct can attract interest from health providers (e.g. medical/consulting suites), education, R&D, and a range of SMEs seeking to purchase strata office.
- With regards to retail provision, based on all the assumptions, our view is that the Precinct is well-placed to absorb up to 20% of the anticipated floorspace demand in 2026, equal to say 2,500 m² of convenience and food retail from the mid-2020s, including a small supermarket of between 1,000 and 1,500 m².

²⁵ This figure of 45 m² is derived from standard industry benchmarks relatable to an urban area such as Blacktown.

²⁶ Subject to change, further consultation required

9. Purpose Built Student Accommodation (PBSA)

This section looks to address the future demand for purpose-built student accommodation (PBSA) within the Blacktown region.

The rapid growth of in foreign student numbers, coupled with a period of high growth in domestic student enrolment, has placed increased pressure on the Sydney market to provide student accommodation, both generally and within the locality of Blacktown. This demand emanating from foreign enrolments is expected to increase moving into the future, with Blacktown tipped to open a 'pop up' campus with 1,000 students by 2020 expanding to 5,000 students by 2023. However, it is MPDs position that this enrolment target of 5,000 students is more likely to be achieved by 2026²⁷.

In accounting for Blacktown's lack of student accommodation supply, Western Sydney University and its satellite campuses at Parramatta, Penrith, Bankstown, Campbelltown, Hawkesbury and Nirimba (of which all provide student accommodation) were used as benchmarks. These benchmarks will assist in providing a more focused approach for Blacktown and help shed light on the subsequent supply and demand shortfall of PBSA.

9.1 Metropolitan Market Context

The tertiary education sector, particularly the university sector, has experienced a period of strong growth. This reflects recent growth in the domestic market as participation rates in tertiary education have risen, but more particularly significantly strong growth in the foreign student market. As the table below implies both domestic and international figures are forecasted to continue to increase within the metropolitan market. This will in turn place increased pressure on the Purpose-Built Student Accommodation (PBSA) market.

Overall, the PBSA development pipeline in Sydney remains somewhat restricted due to the fluctuating values of development sites, driven by residential developers in core location sites for student accommodation. This is becoming increasingly noticeable in Sydney's central and eastern suburbs with developments surrounding tertiary institutions such as University of Sydney, UTS and UNSW slowing following many of their completions. Moving into the future, there is continued excess demand for quality PBSA, with many developers and investors looking for new opportunities in Sydney with Blacktown providing this opportunity.

9.2 Western Sydney University: PBSA Provisions

Currently across all Western Sydney University Campuses there are 1,590 student beds provided for both domestic and international accommodation. As Western Sydney University does not provide enrolment breakdowns per campus per domestic and international enrolment, MPD has had to apply a blanket analysis across the university as a whole.

The list of each campus and the total number of student beds they provide is listed below:

²⁷ Indicative figure – subject to change

- Parramatta Campus (344 beds), Penrith Campus (310 beds), Bankstown Campus (290 beds), Campbelltown (326 beds), Hawkesbury (260 beds), Nirimba (60 beds)

Table 28: Actual and Projected 'Sydney Metropolitan Universities' Enrolments

	Domestic	International	Total
2001	146,253	32,429	178,682
2006	150,938	45,449	196,682
2011	175,715	55,669	231,384
2016	197,913	66,702	264,615
2021	222,915	79,922	302,837
2026	251,076	95,761	346,837

Source: uCube (2018), Macroplan (2019)

Looking at the currently enrolment make up of Western Sydney University (table 29 below), of the approximately 45,000 students 14% (5,945) are international with the remaining 86% domestically located. Given current supply of student accommodation provided by Western Sydney University, there is a current composition of foreign student-to-beds of 27%.

Table 29: Actual and Projected 'Western Sydney University' Enrolments

	Domestic	International	Total	CAGR (%)
2001	28,543	6,784	35,327	-
2006	28,430	4,473	32,903	-1.41%
2011	34,757	4,422	39,179	3.55%
2016	39,536	4,839	44,375	2.52%
2017	38,752	5,945	44,697	0.72%

Source: uCube (2018), Macroplan (2019)

9.3 Development Potential for PBSA at Blacktown

At present, there is no student accommodation supply provided within Blacktown. Given a 'pop-up' campus of approximately 1,000 students is tipped to open in 2021 with enrolment set to increase to 5,000 by 2026, the provision of student accommodation is highly recommended. **Using Western Sydney University as a benchmark for the Blacktown market, it is suggested that there will be a shortfall of about 35 – 40 beds in 2021 and given no additional supply from 2021 onwards the Blacktown market this will increase to 180 – 190 beds by 2026.**

Allowing 30-35 m² GFA for average/typical unit size (i.e. per unit), we anticipate that a provision of between 5,500 and 6,500 m² GFA is required for future student accommodation purposes. This is a net figure which does not include open space, building setbacks, parking and interior and external roadways gross floor (but includes an indicative internal communal floorspace of about 1,500-1,800 m²).

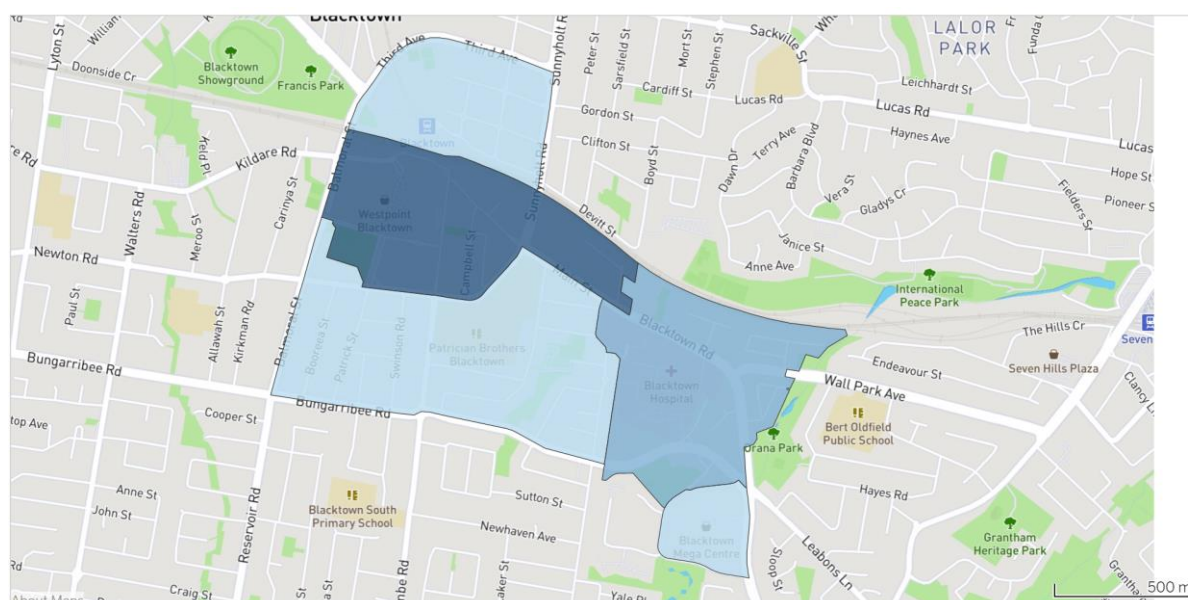
10. Childcare

This section looks to address the future demand for Childcare centres within the Blacktown region.

In meeting the needs of the catchment and its future residents from a non-retail perspective, we have also identified a 'childcare centre' as a candidate tenancy for the subject health precinct at Blacktown.

In this section, for clarity, when reference is made to the 'Blacktown Area', we are referring to the area including the Blacktown CBD stretching through to area inclusive of the subject health precinct and the Hospital. This Area is shown on Figure 13.

