



JOHNSON PROPERTY GROUP

Creating living communities

19 September 2007

Mr Jason Perica
Executive Director, Strategic Sites and Urban Renewal
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Mr Perica

RE: Australasian Conference Association Wahroonga Estate

The Sydney Adventist Hospital complex is the largest single employer in the Hornsby and Ku-ring-gai Council areas and the third largest health-based employer in the northern region. The Hospital employs approximately 2,200 staff and has 500 accredited medical practitioners. They care for more than 40,000 in-patients and 150,000 out-patients annually. There are also additional staff in Jacaranda Lodge, the Primary School and the ACA administrative and media centre. Another 1000 staff will be employed with the expansion of the hospital.

The hospital also operates – in partnership with the Adventist Development and Relief Agency – a Healthcare Outreach Program. This program sends teams of 30-40 medical professionals abroad up to four times a year to countries such as Nepal and Vanuatu to perform life-saving surgery and other difficult procedures such as cleft-palate plastic surgery.

Despite this irrefutable evidence of the importance of the site in the region as an employment, education and research hub, Ku-ring-gai Council has not recognised the Hospital complex in its Town Centres Strategy. It is a unique site in the Sydney Metropolitan Region in that it can adequately accommodate growth, it is not physically constrained by critical infrastructure such as train lines or highways, and there is high amenity.

Development can occur which would complement the scale and building mass of the Hospital complex whilst providing appropriate setbacks to and enhancements of the bushland setting. Added to this is the critical factor that the land has been in continuous private ownership and operation as a Hospital and Church Administration centre for over 100 years. The ACA is strongly committed to expanding the Hospital and ensuring that the development is environmentally, socially and economically sustainable.

The Hospital has international status as a 'magnet' employer attracting skilled clinicians and providing a range of 'world's best practice' medical services.

In terms of public transport, two bus services operate past the Hospital. Thornleigh Station is located approximately 2 km west of the hospital and Wahroonga and Turrumurra Stations are approximately 3 km distant from the Hospital. The site is located in the heart of the northern suburbs close to schools, sporting fields, parklands and transport links including the F3 freeway.

Purpose of Letter and Application

The purpose of this letter is to seek confirmation that a proposal by Johnson Property Group to develop 65 hectares of land in Wahroonga that includes the Sydney Adventist Hospital satisfies the definition of a Major Project and that the site can be listed under Schedule 3 of the Major Projects State Environmental Planning Policy (SEPP) as a 'State Significant Site'. JPG submits that the project should be classified under Clause 18, Group 7 of Schedule 1: Health and Public Services with a Project Investment Value of the hospital first stage improvements alone of \$95 million. The total value of the residential developments which would be staged with regard to financial and construction considerations, is \$412 million.

It is anticipated that the nurses' hostel accommodation, which accounts for just over 300 dwellings, would be replaced as a matter of priority.

The accompanying Preliminary Assessment Report is intended to provide sufficient information to enable the Director General to issue the environmental assessment requirements pursuant to Part 3A of the *Environmental Planning and Assessment Act 1979*. The application is for the listing of the site as State Significant, and approval of the rezoning and Concept Plan.

Background

Johnson Property Group sought confirmation in October 2006 that the proposal to develop the land is a 'Major Project' as defined and to be determined under Part 3A of the Act. An outline of the proposal and a scoping paper was submitted to the Department of Planning at that time.

Although JPG has not yet received formal written confirmation that the project has been determined to be a 'Major Project', representatives of the Department have had ongoing discussions with JPG and both Ku-ring-gai Municipal Council (KMC) and Hornsby Shire Council officers to discuss site opportunities, and associated planning matters.

JPG initially proposed a yield of 1600 new dwellings for the Estate based on existing and anticipated future demand for on-campus accommodation. At 25 dwellings per hectare, the Department of Planning and the Council were unable to offer support for the proposal. JPG then reduced the density to a level which would just meet future demand with some surplus yield potentially available for subdivision and sale.

In response to the Department's and Council's concerns regarding the potential environmental impacts of the proposal, and conflicts with other Town Centre and settlement policies, the density was then further reduced to 15 dwellings per hectare providing a final yield of 988 dwellings. The attached Concept Plan and Report addresses the proposed yield of 988 dwellings.

With the implementation of the LEP Reform process it is proposed that the residential and associated use areas of the site be zoned General Residential R1. This anticipates that the apartments may be strata-titled and detached dwellings would be Torrens title, although most of the anticipated demand will be for accommodation which is ancillary to the Hospital and Nursing College. It is proposed that the core Hospital, Church and School lands be zoned Infrastructure SP2.

KMC has prepared a 'Key Issues Paper' identifying key environmental issues it believes should be addressed in any form of development application. JPG has responded to those concerns. A Preliminary Assessment Report and Concept Plan is attached for consideration. A summary of negotiations with the Councils to date is also included in the attached report.

