



The Hon. Anthony Roberts, MP
Minister for Planning
GPO Box 5341
SYDNEY NSW 2001

2 June 2017

Dear Minister

**Advice on an Application for Ministerial Call-In
Health Services administration and other ancillary functions building,
Royal North Shore Hospital, St Leonards (MCI 8199)**

We refer to your letter of 3 May 2017 seeking advice from the Planning Assessment Commission (the Commission) on the State and regional planning significance of the development of a Health Administration Building at Royal North Shore Hospital (RNSH), St Leonards.

Ms Lynelle Briggs AO, Chair of the Commission, appointed Ms Abigail Goldberg and myself to constitute the Commission for this matter, and I am nominated as chair.

As part of its consideration of this matter, the Commission met separately with the Department, the applicant and Council on 30 May 2017 to hear their views. Summaries of each of these meetings are included in **Appendix 1**.

Background

In April 2007, the RNSH Concept Plan was approved by the Minister for Planning under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act) for the redevelopment of the hospital precinct. The approved Concept Plan provided for the subdivision of the site into hospital and other development precincts, including for employment generating land uses in Precinct 4.

NSW Health has since identified the need to relocate and consolidate a range of NSW Health agencies which provide key health related administrative support and other health related functions. A health administration building is proposed to be located within Site 4a of Precinct 4. Site 4a was identified as a suitable location for a purpose built health administration building in proximity to the hospital and clinical uses but without limiting clinical hospital expansion opportunities.

The Commission notes that the applicant has submitted to the Department in parallel to this call-in request a modification application to facilitate development of this building. The Department advises that the modification application is under assessment, however it is independent of the outcome of this application. The Commission wishes to clarify that advice has not been sought or provided for any matters pertaining to the Concept Plan modification.

Commission's Consideration

The Minister's Guideline on 'call in' of State significant development under section 89C(3) of the EP&A Act requests the Commission to consider six general issues. These issues have been outlined in Section 6 of the Department's assessment report.

The Commission considers those issues relating to strategic context and public benefit to be the most relevant in determining whether this project should be considered State significant. In providing this

advice the Commission has also evaluated matters raised in meetings with the Department, the applicant and Council.

Strategic context

The Commission acknowledges the strategic importance given to the site and surrounding RNSH precinct in accommodating new office-based jobs as part of the wider St Leonards Strategic Centre identified by *A Plan for Growing Sydney*. A need has also been identified under the Greater Sydney Commission's *Draft North District Plan* to facilitate the growth and diversification of job opportunities in St Leonards, particularly in health, knowledge and professional services.

Moreover, the Commission notes that the project would create new short and long term employment opportunities in the locality, supporting the creation of up to 1,900 new construction related jobs and the potential relocation of 2,400 employees to the proposed new building. The site is close to public transport services, including a major rail interchange. As such, the Commission supports the Department's view that the project would contribute to the delivery of strategic goals and objectives of *A Plan for Growing Sydney* and the Greater Sydney Commission's *Draft North District Plan*.

Public benefit

The Commission heard at its meeting with the applicant that there are NSW Health agencies services currently operating from seven different areas throughout Sydney. The proposed development provides an opportunity for these agencies to occupy the same building and facilitate sharing of services, back of house support, and resources. The applicant has stated that the facility will optimise collaboration by co-locating agencies, which have State-wide and connected functions, and is essential for the effective support of the public health system. The Commission understands that this would provide important public benefits through productivity improvements and increased efficiencies in the delivery of health services across New South Wales.

Consultation

The Commission acknowledges concerns raised at its meeting with Council regarding the assessment of the project. Council considered that the development is not of State significance and is rather a straightforward office building. Furthermore, Council argued that they would be the most appropriate body to undertake the assessment given their independence from State government, which they believed would provide greater transparency to the decision making process, as well as their local knowledge, skills and resources.

Whilst the Commission notes these views it considers that the significance of the project extends beyond that of an ordinary office building, and that an administrative facility was always included as integral to the hospital uses and a part of the greater health-related use of this location.

Commission's Advice

Based on its consideration of the above issues the Commission's advice is that the project meets several of the criteria for State significant development, in particular those criteria related to the strategic context and public benefit.

The Commission's advice is that the project is of State and regional importance because it is in an identified strategic location, as specified in *A Plan for Growing Sydney* and the Greater Sydney Commission's *Draft North District Plan* and would contribute to the growth and development of the St Leonards Strategic Centre as a health employment hub.

The Commission advises that the role and function of this precinct in relation to the coordination of health services is of State significance and accepts that the colocation of agencies would strengthen the efficiency of delivery of health care services across New South Wales.

Yours sincerely

Handwritten signature of Alan Coutts in blue ink.

Mr Alan Coutts
Member of the Commission (Chair)

Handwritten signature of Abigail Goldberg in blue ink.