Figure 18: Study Area Delineation, 'Blacktown Area'



Source TPA (2019)

10.1 Existing & Proposed Childcare Centres

There are currently 787 places within the catchment over 15 centres. There is one large centre (with more than 100 places), 7 moderate-sized centres (50-100 places) and 7 small childcare centres (less than 50 places). The closest competition to the subject precinct is the centres located within Blacktown Hospital, along Main Street, along Campbell Street. These centres provide approximately 320 places.

At present there are 2 proposed childcare centres in the Blacktown Area with well over 190 places in the pipeline to 2022. The largest proposed centre is the Third Avenue Mixed Use Development (VISION Blacktown) with an anticipated 151 Places.

The childcare centres within Macquarie Park primarily serve local workers and students, but with more residential apartments being built there will likely be demand for even more childcare services in the area. There could even be potential to provide childcare to staff and students of Macquarie University given the site's proximity to the campus.

10.2 Gap Assessment

Our market gap assessment for child care places is provided in the table below.

Child care places could also potentially be filled by residents from outside of Blacktown Area and as well as by the children of parents that work in or near the catchment area. MacroPlan also escalated containment rate (as below) based upon the fact that Blacktown is the fastest growing LGA in Australia with its population and employment, and those trends across Greater Sydney seen due to an increasing demand for childcare.

In November 2016, DP&E NSW also recognised that there is a shortage of high quality and safe child care facilities. According to their findings, more child care centres are required to address shortages and meet projected demand for 2,700 more long day centres by 2036²⁸.

Table 30: Demand for ILUs, In terms of persons

	2016	2021	2026	2031	2036
Population Projections (person, Blacktown SA3)					
No. of 0-4 years old	10,680	11,418	11,972	12,488	12,972
Est. Childcare Demand (% of, Blacktown SA3)					
% of attendance 0-4 years old	35%	40%	45%	45%	45%
Containment Rate (i.e. % of the SA3 demand could be contained in the Blacktown Area)					
Blacktown Area	25%	30%	30%	32.5%	32.5%
Est. Childcare Demand (number of places, Blacktown Area)					
Blacktown Area	935	1,370	1,616	1,826	1,897
Est. Childcare Supply (number of places, Blacktown Area)					
Blacktown Area	787	827	978	978	978
Shortage/Surplus	148	543	638	848	919

Source: MacroPlan (2019), ABS Census (2016)

We estimated that there is currently unmet demand for 148 units in the Blacktown Area. It is expected to grow rapidly to 638 places by 2026 and 919 places by 2036.

²⁸ More quality child care where it is needed (Ministerial Media Release) - <http://www.planning.nsw.gov.au/News/2016/More-quality-child-care-where-it-is-needed>

10.3 Development Potential for PBSA at Blacktown

Based on our gap assessments, we identified that there is development potential within the Blacktown Area for 600 to 650 places by 2026. MacroPlan envisages that the Blacktown Health Precinct is well-located to absorb about 60% of the total market demand for the Blacktown Area, equating to 2 large-scale centres (100-150 places each) and 2-4 small to moderate scale centres (50-100 places each).

Allowing 7-10 m² GFA for average/typical child care place size (i.e. per place), we anticipate that a provision of between 2,500 and 3,500 m² GFA is required for future childcare centres.

11. Conclusion

The potential Blacktown Health Precinct is strategically located as a basis of greater housing and employment provision for Blacktown CBD (and its surrounds) and more commuters/visitors to the area and is therefore able to 'tap into' the economic opportunity that the precinct's accessibility and exposure presents.

- Contributing synergistically to the growth and strength of the Western Sydney region with a form of development and land uses that are suitable for the edge of the centre and complement the Blacktown CBD core.
- Increasing the employment floor space area and potential number of jobs on the proposed precinct area.
- Broadening the diversity of business and employment sectors permitted on the proposed precinct area. These new businesses and employment opportunities can 'cluster' at the Blacktown Health Precinct, ensuring mutual co-location benefits that support the wider Western Sydney region.
- Retaining potential for contemporary high-tech & R&D industries, modern health-related industries and service industries forms that are suitable for the potential Blacktown Health Precinct.
- Consistency with strategic directions and priorities in the Greater Sydney Regional Plan and the relevant District Plans (the Greater Sydney Commission).
- Improved pedestrian and cycle accessibility, and road connectivity, whilst also providing a safe access for local residents and commuter from/to Blacktown station.

The potential Blacktown Health Precinct can enhance the employment capacity and the local employment opportunities. This additional capacity will allow the Blacktown Health Precinct to contribute to the Blacktown City Centre transformation project.

In its fully evolved form, the proposed Blacktown Health Precinct can employ between 2,800 and 3,200 employees. Macroplan envisages that the Blacktown Health Precinct can generate an Industry Value Added (IVA) of close to \$250M to \$270M per annum (MacroPlan, 2019).

Furthermore, the Health Precinct can deliver more health service provision and the level of local services and amenities (e.g. specialist, medical/health service providers) for Blacktown and the Western Sydney region generally. It capitalises on the site's distinctive location strengths and has potential to trigger much needed local investment and job creation as well.

TECHNICAL NOTE

Project Code: N208651

Project Name: Blacktown Health Precinct Phase 2

Date: 28 May 2021

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Author: Nick Buchanan

Reviewer: Chris Wilson

SUBJECT: Blacktown Health Precinct Phase 2 Scoping Report

Page 1 of 11

Introduction

GTA Consultants, now Stantec have been engaged by Blacktown City Council (BCC) to assist scoping future traffic and transport related assessments in relation to the development of the Blacktown Health Precinct Transformation Project, prior to the formal submission of a Planning Proposal.

This memo outlines previous work undertaken to date incorporating the Warrick Lane Precinct, the Blacktown CBD Precinct, and the master planning phase of the Blacktown Health Precinct.

A summary of key findings is presented from both a broader, regional network perspective and then from a more specific intersection analysis perspective relating to the Health Precinct.

Background

Warrick Lane and the Blacktown CBD

GTA was engaged by Blacktown City Council in 2018 to provide traffic and transport assessment and advice on the Warrick Lane project, and managed the delivery of a range of transport engineering output including schematic and detailed design input to the Project, Transport Impact Assessments in multiple phases, DA stage and Detailed Stage Construction Traffic and a Pedestrian Management Plan.

Blacktown Health Precinct Master Plan

GTA was also commissioned by Hames Sharley and BCC to undertake traffic modelling investigations and to provide strategic transport planning advice to assist the preparation of the Blacktown Health Precinct Transformation Project Masterplan across 2019-2020.

BCC subsequently engaged GTA to assist with complementary design works of key intersections in relation to the development of the Blacktown Health Precinct Transformation Project. These complementary works assisted a separate costing exercise on key infrastructure works, including drainage and stormwater, roadworks and recreational facilities; it is noted that the result of these works will be used as an input to the preparation of a contributions plan.

Area of Influence

Having consideration for the Blacktown Health Precinct location and extent, the three strategic development precincts have been taken into consideration for the purpose of later analysis:

- Warrick Lane Precinct^[1]
- Blacktown CBD^[2]
- Blacktown Health Precinct.

[1] GTA Warrick Lane DA2 TIA Report issued 21 November 2018;

[2] GTA Warrick Lane 75% DA Traffic and Parking Assessment Presentation dated 9 August 2018

Figure 1: Blacktown Health Precinct



Context and Existing Conditions

Strategic Context

The review of relevant strategic documents relevant to the Blacktown Health Precinct and the key policy implications are summarised in the following table.

