



22 December 2010

Mr Sam Haddad
Director-General
Department of Planning
GPO Box 39
SYDNEY NSW 2001

Dear Mr Haddad,

Request for Opinion under Clause 6 of State Environmental Planning Policy (Major Development) 2005 and issue of Director-General's Environmental Assessment requirements, Port Macquarie Base Hospital Redevelopment.

In accordance with Section 75B of the *Environmental Planning and Assessment Act 1979* (EP&A Act 1979) and Clause 6 of State Environmental Planning Policy (Major Development) 2005 (Major Development SEPP), Health Infrastructure seek your opinion that the Port Macquarie Base Hospital Redevelopment is a project to which Part 3A of the Act applies. In addition, we request that the Director-General identifies the Environmental Assessment Requirements (DGRs) for the project. The purpose of this letter is to provide a Preliminary Environmental Assessment that:

- outlines the proposed development;
- briefly reviews relevant environmental planning instruments;
- reviews relevant planning controls; and
- identifies the key issues that will need to be addressed in the Project Application.

Background

Port Macquarie Base Hospital (PMBH) was constructed in 1994. Until January 2005, PMBH was a private hospital contracted to provide public services. On 31 January 2005, PMBH was reinstated into the public sector. The restoration of the Port Macquarie Base Hospital (PMBH) to the public sector has provided the opportunity for the North Coast Area Health Service (NCAHS) to examine the current and future role of the Port Macquarie Base Hospital and its role in the Hastings Macleay Health Network.

The existing Hospital is constructed on a large rectangular footprint with three adjoining rectangular "pods", each with a footprint of 820 sqm and two (2) levels. The 4th Pod was previously planned as a stage of construction however the need now exists for a larger redevelopment of the hospital to accommodate a greater range of services.

PMBH provides the clinical care hub for the services within the Hastings Macleay Health Network. It is the largest facility in the Network. Unlike metropolitan areas, there are no other Major Referral Hospitals in close proximity to PMBH thereby increasing the pressures on the facility. PMBH is the only facility in the Network that provides emergency operating theatres for all surgery, intensive care, coronary care and a range of diagnostic services that are available 24 hours a day. The majority of specialist medical, surgical and other services within Hastings Macleay Network are provided at PMBH.

PMBH has been under enormous demand pressure with a high occupancy rate and continuing growth pressures driven by an ageing and growing population. PMBH is significantly challenged by a sustained and continuing growth in demand. Given these demand pressures and infrastructure constraints, the former NSW Premier (Minister for Health at the time), requested a Master Development Plan be developed for the site. The PMBH Master Development Plan was completed in September 2006 which recommended the construction of a 4th pod development.

In 2010 a Clinical Services Plan (CSP) for PMBH was prepared to determine the service needs and capacity requirements for the hospital over the next ten to fifteen years based on updated population projections and latest activity data. In September 2010 NSW Health commissioned the development of a Service Procurement and Project Definition Plan to support funding applications to NSW Treasury and the Commonwealth Health and Hospitals Fund to enable the prioritised service requirements identified in the CSP to be met. The revised Master Plan was completed in November 2010.

The 2010 Master Plan identified a need for the expansion the hospital. The health planning priorities are:

- New 26 bed Adult Mental Health Inpatient Unit
- New Community Mental Health
- New 30 Bed Inpatient Unit
- Expanded Emergency Department
- Additional operating theatres
- New Emergency Medical Unit
- New Cardiac Catheter Laboratory
- New Critical Care Unit
- New Administration, Education and Library Unit
- New Helipad with direct access to the Emergency Dept
- Associated road works and expanded parking facilities
- Associated engineering infrastructure

Demographic Analysis

Population growth: Hastings LGA population is projected to grow by 6,776 or 9.5% between 2006 and 2011, and 6,739 or 8.6% between 2011 and 2016. NCAHS population is projected to grow by 6.6% and 6.2%, and NSW by 5.7% and 5.5% in the same period.

Aged population: The growth rate for Hastings LGA residents aged ≥65 years is 18.6% between 2006 and 2011, and 20.3% between 2011 and 2016. Hastings LGA residents aged ≥65 years are projected to increase from 15,963 (22.4% of total population) to 18,925 (24.2% of total population) between 2006 and 2011, and 22,775 (26.9% of total population) by 2016. For the same period, the proportion of NCAHS 3 ABS estimated resident populations and NSW Health Population Projection Series 1, 2009 - ASGC 2006 residents aged ≥65 years (18.4%) is projected to grow to 19.9% and 22.5% of the total population in 2016. In NSW, the proportion of residents aged ≥65 years (13.5%), 14.4% in 2011, and projected to grow to 16% of the total population in 2016.

