

13 June 2014

MAJOR PROJECT APPLICATION – CONCEPT PLAN FOR HOLISTIC CANCER AND MEDICAL HOSPITAL FACILITY AND ASSOCIATED USES ON WARWICK STREET, BERKELEY (MP10_0147)

Introduction

Delbest Pty Ltd (the proponent) has submitted a Part 3A application for concept plan approval to develop and operate a holistic cancer and medical hospital facility and other ancillary uses in the suburb of Berkeley. The site is located within the Wollongong Local Government Area and is currently undeveloped.

The proposal is a major project under the repealed Part 3A of the *Environmental Planning and Assessment Act 1979* (the Act), because it includes a hospital with a value of over \$15 million. The Secretary's Environmental Requirements were issued prior to the repeal of Part 3A in October 2011, meaning the application is a transitional project under Schedule 6A of the Act.

Background

The Environmental Assessment was publicly exhibited from 6 March 2013 until 12 April 2013. 12 public submissions were received (one letter of support and 11 objections including a petition containing 61 signatures).

In response to issues raised by the Department of Planning and Environment (the Department), a PPR was submitted in October 2013. The concept plan as amended by the PPR seeks approval for:

- medical centre, day surgery, respite care centre and specialist rooms;
- child care centre for 70 children;
- accommodation for patients, visitors, nurses and medical officers;
- 320 bed hi-tech holistic cancer and medical hospital;
- construction of an access road from Nolan Street;
- independent seniors living accommodation;
- residential aged care facility and hostel;
- outdoor holistic care course and related structures;
- parking for 580 vehicles; and
- landscaping and bushland regeneration works.

The amended concept plan reduces the amount of gross floor area by 25 percent, reconfigures building footprints and deletes the school, hotel, library, auditorium and lecture theatre. The PPR has been publically exhibited and two submissions from the public were received.

Delegation to the Commission

On 7 May 2014, the application was referred to the Planning Assessment Commission (the Commission) for determination under Ministerial delegation, as Wollongong Council (the Council) objected to the proposal. Ms Gabrielle Kibble AO nominated Ms Jan Murrell (chair), Mr David Furlong and Mr Richard Thorp to constitute the Commission to determine the project.

Assessment Report

The Secretary's Environmental Assessment Report prepared by the Department has identified the following key issues with the revised application:

- site suitability;
- ecological issues;
- building height, design and the visual impact of the proposal; and
- access, car parking and traffic.

Meetings and site inspection

Meeting with Wollongong Council

On 22 May 2014, the Commission met with Wollongong Council to discuss issues raised in its submission to the PPR and the proposal in general. The key concerns raised by the Council at the meeting were:

- site location and suitability;
- height and bulk of the medical centre and hospital;
- zoning issues; and
- access to the site.

Meeting with the proponent

The Commission met with the proponent on 22 May 2014 for a briefing on the project. The applicant explained that the Department's report was generally acceptable, subject a number of minor amendments to the Terms of Approval and Future Environmental Assessment Requirements. These amendments are detailed later in this report.

Site visit

On 22 May 2014, the Commission inspected the site and surrounding area.

Commission's Assessment

The Commission has reviewed the Department's assessment report and considered the submissions from Wollongong Council and other government agencies. Consideration has also been given to the issues raised by Council and the proponent at the meetings on 22 May 2014. The Commission's assessment of the key issues is provided below:

Site suitability

The Council's primary concern relates to the suitability of the site for the proposed development. At the meeting on 22 May 2014, Council officers explained that the site is not well connected and the development would be better located in a town centre (such as West Dapto). Council's preference is for investment in its centres, where there is currently capacity for further development.

While the Commission understands the position of Council for the proposed development to be located within a town centre, at the same time the site adjoins the F8 freeway, is located within an established suburb and is within short driving distance of the Wollongong city centre. The Commission considers that it would be very difficult to find a site that is in one ownership and large enough to accommodate the range of uses proposed for a holistic facility, and this site also has the benefit of an outlook to the escarpment. The Commission also notes that the proposed uses are generally permissible with consent within the zones (with the exception of the medical centre and holistic care course, which is addressed later in this report).

While the Commission accepts Council's concern that the site is not located within walking distance of a train station, it notes that the Statement of Commitments includes details of a daily shuttle service for staff to and from local train stations, as well as a mini bus service for residents of the seniors living development. The Commission recognises the value in this service and considers it should be extended and accordingly has amended the Future Environmental Assessment Requirements to ensure the shuttle service is also available to hospital patients and visitors.

In summary, the Commission agrees with the Department that the site is suitable for the proposed development due to its size, topography, location and accessibility.

Height, mass and building design

Council raised a number of issues about the height, bulk and visual impact of the proposal stating the height control of 9 metres. While the Department shared this view of the original Concept Plan proposal, the Department considered that the PPR satisfactorily addresses its previous concerns.

The Commission has given careful consideration to the Council's concerns, even though the height and bulk of the proposal has been significantly reduced as part of the PPR. All building envelopes and roads have been relocated away from the ridgeline and are largely filtered by vegetation, which substantially addresses concerns relating to visibility. Although the hospital building consists of nine storeys, two of these are substantially below ground level. The remaining seven storeys will not be visually dominant from surrounding residential streets and the adjoining roadway due to the site's topography and vegetation. The Commission notes that the proposed development retains a large proportion of the existing vegetation on the site (approximately 9 hectares), which provides a positive outcome to the surrounding residential area when compared to alternative development possibilities on the site.