Plan	Relevance
The Greater Sydney Region Plan, A Metropolis of Three Cities	<ul style="list-style-type: none"> • Blacktown City is situated at the boundary of the Central River City and the Western Parkland City. • Blacktown has been identified as Strategic Centre
The Central City District Plan	<ul style="list-style-type: none"> • About 19,500 jobs have been targeted by the plan for Blacktown Strategic Centre by 2036 • Blacktown CBD is identified as a Health and Education Precinct
TfNSW Future Transport 2056	<ul style="list-style-type: none"> • New Infrastructure including the North-south Rail link in Western Parkland City and infrastructure to support Rapid and Improved Bus Connections between Western Sydney Airport – Badgerys Creek Aerotropolis and Penrith, Liverpool, Blacktown and Campbelltown – MacArthur • Major Infrastructure upgrades including the M4 Smart Motorway • Sydney-wide projects/ programs including the Principal Bicycle Network to connect Mount Druiett to Blacktown, St. Marys and Leppington

Plan	Relevance
Blacktown City Local Strategic Planning Statement (LSPS)	<ul style="list-style-type: none"> The LSPS provides the framework for land use planning and decision making over the next 20 years and details some priorities and action to achieve the Vision 2040. Health and Education Precinct: Transformational Project to capitalise on State investment in Blacktown Hospital
Blacktown 2036 (Community Strategic Plan)	<ul style="list-style-type: none"> Warrick Lane development: A key location to be developed as a landmark commercial and residential hub. University campus: A major university campus of at least two faculties Health precinct: Collaboration with the NSW Government and private health sector to co-locate a private hospital facility and allied medical services.

Existing Conditions

The existing Health Precinct includes approximately 20ha of urban land bounded by the road network which has regional significance, providing vehicles with major east-west and north south connections to several key arterial and State Roads such as the M7 Motorway, M4 Motorway, Old Windsor Road and Richmond Road, in addition to major employment centres including Blacktown CBD, Norwest Business Park and Arndell Park. The traffic volumes at key intersections in the vicinity of the site is summarised in Table 1.

Table 1: Traffic Volumes around the Blacktown Health Precinct

Road	Location	AM Peak Hour		PM Peak Hour	
		Eastbound/ Northbound	Westbound/ Southbound	Eastbound/ Northbound	Westbound/ Southbound
Main Street/ Blacktown Road ^[1]	East of Sunnyholt Road	1030	1227	1237	1210
Newton Road ^[1]	South of Sunnyholt Road	874	530	829	862
Panorama Parade ^[2]	North of Lismore Street	311	255	374	246
Newton Road ^[3]	East of Walters Road	609	293	362	710
Bungarribee Road ^[4]	East of Walters Road	990	587	708	931

[1] Source: Arup (2016) on behalf of Blacktown City Council to inform the Warrick Lane Precinct Concept Masterplan Study.

[2] Source: MetroCount Traffic Executive (2018) on behalf of Blacktown City Council

[3] Source: MetroCount Traffic Executive (2017) on behalf of Blacktown City Council

[4] Source: MetroCount Traffic Executive (2018) on behalf of Blacktown City Council

Travel data for mode share by residents in the Blacktown SA3 (greater Blacktown) was obtained from the Census by the Australian Bureau of Statistics (ABS) for 2007/8, 2012/3, and 2017/8. The analysis of data indicates that car use (driver and passenger) accounted for over 70 percent of travel over the last 10 years, with only a slight reduction in car between 2007/8 and 2017/8 from 75% to 72.5%.

Public transport trips in the area are low, with only a maximum of 14% for bus and train trips in any of the three years. Walking trips have also decreased between 2007/8 and 2017/8, however had a slight increase from 2012/3 to 2017/8.

Proposed Development

Having consideration for the Blacktown Health Precinct location and study area extent, three strategic development precincts were taken into consideration for the purpose of this analysis:

- Warrick Lane Precinct
- Blacktown CBD Precinct
- Blacktown Health Precinct.

On that basis, GTA revised the available background information and documentation previously utilised to inform GTA Blacktown Health Precinct concept design project and has identified the following indicative timeline of development within the relevant precincts.

Table 2: Anticipated Development Timing

Precinct	Development Area	Immediate (0-5 years)	Short term (5-10 years)	Medium term (10-20 years)	Long term 20 year plus
		2021	2031	2041	2051
Warrick Lane	Carpark and road & access way	✓			
	ACU Stage One		✓		
	BCC offices		✓		
	ACU Stage Two			✓	
	Balance Commercial and Retail				✓
Blacktown CBD	Stage 1			✓	
	Stage 2			✓	
	Stage 3				✓
	Stage 4				✓
	Stage 5				✓
	Stage 6				✓
	Balance of development sites				✓
Blacktown Health Precinct	Sub Precinct A		✓		
	Part Sub Precinct B			✓	
	Part Sub Precinct			✓	
	Sub Precinct C			✓	
	Sub Precinct D			✓	
	Sub Precinct E			✓	

Source: Blacktown Health Precinct Master Plan – Final Urban Design Report (Hames Sharley, 2019).

As shown, the anticipated developed yield for the Health Precinct for year 2041 is approximately **110,000 square metres Gross Floor Area** based on the estimated demand by MacroPlan report which investigated a range of potential future uses in the existing Health Precinct. The potential floor space demands generated from each of the proposed uses are summarised in Table 3.

Table 3: Summary of uses and GFA demand in BHP Market Assessment

Land Use	Lower Demand (2036)	Upper Demand (2036)	Timing Sequencing
Private Hospital	5,000	20,000	Anchor use
GP & Allied Health	9,000	10,000	Anchor use or Follow up
Retail	2,000	2,500	Follow up
Commercial	4,000	5,000	Early activator or Anchor use
Student Accommodation	5,500	6,500	Early activator or Anchor use
Seniors Housing (ILUs and RACs)	26,000	48,000	Early activator
Healthcare staff accommodation	8,000	12,000	Early activator
Short term accommodation	6,500	8,500	Anchor use or Follow up
Childcare centre	2,500	3,500	Early Activator
Total	68,500	116,000	

Source: MacroPlan Dimasi 2019.

Background Growth and Trip Generation

Background Traffic Growth

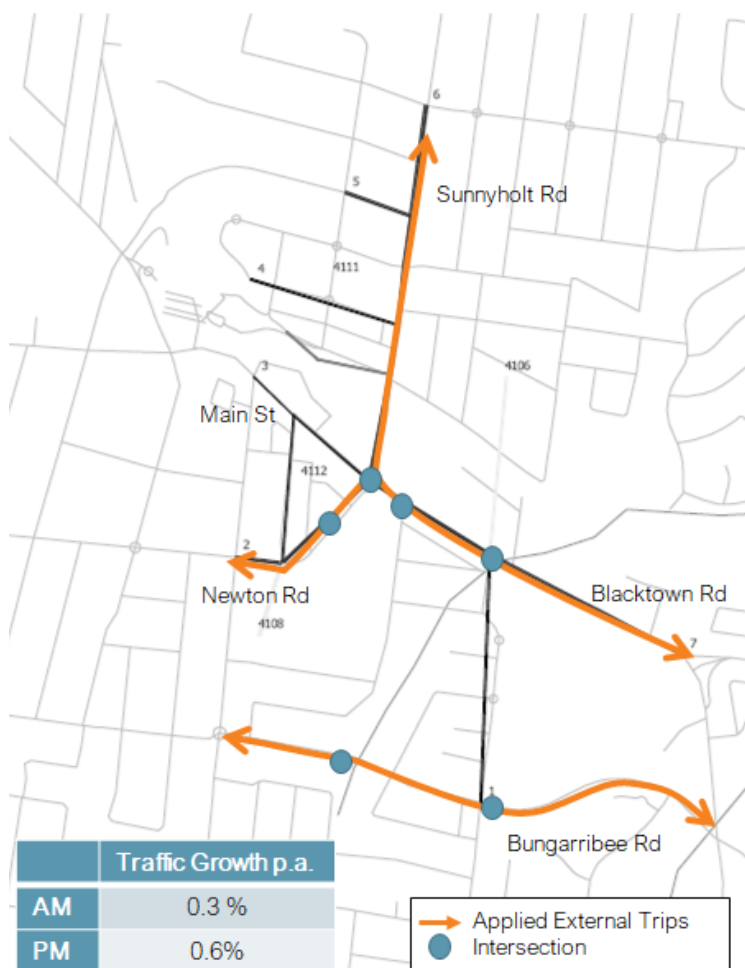
The existing conditions (2019) were developed with available traffic reports such as:

- Mount Druitt Hospital Stage 2 – Transport Accessibility Study Report (ARUP)
- Blacktown Health Precinct Project – Warrick Lane Precinct (GTA).