Aboriginal population: In 2006, 2.6% of the Hastings LGA population (1,873 people) were Aboriginal. In NCAHS the Aboriginal population is 3.8% of the total population. In NSW, at the last census, 2.1% of the population identified as Aboriginal or Torres Strait Islander.

Paediatric population: The growth rate for the Hastings LGA paediatric population is 2.5% between 2006 and 2011, and 5.1% between 2011 and 2016. In 2006, 18.3% (13,011 paediatrics) of the Hastings LGA population were aged 0-14 years. This proportion is projected to be 17.1% (13,336 paediatrics) by 2011, and 16.5% (14,012 paediatrics) by 2016. The proportions in this age group are lower than NCAHS (19.3%, 18.1% and 17.6%) and the State average (19.5%, 19.1% and 18.9%).

Infant population: The growth rate for the Hastings LGA infant population is 10.6% between 2006 and 2011, and 5.4% between 2011 and 2016. In 2006, 5.2% (3,721 infants) of the Hastings LGA population were aged 0-4 years. This proportion is projected to be 5.2% (4,115 infants) by 2011, and 5.1% (4,338 infants) by 2016. These proportions are similar to NCAHS (5.5%, 5.6%, and 5.5%) and slightly lower than the State average of 6.3%, increasing to 6.6% and 6.5% over the same period.

Socio-economic status: Using the SEIFA scores (reference score for Australia is 1,000) Hastings LGA scores 976 for IRSD and 942 for IEO.5 compared to other Areas and NSW, NCAHS is the most disadvantaged Area scoring the lowest IRSD score of 957 (NSW 1,003) and the lowest IEO score of 943 (NSW 1,005).

Total fertility rate: In 2006, the TFR was 2.0 children per woman in Hastings LGA and NCAHS and NSW were 2.2 and 1.9 respectively.

Women of childbearing age: The growth rate for Hastings LGA females aged 15-49 years is 3.6% between 2006 and 2011, and 1.9% between 2011 and 2016. In 2006, 19.8% (14,124 females) of the Hastings LGA population were women of childbearing age (15-49 years). This proportion is projected to decline to 18.7% (14,626 females) by 2011, and 17.6% (14,902 females) by 2016. These proportions are slightly lower than NCAHS (21.2%, 20% and 18.9%), and substantially lower than the State average of 24.8%, decreasing to 24.1% and 23.4% over the same period.

In addition Hastings has a high tourist population.

The Site

Port Macquarie Base Hospital is located in the Hastings Local Government Area (LGA), in the Hastings Macleay Network. The site is located approximately 3 km south of the Port Macquarie CBD on Wrights Road, off the Oxley Highway. The property is known as Lot 23 DP852214 and has two subdivisions on the site:

- Lot 21 DP 852214, being Rotary Lodge subdivision, (2000m²).
- Lot 22 DP 852214, being UNSW School of Rural Health Subdivision, (4500m²).

The site has an area of 9.247 hectares and is oriented in an approximately east-west direction. The site has a north facing slope, with a natural watercourse running across the northern portion of the site draining to the north-east. The areas to the north and south of the site are primarily residential, while the area to the east is light industrial development. The area to the west is a bushland reserve separating the site from the Oxley Highway.

The nearest other hospital to Port Macquarie is Wauchope District Memorial Hospital which is located 20km from Port Macquarie Base Hospital. Other hospitals within the region are Kempsey Health Campus which is 55km from Port Macquarie Base Hospital, Manning Hospital which is 80km away, Coffs Harbour Base Hospital which 160km away and John Hunter Hospital which is 245km away.