No existing consent for the proposed development exists under Part 4 of the Act.

The Site

The site is located at Fox Valley Road and the Comenarra Parkway, Wahroonga. The site comprises approximately 65 hectares, the majority of which is currently zoned 5(a) Special Uses (Hospital). The whole site is owned by the Australasian Conference Association Limited (ACA). The entire site lies within the Ku-ring-gai local government area (LGA); however some of the roads which lead in to "Mt Pleasant Avenue" precinct of the Estate are in the Hornsby LGA.

The site currently provides a focus for health care facilities, administrative services, education, religious, media and communication, and humanitarian activities. The key existing land use is the Sydney Adventist Hospital (and Specialist Clinic), which provides a broad range of health services to the whole community.

Sydney Adventist Hospital won the 2006 Australian Private Hospital Association Award for Clinical Excellence in recognition of its "provision of clinical treatment and demonstrated excellence in patient care throughout the entire hospital operation". The Hospital became an acute care institution in 1974 and is now one of the largest private hospitals in Australia. It was the first private hospital in NSW to be accredited by the Australian Council on Healthcare Standards. It has always operated as a not-for-profit facility.

Currently the Hospital employs 2,200 people, with a projected additional 1000 staff required over the next 5 years. 230 employees live on-site in nurses' accommodation that requires significant upgrade. The Hospital has expansion plans over the next 10 years to respond to the ageing population, including an increase in the number of hospital beds from 300 to 600. It is also proposed to move the Avondale Nursing College onto the Hospital campus where an estimated 300 students will be in attendance within the next 5 years.

Other current uses on the site include:

- Australian Conference Association Administrative Offices
- ACA Media Centre
- Adventist Development and Relief Agency
- the Fox Valley General Practitioner and Dentist Clinic;
- Seventh-day Adventist Churches;
- a Primary School;
- the Normanhurst Adventist Retirement Village; and
- Staff housing.

Project Vision

The site comprises approximately 65 hectares of land in Wahroonga including the Sydney Adventist Hospital and surrounding area. The site is proposed to be developed as the “Comenarra Park Living Community”.

The Comenarra Park Living Community will become a vibrant, mixed-use, sustainable community based on best practice environmental, water management and urban design principles, which will deliver:

- significant health related employment opportunities;
- a range of medium density residential accommodation for students, health workers and the local community;
- a small retail hub;
- protected and enhanced conservation corridors with extensive passive recreational opportunities;
- linkages to an integrated transportation network;
- on-site stormwater water management and re-use system; and
- new educational facilities including a school and Nursing College.

The Johnson Property Group proposal addresses an acute need for modern residential accommodation in the form of detached dwellings, townhouses and apartments to replace the existing (predominantly) sub-standard accommodation. The demand for appropriate accommodation already exists, and this will be further exacerbated by the anticipated future increase in bed numbers, staff numbers and student nurses attending the Avondale College.

The JPG proposal seeks to develop a mixed use precinct for commercial/medical, residential and limited retail uses. The site is physically capable of accommodating the proposed uses, and approximately 26 hectares or 40% of the site will be retained and conserved as bushland and parks. A Vegetation Management Plan is proposed to ensure that the bushland is appropriately conserved and bushfire risks are managed.

Future Hospital Development

The current success of the Hospital and its associated uses has been achieved by adhering to the vision of providing a full range of acute care services and maintaining the original focus on “wellness” which was the foundation of the Sydney Sanitarium and Hospital when it was established. The health needs of the ageing population, along with increasing operating cost pressures, will place a significant strain on the hospital’s future ability to continue to provide a full range of health services to the community and fulfil its mission.

There is an urgent need to expand and upgrade hospital and educational infrastructure on the campus. A separate master planning process has been in progress identifying new infrastructure and clinical service requirements which are needed either urgently, in the short term (less than 5 years hence), or longer term (up to 10 years). The list of new facilities required in both the short and long term are itemised in the attached report.

With the expanded Hospital and educational facilities, there is a need to increase the residential accommodation which can be provided to nurses, doctors, associated health care professionals and their families. The employees of the ‘San’ see their appointment as a placement within a community, and the statistical information about local residents such as ‘journey to work’ data supports this.

New housing is required which caters for hospital staff and their families along with staff and students requiring quality single or couple residential accommodation. A sustainable community will provide housing mix and variety. It will allow for improved urban design, subdivision layout, and efficient use of infrastructure while respecting the bushland setting and surrounding residential character at the interface of the Hospital Complex boundaries.

The ‘residential renewal’ proposal will also ensure housing and rental affordability in an area characterised by large expensive detached dwellings which are beyond the means of the average health care worker, Church worker or student and unsuited to their personal circumstances.