Future background traffic growth has been estimated based on outputs from the Sydney Strategic Traffic Forecast Model (STFM) provided by Transport for NSW (Roads and Maritime) for 2017 and 2031. The global growth rates were estimated for external to external trips as shown in Figure 2:

- Traveling from/to Sunnyholt Road to/from Newton Road
- Traveling from/to Main Street to/from Newton Road
- Traveling from/to Bungarribee Road East and West.

Figure 2: STFM Cordon Network



An annual traffic growth of 0.3 per cent and 0.6 per cent accommodates for background traffic growth for external trips. External to Internal trips are associated with the proposed development of the study area.

Trip Generation

GTA previously assumed trip generation rates and estimated traffic generation for the Health Precinct. Multiple sources were utilised for this exercise, including:

- GTA - Warrick Lane DA2 TIA Report, 21 November 2018
- GTA - Warrick Lane 75% DA Traffic and Parking Assessment Presentation dated 9 August 2018
- RMS - Guide to Traffic Generating Development, 2002
- TfNSW - TDT 2013/04a.

Based on this, the following trip rates were applied:

- Serviced apartments: 1 space per 100 m²
- Residential: 1 space per 60 m²
- Students: 1 student per 2.5 m²
- Hospital: 1 bed per 100 m²
- Allied Health: 1 bed per 55 m²
- Aged care: 1 dwelling per 80 m²
- Seniors living: 1 dwelling per 80 m²

In addition to the above, trip rates for retail facilities within the precinct were discounted by 50 per cent having consideration that businesses such as florists, chemist, grocery shop, etc. play a supportive and ancillary role to the adjacent businesses rather than generate traffic by nature. A similar assumption was also applied for childcare facilities.

Traffic Impacts

Regional Network Assessment (Health Precinct Master Plan Phase 1)

Background

Traffic modelling was undertaken for 2031 with a calibrated and validated Aimsun model. Future land use development included:

- Warrick Lane Precinct
- Blacktown CBD
- Blacktown Health Precinct.

In addition to the 2031 Future Base, the following network changes were tested in an Upgrade Case:

- Upgrades to Main Street/ Sunnyholt Road intersection
- Colo Lane access to Health Precinct with new traffic signals
- Removal of the pedestrian crossing on Main Street (between Campbell Street and Sunnyholt Road)

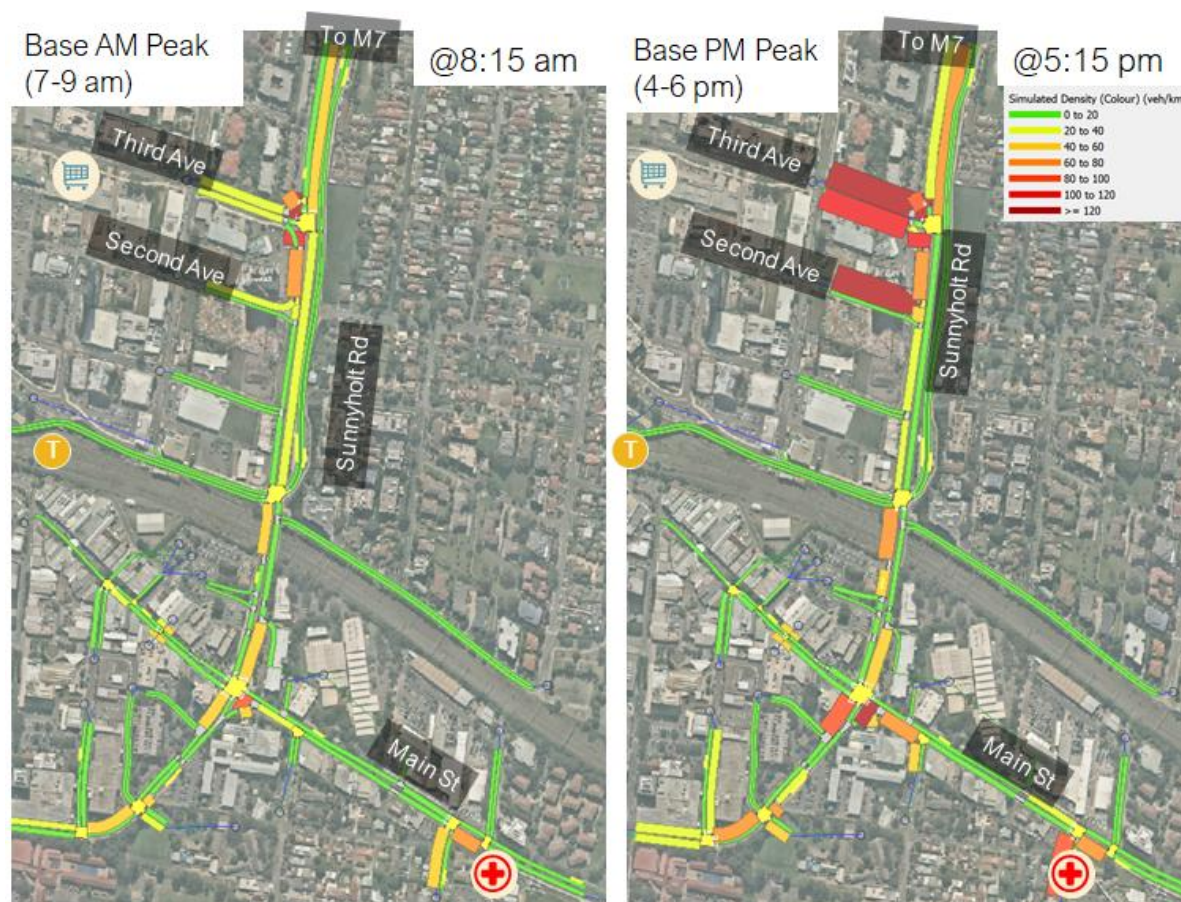
Findings

2031 Upgrade Case

The following is shown in Figure 3:

- Warrick Lane existing trips were removed and only Warrick Lane development trips were included
- Network upgrades identified above enable the network to operate at capacity and assist to cope with the expected level of growth
- Third Avenue remains under capacity stress showing significant queues and delays.