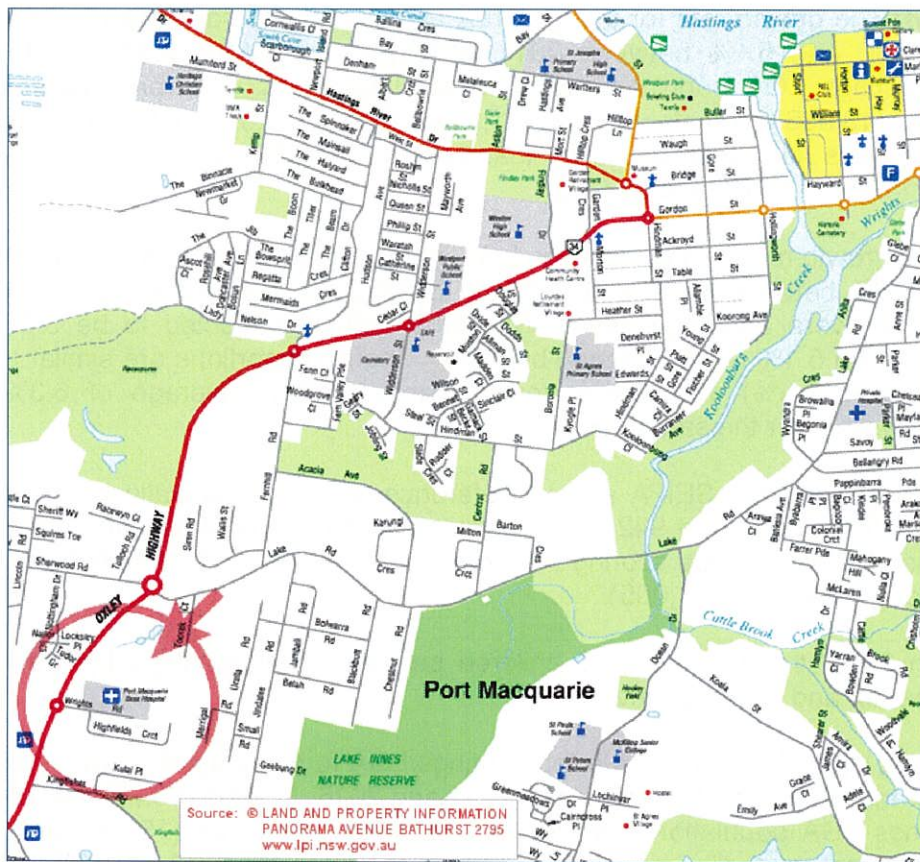


Figure 1 Site location

The Project

Four Concept Master Plan options were developed for the site and evaluated by the relevant user and stakeholder groups. The Preferred Option is shown below and in the plans attached at Appendix A.

The project proposes the construction of 5 Operating Theatres, 2 Day Procedures Rooms and 1 Cardiac Catheter Suite as part of the new Clinical Block to provide for acute surgical services, with a Perioperative Unit with 32 patient bays. The existing theatres will be utilised for expansion of existing private sector diagnostic services and the relocation of Pre-admissions Clinic and Day Treatment Areas.

The refurbishment of the existing Critical Care Unit will provide an additional 12 Surgical Inpatient beds. The Emergency Medical Unit and the Emergency Community Care Centre will utilise the existing Emergency Department (without refurbishment). The new Clinical Block would be designed to be readily expanded vertically to provide for the additional inpatient unit at Level 4 above the Perioperative Unit, with the ability to provide a new prefab Helipad at a later date.

The helipad is not part of this application.



Figure 2 Aerial Photo with Preferred Option shown

In summary, the Preferred Options provides:

- 30 Bed Acute Medical Services Unit
- 24 Bed Critical Care Unit
- 7 new collocated theatres (5 OT/2 Procedure Rooms)
- Area provision for an 8th theatre provided (constructed as storage space).
- Expanded Emergency Department for 26 treatment spaces (previously 14)
- Peri-operative unit
- Clinical Services Sterilisation Department
- Cardiac Catheter Suite incorporated as part of one of the theatres
- Storage
- Support Services
- Car Parking 200 on-grade spaces
- 12 Bed Surgical Unit Extension as refurbishment to existing CCU.
- Reuse of existing ED for EMU/ECCC (8 bays)

Planning Issues

Strategic Planning Context

Future directions for service delivery and development across NCAHS are outlined in the *North Coast Area Health Service Healthcare Services Plan 2005-2010*. That Plan makes recommendations for Port Macquarie Base Hospital including that a Master Planning process be completed. The original Master Planning process was completed in September 2006 which recommended the construction of a 4th pod development.

In 2010 a Clinical Services Plan (CSP) for PMBH was prepared to determine the service needs and capacity requirements for the hospital over the next ten to fifteen years based on updated population projections and latest activity data. In September 2010 NSW Health commissioned the development of a Service Procurement and Project Definition Plan to support funding applications to NSW Treasury and the Commonwealth Health and Hospitals Fund to enable the prioritised service requirements identified in the CSP to be met.