It is reasonable to suggest the future viability of the Hospital is contingent upon the consolidation of the site wholistically. Without consideration for future growth, the San’s future medical service provision is potentially compromised.

Traffic Generation

JPG has already undertaken a detailed study of existing and potential traffic and transport impacts associated with the Hospital and its proposed redevelopment.

“The most significant finding of this study is that the study ‘zone’ residents have a remarkably high “mode-split” towards walking to work. It is the highest recorded by this firm of any metropolitan Sydney area apart from the residential area around Sydney University.” Masson Wilson Twiney, 2007

The San has another remarkable and unique transport feature in that a number of employees are already part of a car pooling program for travel between the Central Coast and the Hospital and ACA Administrative Centre.

The employees self-nominate a car-share officer to manage trip schedules and this has operated successfully for a number of years.

JPG also strongly supports the implementation of programs such as ‘car pooling’ to reduce the number of individual privately owned vehicles which need to be parked within the redeveloped area of the Complex. JPG intends mandating a contribution to the ‘car share program’ in the Body Corporate levies for apartments to ensure the success of the program.

It is anticipated that a project specific parking study will be required however the Concept Plan anticipates that at-grade parking will be replaced with multi-deck and basement car-parks.

Major Projects SEPP 2005 – Schedule 1

We seek confirmation that the provisions of Clause 6(1) of the State Environmental Planning Policy (Major Projects) will apply to the site.

The capital value of the proposal will exceed \$15 million and will therefore be of the kind described in Category 18 of Schedule 1, Group 7 - Health and Public Services Facilities of Part 3A projects, outlined in the Major Projects SEPP. Page Kirkland Group, Quantity Surveyors, have identified that the Stage One Hospital Projects which will add 40,000 square metres of clinical and educational facilities have a construction value of \$95 million. Another \$253 million worth of projects are proposed for the seven to ten year time frame.

The residential component of the project, most of which is ancillary accommodation for staff and students, exceeds \$50 million indicating that this portion of the project is also a Major Project as defined. The total value of the proposed dwelling construction at a density of 988 dwellings would be \$412 million. Over 13,000 square metres of commercial space is also proposed with a construction value of \$28.6 million.

The proposed expansion of the Hospital and employment opportunities are of significance to the State. Over 1000 new jobs are proposed to be created over the next five years by the expansion of the hospital alone. Based on ABS and HIA formula, the project will create a total of 5000 direct and 2000 indirect jobs. This number accounts for jobs associated with the Hospital, accommodation and associated Church businesses.

Approximately 11,000 jobs would be created by the construction program.

The Hospital is already the largest employer in the Ku-ring-gai and Hornsby local government areas and the third largest health care employer in the region.

The improvements to service delivery through expansion of the Hospital are of regional significance. The development of educational and training facilities with ancillary accommodation in conjunction with the other works are also of regional significance.

If determined as a State Significant Site, the value to the community and significance of the project can be acknowledged, providing transparency and facilitating inter-agency consultation and negotiation. For example, the proposed transport and traffic improvements will require commitment and co-ordination by the relevant agencies, particularly Roads and Traffic Authority.

As both Hornsby and Ku-ring-gai Councils are affected, both authorities will have the opportunity to provide useful input without straining the resources of each to assess what is a complex and critical development.

Conclusion

The redevelopment of the Comenarra Park/Sydney Adventist Hospital site will grow and re-energise the hospital, education and residential precinct and will significantly contribute to the full range of health care services required by an ageing population. The Hospital's role as the major employer in the region will be sustained into the future.

The project will not require public expenditure or public land to make the project feasible. Traffic intersections which will be impacted by the growth in the number of employees and residents will be improved in a timely fashion, earlier than would be achieved by waiting for public sector funding and prioritisation.

The rezoning and redevelopment of this land is a fair and reasonable approach to land use planning, providing a balance between complex social and economic considerations and environment protection.

The attached report constitutes a Preliminary Assessment for a Concept Plan approval under Part 3A of the Act for a Group 7 Hospital with ancillary Educational Facilities and residential accommodation.

A new planning regime is required to facilitate the redevelopment of the site and the Minister is respectfully requested to determine the site to be of state significance.

Having regard to the above, the purpose of this letter is to:

1. Seek the Minister's nomination of the site as a Schedule 3 State Significant Site as defined in the Major Projects SEPP 2005 and request that he directs that a supporting study be prepared to amend Schedule 3; and
2. Pursuant to (1), that the Director General's Requirements are issued for the comprehensive environmental assessment in order that approval may be sought for rezoning of the lands, and approval of a Concept Plan.

Should you have any queries about this matter, please do not hesitate to contact the undersigned.

Yours sincerely,
Johnson Property Group Pty Limited



Keith Johnson
Managing Director

Attachments:

Concept Plan and Preliminary Assessment Report

Various items of correspondence between JPG and Hornsby and Ku-ring-gai Councils