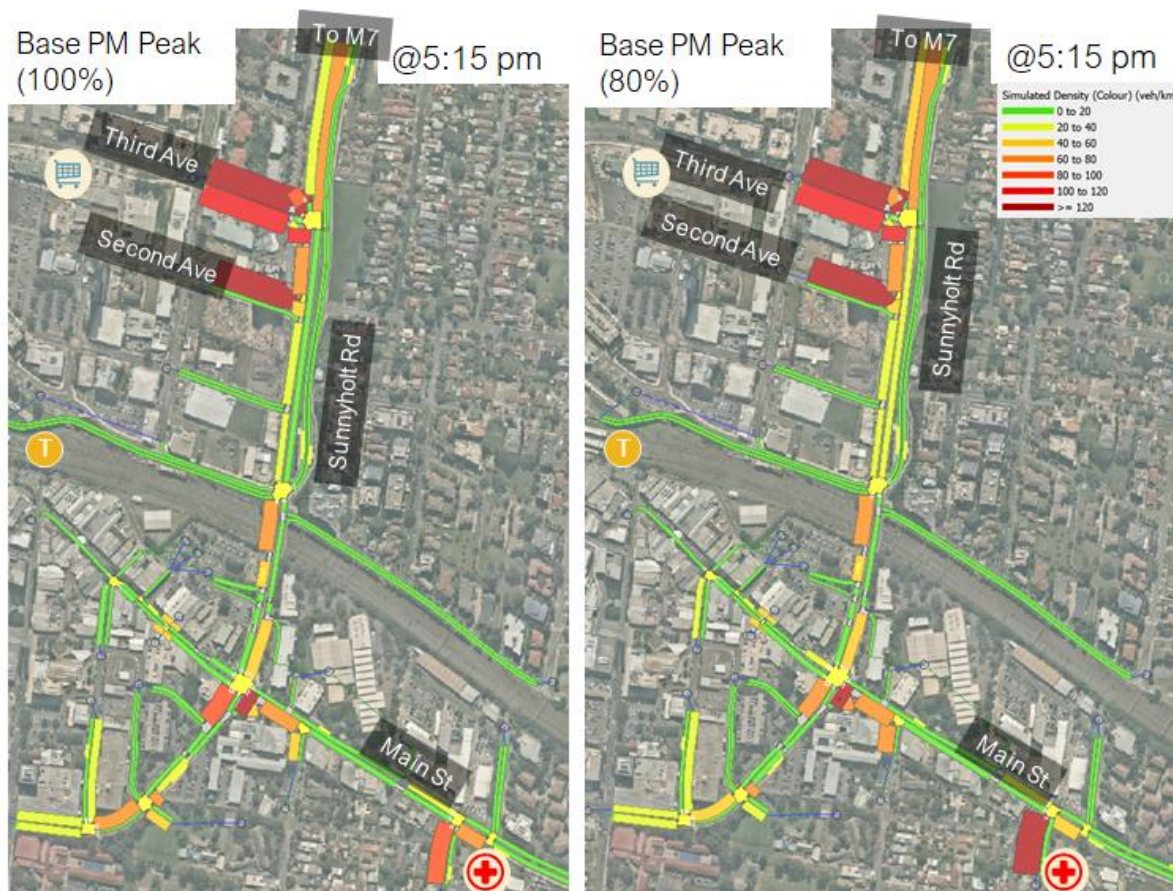
Figure 3: 2031 Upgrade Case Results



Comparison between 100% and 80% Scenario

As sensitivity test, 80% of CBD development was assessed. As shown in Figure 4, a 20% reduction in the CBD travel demand indicates marginal improvements but the network is still operating near capacity with queues and delays expected at Third Avenue.

Figure 4: 2031 Upgrade Case 100% and 80% Development Results



Summary

With the proposed upgrades:

- 2031 development can be accommodated for AM Peak conditions (additional approx. 1,000 trips)
- 2031 development cannot be fully accommodated for PM Peak conditions (additional approx. 1,080 trips)
- 2031 development can be accommodated in the PM peak with a 20% reduction in total CBD development.

Local Network Assessment (Refinement of Health Precinct Master Plan)

To subsequently assist a costing exercise on key infrastructure works for the Blacktown Health Precinct, GTA completed SIDRA Intersection modelling for 2041 when full development of the Blacktown Health Precinct is expected, to underpin the concept design of the following intersections:

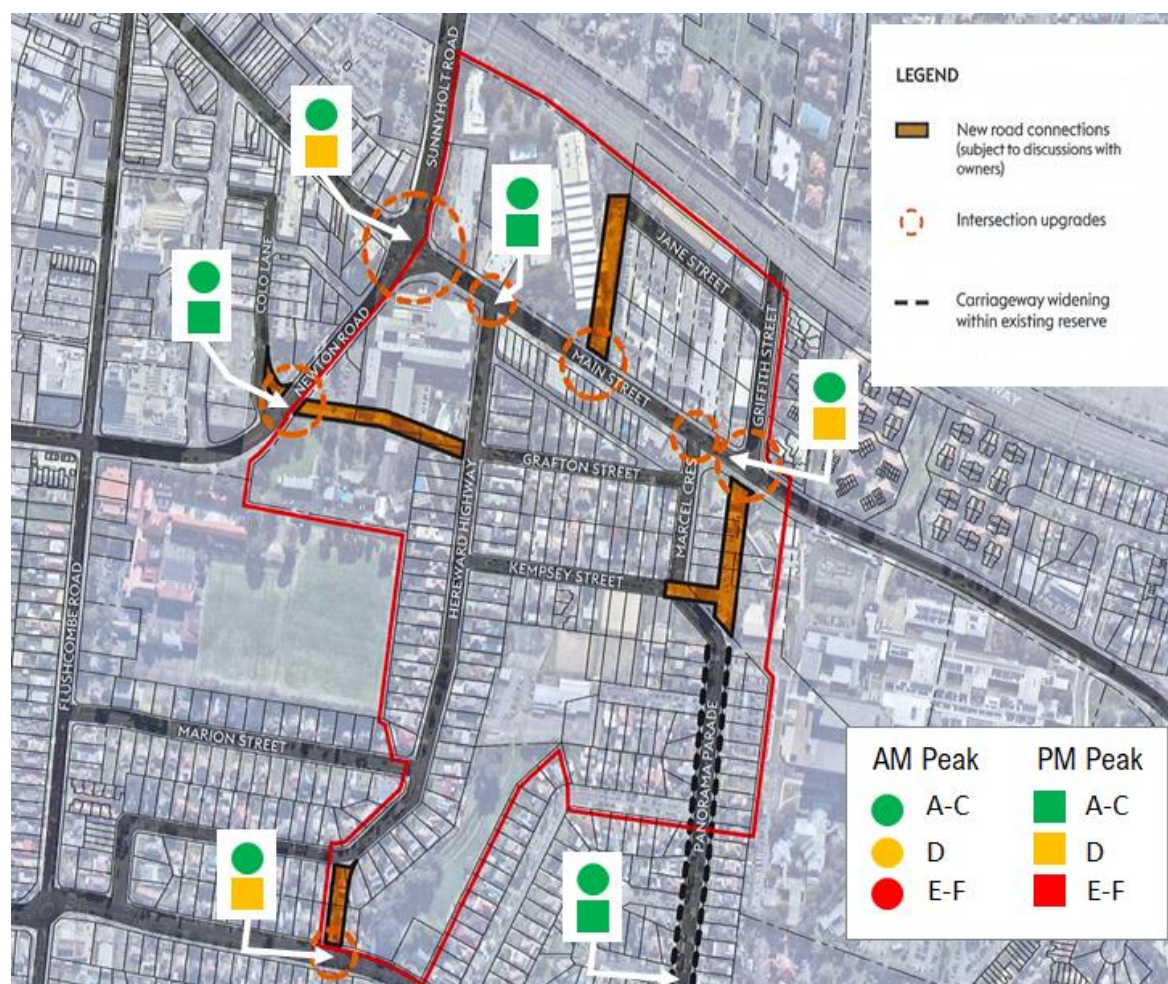
- Newton Road/ Colo Lane
- Blacktown Road/ Hereward Hwy
- Extension of Hereward Hwy to Bungarribee Road (next to Captain Cook Reserve)
- Blacktown Road/ Marcel Crescent / Griffith Street.

A summary of findings is outlined below:

- Base year (2019) traffic volumes were developed using the existing turning counts and previous traffic reports prepared by GTA and Arup
- Based on 110,000 sqm of the proposed yield, it is expected that the site would generate a total of 791 and 890 vehicle movements respectively during the AM and PM peak hours
- Future background traffic growth was estimated based on outputs from the Sydney Strategic Traffic Forecast Model (STFM)
- SIDRA Intersection results indicate that with the future traffic demand, all intersections would operate within capacity in both the 2041 AM and PM peak periods
- Intersection concept designs were undertaken and able to accommodate the anticipated peak traffic volumes.

Figure 5 summarises the operating conditions for the key intersections in 2041 weekday AM and PM peak periods, following Blacktown Health Precinct development.

Figure 5: Summary of Intersection Level of Service



Base Map Source: Blacktown City Council, adjusted by GTA

Summary

The below table summarises the extent of work undertaken for particular intersections, the software package used and whether a supporting concept design was undertaken. We provide an indicative priority or level of importance to guide future discussions.