Ms Abigail Goldberg
Member of the Commission

APPENDIX 1
RECORDS OF COMMISSION MEETINGS

Meeting with Department of Planning and Environment		
Meeting note taken by Matthew Todd-Jones	Date: Tuesday, 30 May 2017	Time: 9:00am
Project: Ministerial Call-In, Health Services Administration and other ancillary functions building, Royal North Shore Hospital, St Leonards		
Meeting place: Planning Assessment Commission Offices, 201 Elizabeth Street		
Attendees: PAC Members: Alan Coutts (Chair), Abigail Goldberg PAC Secretariat: David McNamara (Director) and Matthew Todd-Jones DPE: David Gainsford (Executive Director – Priority Projects Assessments), Peter McManus (Specialist Planning Officer – Social & Other Infrastructure Assessments)		
The purpose of the meeting was for the Department to brief the Commission on the call-in request.		
<p>The following matters were discussed:</p> <ul style="list-style-type: none"> • This project is part of an original Part 3A approval for the Concept Plan dated 2006. • The call-in request is only for Precinct 4. Precinct 5 hasn't progressed. • There is a current modification application with the Department, which is also only for Precinct 4. This modification application relates to the built form proposed within the precinct. Willoughby Council has raised concerns with the Department in relation to this built form, and the Concept Plan as a whole due to the low level of affordable housing that is being delivered relative to what was originally proposed. • The Department reiterated the view as put forward in their assessment report that the role and function for coordinating health services is of State significance. The six matters for consideration were discussed. • There has been extensive consultation between the Department and the applicant. • The Department has met with the Council recently. It was noted that Council did not raise any issues at that time regarding the call-in request. • Historically, clinicians have objected to the use of the site for administrative purposes. They would prefer it to be used for further hospital space. • The Department noted that heritage buildings adjacent to the site are currently used for administrative purposes. 		
Meeting closed at 9.45am		

Meeting with NSW Health Infrastructure		
Meeting note taken by Matthew Todd-Jones	Date: Tuesday, 30 May 2017	Time: 11.00am
Project: Ministerial Call-In, Health Services Administration and other ancillary functions building, Royal North Shore Hospital, St Leonards		
Meeting place: Planning Assessment Commission Offices, 201 Elizabeth Street		
Attendees: PAC Members: Alan Coutts (Chair), Abigail Goldberg PAC Secretariat: David McNamara (Director) and Matthew Todd-Jones NSW Health Infrastructure: David Ballantyne (Executive Director Planning and Solutions), Leone McEntee (Planning Manager), John Armstrong (Senior Project Director)		
The purpose of the meeting was for the applicant to brief the Commission on the call-in request.		
<p>The following matters were discussed:</p> <ul style="list-style-type: none"> • The applicant explained that the original Concept Plan constituted 180,000 sqm of employment generating land uses and residential and temporary accommodation. • The Concept Plan has been amended 6 times since 2006, and the uses delivered on the site have changed significantly compared to the original proposal in response to changing clinical needs. A modification application (MOD 5) from 2011 is now withdrawn. • The call-in request relates only to Precinct 4. It does not address the building which is proposed to be located on the site, which is the subject of a separate, current modification application. • The applicant has met with Council several times and found that Council officers were supportive of the call-in request. Councillors did however have concerns regarding other uses on the site, particularly the location of the child care centre and the provision of temporary visitor/carers accommodation. • The applicant stated that Council has in the past supported the use of this part of the site for administrative purposes that support the overall hospital and health uses across the state. • The applicant noted that concerns with the project expressed to date by Council have been regarding local built form impacts and local uses. • The development of Precinct 4 is consistent with regional and State planning strategies, including with regard to employment generation. • The project would be very much part of the existing medical precinct. • The applicant noted that there is significant government investment in this project. • The applicant stated that this project would be very important for the delivery of the State's health services. • The project would lead to improvements in the delivery of health administration through the co-location of services. There is currently a dislocation of these services across 7 sites in Sydney. • The applicant noted that the Department in their assessment report recorded Ku-ring-gai Council as an adjoining Council to the project site. This applicant stated that this is incorrect. • The Commission requested further information from the applicant regarding the location of the childcare centre, details of the existing carers accommodation and the State-wide benefits of co-locating health services. 		
Meeting closed at 11.40am		

Meeting with Willoughby Council		
Meeting note taken by Matthew Todd-Jones	Date: Tuesday, 30 May 2017	Time: 1.00pm
Project: Ministerial Call-In, Health Services Administration and other ancillary functions building, Royal North Shore Hospital, St Leonards		
Meeting place: Planning Assessment Commission Offices, 201 Elizabeth Street		
Attendees: PAC Members: Alan Coutts (Chair), Abigail Goldberg PAC Secretariat: Matthew Todd-Jones Willoughby Council: Greg McDonald (Planning and Infrastructure Director), Ian Arnott (Planning Manager), Craig O'Brien (Strategic Planner)		
The purpose of the meeting was for the Council to discuss their views on the call-in request.		
<p>The following matters were discussed:</p> <ul style="list-style-type: none"> • Council noted their understanding that the project doesn't meet Schedule 1 of the State and Regional Development SEPP for classification as State significant development, as reflected in the Department's assessment report. The PAC members confirmed their understanding that the Department had previously sought legal advice on this issue and that the project hadn't been declared State Significant with regard to Schedule 1 of the SEPP, however this call-in request was a separate matter as outlined in the Department's report. Six considerations were required to be addressed, as had been undertaken. • Council asserted that they consider the project to be a 10-storey office building, regardless of its intended use and who the applicant is. • Council argued that they are the best party to undertake the assessment of such a project as they have good working relationships with adjoining Councils, hold local knowledge and have sufficient skills and resources. • Council asserted that their assessment would provide greater transparency of process as they are a local rather than a State government body. • Moreover, Council noted that if assessed by them the project would be determined by the independent Joint Regional Planning Panel for their area. The panel would have local, regional and broader context knowledge. 		
Meeting closed at 1.30pm		