

<b>22DP007</b>	Lake Macquarie Private Hospital - draft planning proposal to amend Height of Buildings Map in Lake Macquarie Local Environmental Plan 2014
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<b>Key focus area</b>	2. Lifestyle and wellbeing
<b>Objective</b>	2.1 Our community has access to adaptable and inclusive community and health services
<b>File</b>	RZ/13/2021/COUNCIL REPORTS - D10624094
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<b>Address</b>	3 Sydney Street, 2 and 4 Casey Street, 36 and 38 Pacific Highway, Gateshead
<b>Owner</b>	Ramsay Health Care Australia Pty Ltd
<b>Applicant</b>	Akalan Projects on behalf of Ramsay Health Care Australia Pty Ltd

### ***Executive Summary***

The draft planning proposal seeks to amend the height of buildings map from 10m to 37m in the *Lake Macquarie Local Environmental Plan 2014 (LMLEP 2014)* applying to the northern part of the Lake Macquarie Private Hospital at Gateshead. The amendment is to support a State Significant Development Application for expansion of the hospital.

The planning proposal (Attachment 1) addresses all relevant land use planning issues, including visual impact, economic impacts and community impacts, and it is recommended the planning proposal proceeds to Gateway Determination.

### ***Recommendation***

Council:

- A. requests a Gateway Determination from the Department of Planning and Environment, pursuant to the *Environmental Planning and Assessment Act 1979*, in relation to the draft planning proposal in Attachment 1,
- B. requests the use of delegations in respect of the Minister for Planning and Homes plan making function under section 3.36 of the *Environmental Planning and Assessment Act 1979* for the draft planning proposal,
- C. undertakes consultation with State Government agencies and service authorities in accordance with the Gateway Determination,
- D. places the draft planning proposal on exhibition for a minimum of 28 days, subject to the outcome of the Gateway Determination,

- E. notifies stakeholders and affected landowners of the public exhibition period as required, and
- F. receives a further report on the planning proposal following public exhibition.

## Discussion

The Lake Macquarie Private Hospital is one of three private hospitals in the city and is located in Gateshead adjacent to the Pacific Highway. Over the last several decades, the hospital has grown and expanded. Ramsay Health now own all the land bound by the Pacific Highway, Casey, O'Brien and Sydney Streets except for 10 O'Brien Street. Ramsay Health are currently in discussions with the owner of 10 O'Brien Street regarding acquisition of this lot.

The hospital and adjacent consulting suites on Sydney Street are operating at or near capacity and additional floorspace is required to provide additional health services to meet the needs of the growing Lake Macquarie population, as well as the wider Hunter region.

Ramsey Health are proposing a development application to undertake a significant expansion of the hospital. This development application will be classified as State Significant Development (SSD) with the assessment and determination of the application being undertaken by the NSW Department of Planning and Environment (DPE). The DPE has advised that a planning proposal to amend the building height is required to support the SSD. The expansion of the hospital will include additional inpatient beds, inpatient surgery theatres, day surgery theatres and medical consulting suites. Additional car parking is also proposed as part of the SSD. The draft planning proposal (Attachment 1) seeks to facilitate the expansion of the hospital under the SSD by permitting additional building height. It is proposed the building height limit will be increased from 10m to 37m on the northern part of the hospital site by amending the Height of Building Map in the *LMLEP 2014*.



**Figure 1 - Proposed area for change to height of building map**

The change to the building height is proposed for the north of the hospital site only (Figure 1). Several locations for the expansion and additional building height were investigated including additional height across the entire existing hospital site, or only the southern section or middle sections of the existing hospital site. The option of developing the northern section of the site was chosen as the only viable option that would meet the projected demands without causing a critical disruption to the ongoing operation of the existing hospital. A building height limit of 37m (which equates to 10 storeys) was identified as the height required to contain the new surgery theatres, ward beds, car parking and consulting suites needed to meet the projected demands.

The proposed expansion is consistent with the strategic goals in the Hunter Regional Plan 2036 and the Greater Newcastle Metropolitan Plan 2036, which identify the area as having a regionally significant health precinct. The draft planning proposal is also aligned with the Lake Macquarie Local Strategic Planning Statement (LSPS) which identifies the hospital as part of the North East Growth Area and envisages the Gateshead health precinct to grow and expand.

Consistent with an action from the LSPS, Council staff have commenced a review of planning controls for the broader Gateshead health precinct. This review is intended to result in a concept plan for the precinct which will outline future changes to planning controls and guide development and change in the area. This project is in its preliminary stages and will be reported to Council in the future.