Overall, from the work undertaken to date in both Aimsun and Sidra, all intersections in the Health Precinct operate at an acceptable level of service and do not adversely impact the Sunnyholt and Main Street intersection.

Table 4: Summary of Work Undertaken

Location	Years	Regional Impacts (Aimsun)	Local Impacts (Sidra)	Concept Design undertaken	Priority/ Importance
Colo Lane/ Newton Rd/ New access Rd	2031, 2041	✓	✓	✓	Medium
Sunnyholt Rd / Main St	2031, 2041	✓	✓	✓	High
Main St/ Hereward Hwy	2031, 2041	✓	✓	✓	Low
Blacktown Rd/ Marcel Cres/ Griffith St	2031, 2041	✓	✓	✓	High
Bungaribee Rd/ Hereward Hwy	2041		✓	✓	Low
Bungaribee Rd/ Panorama Pd	2041		✓		Low



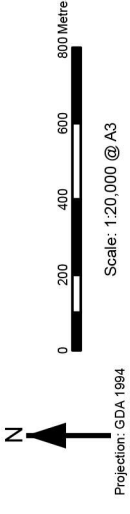
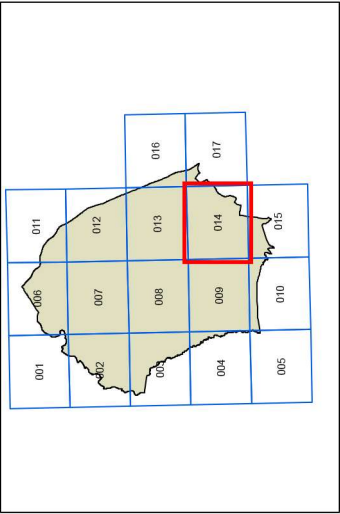
Blacktown Local Environmental Plan 2015

Land Zoning Map Sheet LZN_014

Zone	
B1	Neighbourhood Centre
B2	Local Centre
B3	Commercial Core
B4	Mixed Use
B5	Business Development
B7	Business Park
E2	Environmental Conservation
E3	Environmental Management
IN1	General Industrial
IN2	Light Industrial
R1	General Residential
R2	Low Density Residential
R3	Medium Density Residential
R4	High Density Residential
RE1	Public Recreation
RE2	Private Recreation
RU4	Primary Production Small Lots
SP1	Special Activities
SP2	Infrastructure
W1	Natural Waterways
UL	Unzoned Land
SRGC	SEPP (Sydney Region Growth Centres) 2008
SREP 30	Sydney Regional Environmental Plan 30 - St Marys
WSP	SEPP (Western Sydney Parklands) 2009
WSEA	SEPP (Western Sydney Employment Area) 2009

Cadastral

Cadastral 03/08/2020 © Blacktown City Council



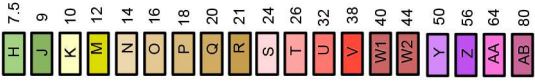
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MGA Zone 56
Map Identification Number: 0750_COM_LZN_014_020_20201201



Blacktown Local Environmental Plan 2015

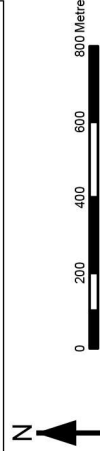
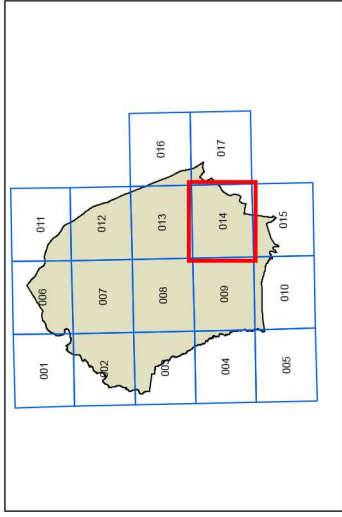
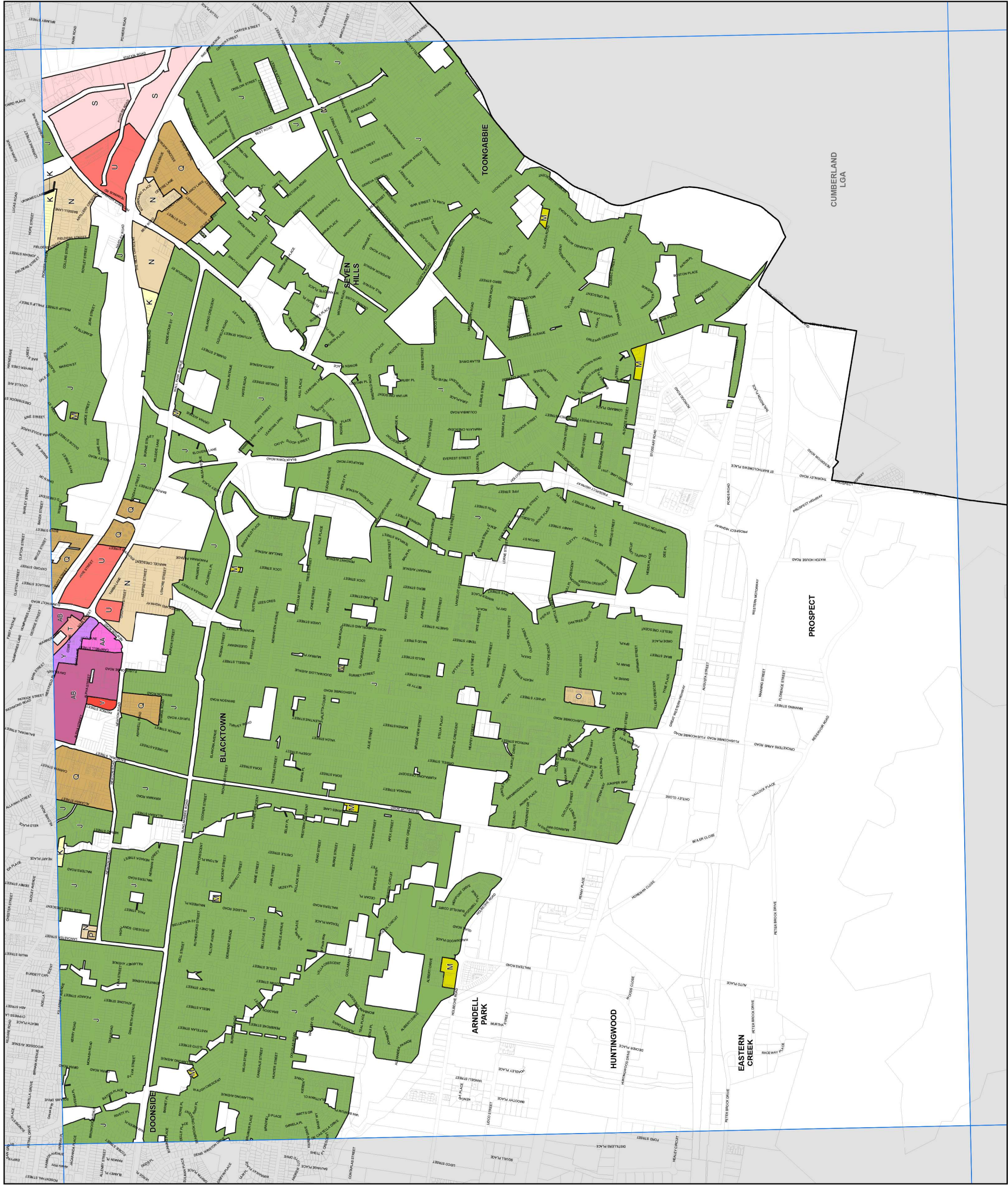
Height of Buildings Map Sheet HOB_014

Maximum Building Height (m)



Cadastre

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Projection: GDA 1984
MGA Zone 56
Scale: 1:20,000 @ A3