The 2010 Master Plan completed in November 2010 presented strategies for responding to the service demand projections for 2016 and 2021 and beyond. It detailed the potential for expansion on the site, including long term strategies for collocating of community health services, and expansion of other services at the hospital. From the Site Master Plan a number of concept master plans were developed which detailed options for new and refurbished facilities which would enable the recommendations of the CSP to be met. In order to arrive at a recommended and preferred development option for the expansion of the PMBH it was necessary to identify possible staging scenarios based on different levels of target funding and taking into consideration the ranking of clinical service priorities.

The original 4th Pod development (identified in 2006 Master Plan) was never funded and is not included in strategic town planning documentation. The current preferred option identified in the 2010 Master Plan will be a significant driver to the achievement of the Regional Strategy and the employment and infrastructure goals for the Sub Region of Hastings Port Macquarie.

State Environmental Planning Policies

The following table identifies the State Environmental Planning Policies (SEPPs) that apply to the land or type of development that is subject to this proposal, and the proposals compliance with those Policies.

SEPP #	Name	Applies	Compliant
1	Development standards	✓	✓
4	Development without consent		
6	Number of storeys in building		
14	Coastal wetlands		
21	Caravan parks		
22	Shops and commercial premises		
26	Littoral rainforests		
30	Intensive agriculture		
33	Hazardous and offensive development	NK*	
36	Manufactured home estates		
44	Koala habitat protection		
45	Permissibility of mining		
50	Canal estate Development		
55	Remediation of land	✓	✓
62	Sustainable aquaculture		
64	Advertising and signage		
65	Design quality of residential flat development		
71	Coastal protection		
	Housing for Seniors or People with a Disability		
	Major Development 2005	✓	Refer below
	Mining, Petroleum Production and Extractive Industries 2007		
	Temporary Structures and Places of Public Entertainment 2007		
	Infrastructure 2007		
	Rural Lands 2008		
	Exempt & Complying Development Codes 2008		
	Affordable Rental Housing 2009		

* Not Known at this stage

Local Environmental Plan

The site is currently zoned Residential 2(a1) Hastings LEP 2001 and on the basis that the use of the land for a hospital is not prohibited, the use is permissible with consent. As a consequence of the existing zoning provisions, there are limited specific controls for health related development on site.

The LEP contains no built form provisions, and given the land is contained within an existing residential zone, the applicable DCP's refer largely to residential use and development.

The draft Comprehensive LEP for Port Macquarie Hastings Council zones the site SP2 which is consistent with its use as a hospital. The Draft LEP2010 contains a height limit on the site of 14.5m (approx.. 3 storeys in hospital terms) which is below that proposed in this application due to the typical hospital floor to ceiling heights. No FSR limits are proposed under the Draft LEP2010.

DCP No10 identifies a Koala Habitat corridor extending east of the site. Although not within the site, previous advice regarding the provision of koala feed trees and possible evidence of koala activity indicate that this will need to be considered under the provisions of SEPP 44. Initial reviews have been undertaken by an ecological consultant and are summarised below

The hospital grounds have been landscaped with Koala feed trees to provide a corridor to the north of the hospital and to the east between the hospital and residences off Highfields Circuit. It is noted that a small area in the east of the site, near Merrigal Road is identified in the Draft Port Macquarie-Hastings Local Environmental Plan 2010 as Core Koala Habitat, however the landscaping is not identified in the LEP as a habitat or Koala corridor. Further the area of Core Koala Habitat mapped in the LEP does not appear to correspond with vegetation on-site as noted in review of 'Nearmap' image of the site (dated August 2010). It is also noted that the landscaping as identified on the Port Macquarie Base Hospital Landscape Key Plan that may have connected the proposed footprint with the mapped Core Koala Habitat has been cleared, possibly to provide for earlier expansions, car parking etc.

A further assessment of the impact on any Koala population will be undertaken as part of the Environmental assessment for the proposed Project.

Other issues:

Traffic and public transport

The site has a single point of road access from the Oxley Highway via Wrights Road. A small roundabout provides access to separate driveways leading to the service vehicle court, Emergency, main entry and parking. There is a significant risk of blockage of the Wrights Road access preventing ambulance access to the site.