As part of the assessment process, staff and the proponent have commenced work on a voluntary planning agreement for the provision of footpath infrastructure around the hospital. This work will support the planning proposal and SSD. The planning agreement will be the subject of a separate future report to Council.

### ***Assessment of options***

Supporting the draft planning proposal is recommended as it will facilitate the SSD to expand the hospital and enable expansion of health services in the Lake Macquarie community. Refusing the draft planning proposal would not support the future development of the site which would impact the long-term viability of the hospital and limit the provision of health services in the city.

Council may also choose to alter the planning proposal to change the building heights in another part of the hospital site. This is not recommended because Ramsey Health have advised that development over operationally critical parts of the hospital is not viable. Increasing building heights to allow for future development on other parts of the site would be inconsistent with the proposed SSD and impact the continuous operation of the hospital.

### ***Community engagement and internal consultation***

Internal consultation occurred with Council's Rezoning Advisory Panel, which includes staff from Integrated Planning, Community Partnerships, Asset Management, Environmental Systems, Development Assessment and Certification, and Property and Business Development. Feedback from this panel resulted in the discussions of a voluntary planning agreement to provide footpath infrastructure around the hospital.

If Council resolves to proceed, the draft planning proposal will be exhibited in accordance with the Gateway Determination. It is recommended the draft planning proposal be exhibited for a minimum of 28 days.

### ***Key considerations***



<b>Economic impacts</b>	<p>Lake Macquarie Private Hospital currently employs 792 people. The total capital expenditure of the proposed hospital expansion is approximately \$120m which will provide a positive economic impact to Lake Macquarie. The expansion is expected to provide 189 new ongoing jobs being 169 new staff roles (for example, nurses, allied health, administration and support staff) and 20 new medical specialist roles (for example, doctors, surgeons, anaesthetist and other specialists).</p> <p>The construction of the hospital expansion is also expected to create an additional 800-1000 direct and in-direct jobs during the construction period.</p>
<b>Environment</b>	<p>The draft planning proposal will enable the future development of the Lake Macquarie Private Hospital up to 37m (which equates to 10 storeys) in the northern part of the hospital site.</p> <p>A Visual Impact Assessment has been undertaken by the proponents to investigate the potential visual and solar impacts to neighbouring sites and the surrounding area.</p> <p>Given the location of the proposed additional building height, overshadowing will mostly impact the existing hospital site and 10 O'Brien Street, Gateshead. The proponent has indicated they have consulted with the owner/occupier of 10 O'Brien Street and reported they have no objection to this proposal.</p> <p>While there will be some visual and overshadowing impacts from the future development, these impacts are typical of an area undergoing transition and are considered acceptable when balanced against the strategic direction for the precinct and the social and economic benefits. Further detailed visual impact assessment and any required mitigation measures will be determined as part of the SSD assessment.</p>
<b>Community</b>	<p>The amendment of the height of buildings map will support the SSD and enable the expansion of the hospital. The expansion will allow the hospital to provide additional facilities to meet the growing health and medical needs of the Lake Macquarie community.</p>
<b>Civic leadership</b>	<p>Council's support for the planning proposal will demonstrate a commitment to the growth of the health precinct, expansion of the hospital and provision of additional jobs and health services for the city.</p>
<b>Financial</b>	<p>There is no financial impact for Council. The planning proposal has been initiated by the landowner who has paid the usual fee which covers staff time involved in assessing the planning proposal.</p>
<b>Infrastructure</b>	<p>There are no direct infrastructure implications for Council based on the planning proposal. However, staff are working with the proponent on a voluntary planning agreement for the provision of footpath infrastructure around the hospital.</p> <p>The impact of the hospital expansion on the surrounding road network will be assessed as part of the SSD. Additional car parking is also proposed for the site as part of the SSD.</p>

<b>Risk and insurance</b>	Any risks associated with the draft planning proposal have been minimised by following the LEP amendment process under the <i>Environmental Planning and Assessment Act 1979</i> and Council's LEP amendment procedure.
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### ***Legislative and policy considerations***

*Environmental Planning and Assessment Act 1979*

*Environmental Planning and Assessment Regulation 2021*

Hunter Regional Plan 2036

Greater Newcastle Metropolitan Plan 2036

Lake Macquarie Local Strategic Planning Statement

*Lake Macquarie Local Environmental Plan 2014*

### ***Attachments***

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| 1. Draft Planning Proposal - Amendment to Height of Building Map - Lake Macquarie Private Hospital | Under separate cover | D10655760 |
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