Map Identification Number: 0750_COM_HOB_014_020_20201201



Blacktown Local Environmental Plan 2015

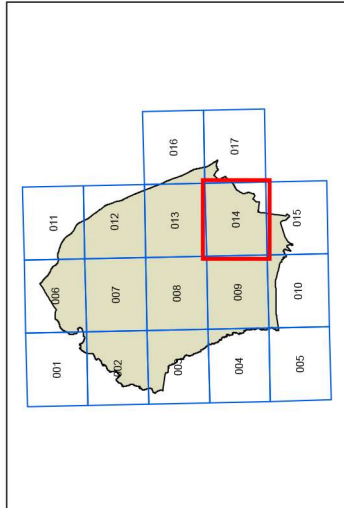
Key Sites Map Sheet KYS_014

Key Sites

- Clause 4.XX Area A
- Clause 4.XX Area B
- Clause 4.2A (a) Area 1
- Clause 4.2A (b) Area 2
- Clause 4.2A (c) Area 3
- Clause 7.10
- Clause 7.11(1)
- Clause 7.11(6)
- Clause 7.11(7)
- Clause 7.11(8)
- Clause 7.11(9)
- Clause 7.12(2)
- Schedule 1, Clause 1 (1)
- Schedule 1, Clause 6 (1)
- Blacktown Central Business District
- Blacktown Health Precinct

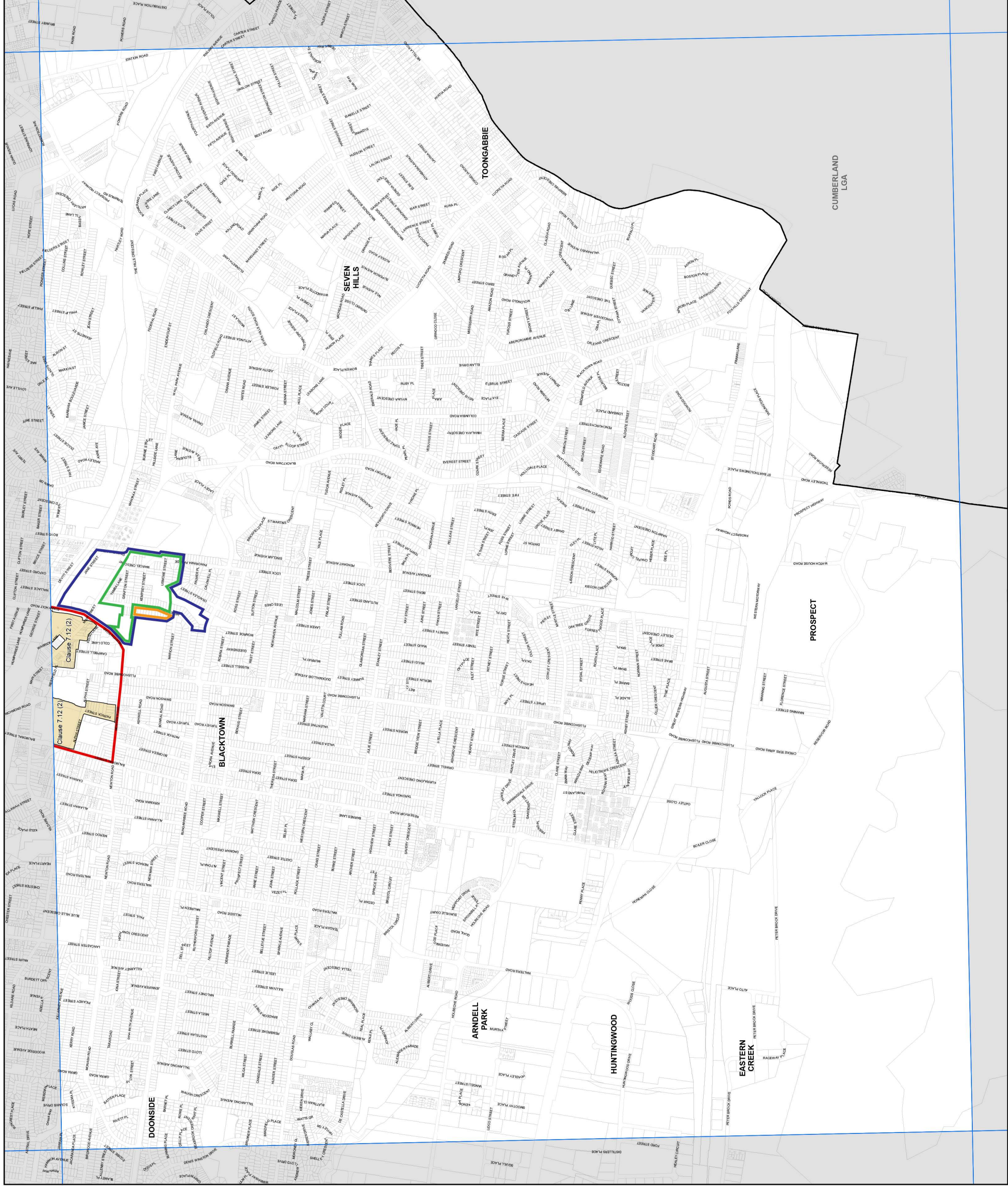
Cadastre

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Projection: GDA 1984
MGA Zone 56
Scale: 1:20,000 @ A3

Map Identification Number: 0750_COM_KYS_014_020_20200724





Blacktown Local Environmental Plan 2015

Incentive Height of Buildings Map Sheet IHOB_014

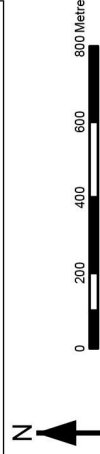
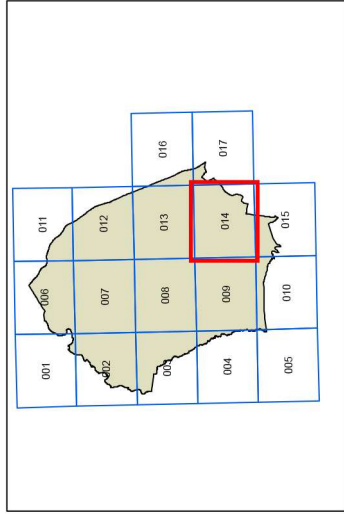
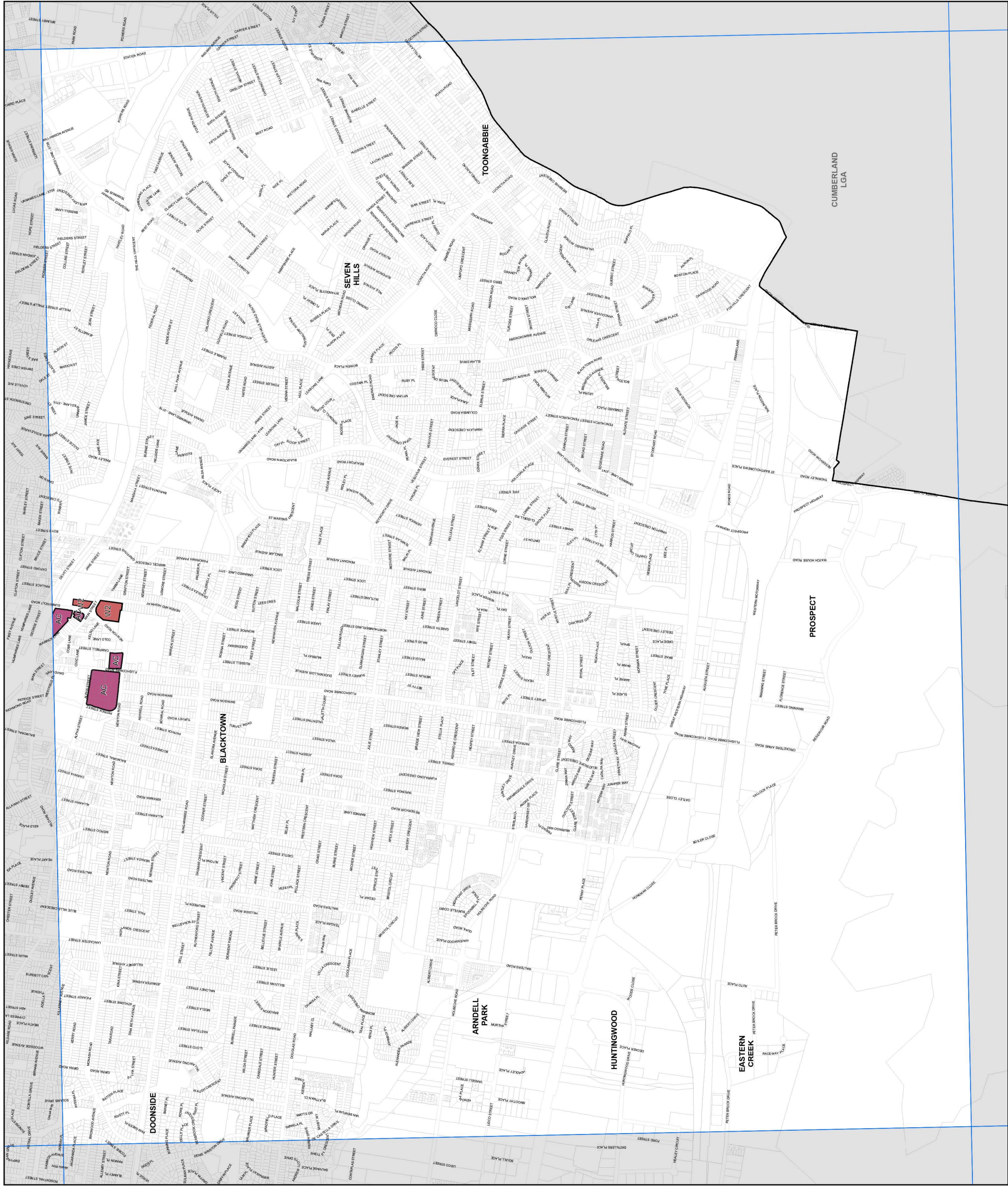
Maximum Building Height (m)



