



ENVIRONMENTAL PLANNING & ASSESSMENT ACT 1979

EXECUTIVE SUMMARY

DETERMINATION OF MAJOR PROJECT NO. 05_0001 ROYAL REHABILITATION CENTRE SYDNEY (RRCS) – RYDE

Royal Rehabilitation Centre Sydney (RRCS) – Ryde is seeking the Minister's approval of a concept plan for a \$45 million purpose-built state-of-the-art rehabilitation and research facility. The purpose is to consolidate these existing and currently separately located functions onto a 2 hectare portion of the site's overall 17.7 hectares. The remaining 15.7 hectares is proposed to accommodate up to 900 dwellings of various mix and type, ranging in height from 2 to 6 storeys. The proposal also includes the provision of public open space and shared recreation facilities, new roads, and major stormwater drainage improvements.

As RRCS is a not-for-profit organisation, and is heavily reliant on subsidies, grants and Treasury funding, this redevelopment will provide an opportunity to invest additional revenue generated into the long-term future of the service.

The site is presently zoned "Special Uses 5(a) Hospital" in its entirety under Ryde Planning Scheme Ordinance (Ryde PSO). Accordingly a rezoning would be required and can ultimately be achieved through listing the site in Schedule 3 of State Environmental Planning Policy (Major Projects) 2005 – the Major Projects SEPP. The current zoning does not preclude the Minister from approving the proposal (residential included) as part of the proposal is permissible under the Ryde PSO. Under section 75O(3) of the Act, if part of the proposal is permissible then the whole proposal is permissible. The later listing of the site as a State significant site in the Major Projects SEPP will regularise land use zones to be consistent with the concept approval, as well as implementing a new planning regime for the site, such as development densities, heights etc.

The Minister is the approval authority on the basis of the proposal exceeding the criteria for a "Construction Project" (>\$50 million for a residential, commercial or retail project) under the then State Significant Development SEPP, now the Major Projects SEPP. The anticipated capital investment value of the entire project is \$295 million. The previous Minister for Infrastructure and Planning (Craig Knowles) agreed to consider the proposal for the site on 14 July 2005 and agreed to be a potential State significant site for inclusion in the then SSD SEPP. This process is currently being carried out separately and is not wholly dependent on the outcomes of the concept approval.

Since 2002 Ryde City Council has resisted various attempts by RRCS to rezone the site for medium-density residential purposes. Council's formal position is that it would support a rezoning that retains RRCS on site and permits low-density and low-rise residential development. Council officers have verbally indicated that a redevelopment of the site for up to 900 dwellings at a maximum height of 6 storeys would be acceptable with minimal traffic and amenity impacts and a superior urban design outcome.

Under the Act, the environmental assessment for the proposal was publicly exhibited from August 31 2005 until 30 September 2005. Over 550 submissions were received, including 2 petitions. Issues raised included urban design, building height, development density, traffic generation, stormwater management and relocation of Riding for the Disabled Association – Ryde.

These issues primarily focus on potential amenity impacts on existing residents, particularly additional local traffic (competing with existing through traffic) stemming from the increased residential density in the locality from what is perceived to be out-of-character development.



In assessing the proposal, the Department resolved the above issues by seeking to preserve local amenity and improve the urban design of the proposal through conditions of approval that both amend the proponent's preferred project and impose mitigation measures, in addition to building upon the proponent's own statement of commitments. The Department also sought independent traffic advice to address traffic generation issues, and worked closely with Council officers on a range of issues. This advice has been adopted within the conditions of approval.

It should be noted that RRCS has not yet engaged a developer or sold its residual land to facilitate the redevelopment. To that end, a future developer may seek to develop the site in a different manner. The conditions of consent provide flexibility to enable a future proponent to revise the scheme within the approved parameters of number, mix, and density of dwellings, and height and distribution of buildings as set out in the concept's control drawings.

The Department also commissioned an independent economic review of the concept plan proposal to ascertain the relationship between development yield and density and potential revenue from the development (or sale of "improved and/or rezoned" land) through the concept approval. The concept plan proposal before the Minister would generate a residual land purchase price of \$61.2 million, a profit in the order of \$16.2 million, discounting the \$45 million required for the new rehabilitation facility.

This should be weighed-up against RRCS's annual operating costs and margin. In its last two financial years RRCS has operated at a net loss of \$620,000 and \$1.6 million. Of its annual revenue of about \$36 million, nearly \$30 million is through a NSW Health subsidy, the Department of Ageing, Disability and Home Care (DADHC) funding, and other grants.

The economic review found that reductions in height and density of the proposal correspondingly reduced the residual land purchase price. For example a maximum 4 storey development (= 778 dwellings) could generate a profit of \$9 million. Similarly, a "break even" position of \$45 million equates to approximately 690 dwellings.

Council's low-density and low rise preferred option would equate to 240 dwellings, largely separate houses and townhouses. This scenario would not pay for the new rehabilitation centre nor provide RRCS with added investment capital.

The Government's Metropolitan Strategy sets objectives and targets for Sydney's future and explicitly directs that new infill residential development be encouraged in existing areas and in or adjacent corridors and centres. Use of public transport should also be maximised. The redevelopment of this site offers a significant opportunity to optimise its proximity to the Sydney CBD and other employment centres, all of which are easily accessible from the site by (currently underutilised) public transport services. The proposed 900 dwellings also significantly contributes to Ryde's expected supply of residential dwellings to 2013. As part of the "Inner North" region Ryde, Lane Cove, Hunters Hill, Willoughby, North Sydney and Mosman LGAs are collectively expected to supply 11,552 new dwellings by 2013 and 30,000 new dwellings by 2031.

In the absence of the Department's and Minister's role in assessing and approving the proposal, the wider issue of service delivery within the health sector has the potential to continue to be compromised by localised issues. As a result of a comprehensive and consultative planning process the Department has been able to balance local amenity impacts with service delivery outcomes of State and Regional significance to achieve a concept approval that will provide certainty for RRCS. The balance of the benefits of the proposal to the State and the Sydney region outweighs the residual environmental planning issues, which can be mitigated and managed within acceptable limits subject to the



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imposition of an appropriate planning framework and associated recommended conditions of approval.

Notwithstanding the outcomes of the Department's technical assessment, it may be appropriate for the density of residential development on the site to be reduced to a maximum of 50 dwellings per hectare (an overall reduction of 100 dwellings and less than 800 overall). This would provide for greater confidence that the impacts of the development particularly with regard to traffic generation can be managed and mitigated. The proposed density of the residential component of the concept plan proposal was a key issue of concern expressed in submissions received from the local community. This reduction in dwelling numbers would not compromise the achievement of a new rehabilitation facility on the site. The reduction has been discussed with the proponent who has indicated that they are able to accommodate the limits albeit that this will directly impact on future income streams.

The Department recommends that the concept plan be approved, subject to conditions.