The maximum building height proposed is RL76 (for the hospital building). The Commission considers this to be acceptable and has inferred that lift overruns/roof plant will be incorporated into the building envelope (due to the proposed roof gardens). To ensure certainty with regards to all building heights on the site, the Commission has decided that all RLs are to be inclusive of lift overruns and/or roof plant. The Future Environmental Assessment Requirements have been amended to require this as part of any future development application.

Notwithstanding that this application relates to a concept plan for maximum building envelopes and layout, the Commission acknowledges the need for good design outcomes for the site. To ensure this, the Future Environmental Assessment Requirements have been amended to require all future development applications be designed by a registered architect and demonstrate compliance with the "*Director General's Design Excellence Guidelines*", *State Environmental Planning Policy No.65* and *State Environmental Planning Policy(Housing for Seniors or People with a Disability) 2004*.

Zoning

The site is zoned a combination of R2 Low-Density Residential (4.7 hectares) and E3 Environmental Management (12.2 hectares) under the *Wollongong Local Environmental Plan 2009* (WLEP 2009). The amended proposal is substantially contained within the R2 zone, with the exception of the rear portion of the seniors housing and residential care facility.

The proposed uses are permissible under the WLEP or *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*, with the exception of the medical centre and holistic care course (outdoor recreation area). The Department, Council and the proponent have all identified inconsistencies in the WLEP 2009, whereby medical centres are prohibited in the R2 zone but hospital, health consulting rooms and respite care centres are permissible with consent. As this is a Part 3A determination, the Commission is able to approve uses that may otherwise be prohibited under a planning instrument. The Commission agrees with the Department that the medical centre and holistic care course are both acceptable on merit and will complement the permissible land uses on the site.

Road access and staging

Concern was raised by Council regarding the land required for the Nolan Street access road. The land is owned by Council and would need to be reclassified from community land to operational land and this process cannot be pre-empted or guaranteed. If the land is not re-classified and the access road cannot be constructed, the development physically cannot proceed beyond Stage 1. The Commission notes the Council only gave owner's consent to the lodgement of the application.

To address this issue the Department recommended Future Environmental Assessment Requirement (1) that requires the proponent to demonstrate that the Council land has been reclassified (and the relevant approvals obtained to construct the road) prior to determination of the first development application for Stage 1. However, the proponent explained that if the Council land is not reclassified, the Stage 1 works (being the medical centre and child care centre) can still be built because the access for this stage is from Warwick Street. The Commission is satisfied that Stage 1 of the development could operate independently if the development of the site did not proceed beyond Stage 1.

The Commission agrees with the proponent that it is logical and appropriate to allow Stage 1 of the development to be approved without requiring the reclassification of land for the Nolan Street extension. Therefore, requirement (1) has been amended accordingly to refer to Stage 2.

In addition to the above, the proponent has requested that the Future Environmental Assessment Requirements (3), (5) and (6) be amended to allow the following prior to Stage 2, rather than Stage 1 as recommended by the Department:

- submission of a bulk earthworks management plan
- submission of a vegetation management plan; and
- mapping of the Illawarra subtropical rainforest Endangered Ecological Community (EEC) and securing environmental offsets.

The Commission agrees with the proponent that these items are not required prior to Stage 1. Construction of the medical centre and child care centre will not require significant excavation or disturbance of the regenerating EEC and therefore the current Requirements are onerous. Accordingly The Commission has amended (3), (5) and (6) to refer to Stage 2.

Landscaping and vegetation

The proponent has requested that the Future Environmental Assessment Requirements (5) and (6) and the Term of Approval (B2) be amended to correct errors relating to the extent of the EEC. The Department has referred to a regenerating area of 9 hectares, however the proponent has explained that the EEC covers an area of 3 hectares and the remaining 6 hectares is the other vegetation on the site, which acts as a buffer between the EEC and the building envelopes. The Council was not able to confirm these figures due to the age of its maps, but advised that the most recent investigation of the EEC (undertaken as part of the application) provided the most accurate figures. The most recent investigation is a report prepared in May 2013 by Kevin Mills and Associates (Ecological and Environmental Consultants), which is consistent with the proponent's calculations. Therefore, the Commission agrees that the Terms of Approval should be amended.

In addition, the proponent has requested that the Term of Approval (B2) be amended to require the preparation of a landscape plan for that part of the site proposed to be developed, rather than for the entire site (as requested by the Department). The Commission agrees that this is a reasonable amendment, as a landscape plan is not necessary for the vegetation on that part of the site not be affected by the development.

Conclusion

The Commission has considered all relevant information in relation to the Part 3A application and as amended in the PPR. The Commission generally agrees with the Department's recommendation for approval with conditions, subject to a number of modifications to the Terms of Approval and the Future Environmental Assessment Requirements to ensure positive design outcomes for the site.

Overall, the Commission is satisfied that the approval will facilitate a range of facilities to benefit the Wollongong local government area, without unreasonably compromising the amenity of the surrounding area.

The Commission's determination is to grant approval to the PPR concept plan in accordance with the attached Instrument of Approval.



Ms Jan Murrell
Commission Chair



Mr David Furlong
Commission Member



Mr Ric Thorpe
Commission Member