Previously a second site access for construction vehicles only was available from the east off Merrigal Road. This was used to facilitate construction vehicle access for the Integrated Cancer Care Centre development however property has since been sold by the NCAHS. While opportunities for providing access through this route have been considered, this option is not viewed favourably by Council as it passes through an industrial area and does not have good connectivity to the arterial road network.

Council have advised that they would support use of the existing public reserve to the east of the site to provide stormwater drainage and construction vehicle access to the site from Uralla Road. Council have previously proposed the extension of the public road reservation of Toorak Close to provide a second point of access to the site in the future. This access is considered highly desirable in addressing the risks associated with a single point of access and improves segregation of traffic.

Council's current advice supports the use of this second access as it provides good connectivity to the arterial road network and would provide more direct access to the majority of the site parking which is located in the north-east part of the site. It will also allow the bus service to be reconfigured to travel through the site and avoid the current manoeuvring issues being experienced at the main entry. This access road is dependant on a land swap between Council and Ramsay Health. An equal land swap of 4500m² would allow the creation of a road reserve with access for the PMBH, Council and Ramsay Health. Presently Council is in the process of progressing the agreements with Ramsay Health in order to effect the second access road for the Hospital and enable Council to realise the value of their land.

The potential relocation of the LPG and bulk oxygen tanks onto this part of the site is being investigated as part of a separate planning process. Given the good connectivity to the arterial road network and low frequency of tanker deliveries, the Council have indicated they would accept this access being provided from Toorak Close. However the creation of the second access road falls outside of the site boundaries, is dependant upon agreements between external parties and is therefore not included in the scope of this application. The proposal will need to develop an option to allow traffic access and deliveries from the current access point off Wrights Road.



Figure 3 Access and site issues

Architectural design and sustainability

It is our intention to seek a high level of architectural design which incorporates environmental sustainability initiatives from design to operational phases. This will be further explored once the detailed design is commenced.

Bushfire Protection Assessment

Initial advice has indicated that the site may be designated as bushfire-prone land and that a bushfire risk assessment will be required to be undertaken as the building is classified as Special Fire Protection Purpose. The existing building however, appears not to be within the buffer zone. A detailed review by an accredited consultant will be carried out as part of the Project Application.

Consultation undertaken

The Project team has undertaken discussions with Port Macquarie-Hastings Council and have taken into account many of the issues raised in these discussions. Further and ongoing discussions with Council will be undertaken as well as service agencies and adjoining land users.

Application of Part 3A of the Environmental Planning and Assessment Act 1979

Schedule 1 of the Major Projects SEPP sets out those classes of development that qualify as major projects. Specifically, Group 7 'Health and public service facilities', Part 18 'Hospitals' notes the following:

(1) Development that has a capital investment value of more than \$15 million for the purpose of providing professional health care services to people admitted as inpatients (whether or not out-patients are also cared for or treated there), including ancillary facilities for:

- (a) day surgery, day procedures or health consulting rooms, or*
- (b) accommodation for nurses or other health care workers, or*
- (c) accommodation for persons receiving health care or for their visitors, or*
- (d) shops or refreshment rooms, or*
- (e) transport of patients, including helipads and ambulance facilities, or*
- (f) educational purposes, or*
- (g) research purposes, whether or not they are used only by hospital staff or health care workers and whether or not any such use is a commercial use, or*
- (h) any other health-related use.*

(2) For the purposes of this clause, professional health care services include preventative or convalescent care, diagnosis, medical or surgical treatment, psychiatric care or care for people with disabilities, care or counselling services provided by health care professionals.

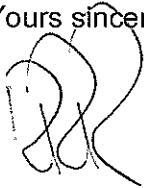
The proposed Port Macquarie Base Hospital redevelopment is consistent with the above non-discretionary criteria with regards to the services it will deliver. The capital investment value (CIV) of the project is \$110 million and therefore meets the SEPP criteria as a major project.

Request for Director Generals Requirements

If the Minister is of the opinion that the proposal is a Major Project to which Part 3A of the EP&A Act 1979 applies, Health Infrastructure formally request that the Department of Planning issue the DGRs to facilitate the preparation of the Environmental Assessment under section 75H of the EP&A Act 1979.

I trust that the above information is sufficient to enable you to declare this project as a Major Development under Part 3A of the EP&A Act 1979. However If you require any additional information please contact our consultant Leoné McEntee on 9661 8019 or 0410 432 505. We would be happy to meet with your Department to discuss the proposal at any time.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'RR' with a large loop, positioned below the text 'Yours sincerely,'.

Robert Rust
Chief Executive