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Projection: GDA 1984
MGA Zone 56
Scale: 1:20,000 @ A3

Map Identification Number: 0750_COM_IHOB_014_020_20200724



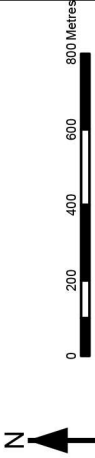
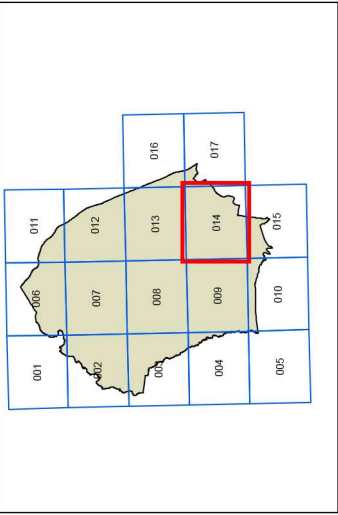
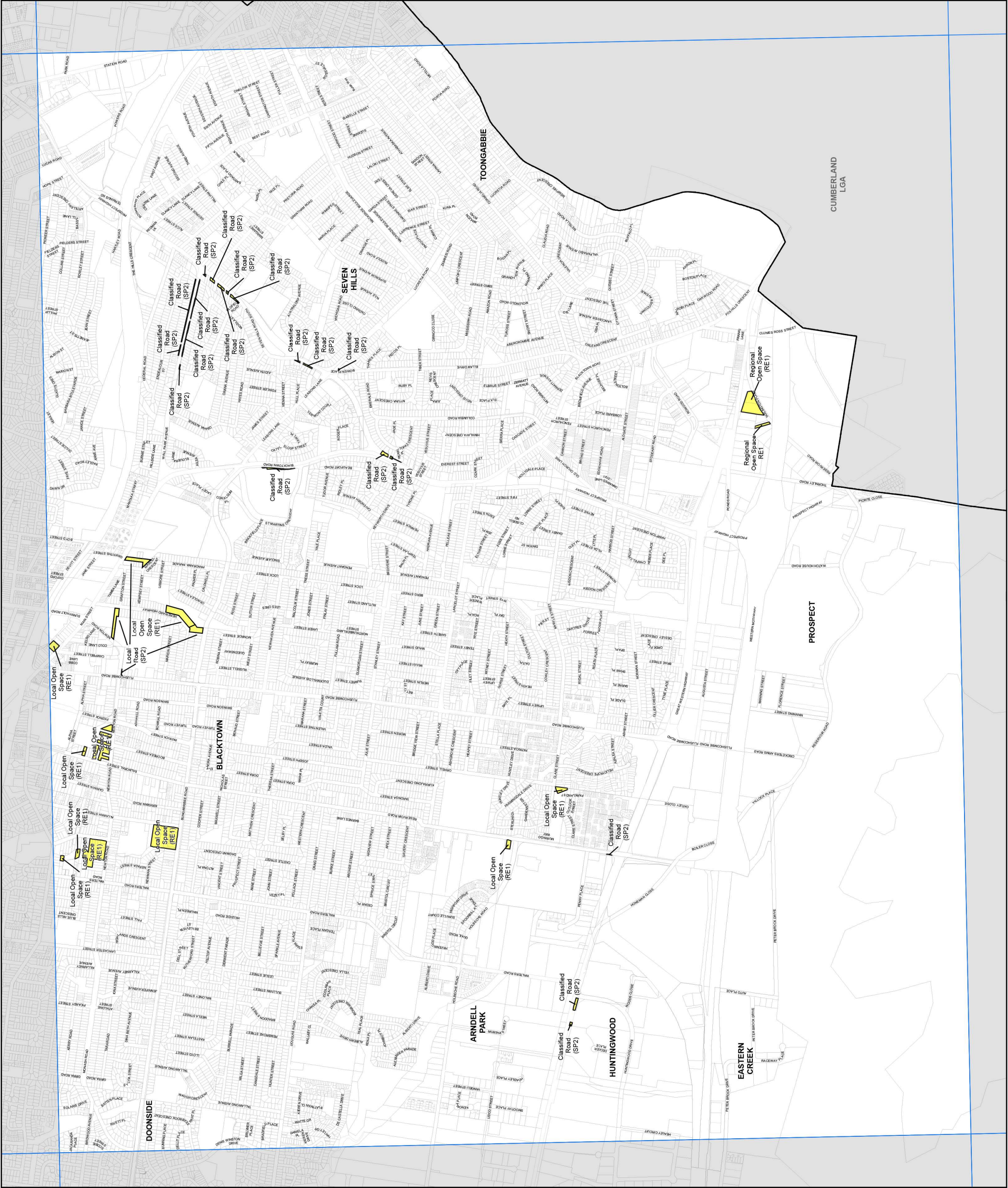
Blacktown Local Environmental Plan 2015

Land Reservation Acquisition Map-Sheet LRA_014

- Classified Road (SP2)
- Local Open Space (RE1)
- Local Road (SP2)
- Local Waterway - Council (W1)
- Railway (SP2)
- Regional Open Space (RE1)
- Sydney Water Drainage (SP2)

Cadastral

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Projection: GDA 1984
MGA Zone 56
Scale: 1:20,000 @ A3

Map Identification Number: 0750_COM_LRA_014_020_20200622



Blacktown Local Environmental Plan 2015

Land Reclassification (Part Lots) Map - Sheet RPL_014

Land Reclassification (Part Lots)

- Operational Land
- Community Land

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0 200 400 600 800 Metres

Scale: 1:20,000 @ A3
Projection: GDA 1994
MGA Zone 56

Map Identification Number:0750_COM_RPL_014

