



Planning

***MAJOR PROJECT ASSESSMENT:
Newcastle Private Hospital***

MP 08_0170

Director-General's
Environmental Assessment Report
Section 75I of the
*Environmental Planning and Assessment
Act 1979*

December 2009



Cover photo: Artists impression of the project

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Published December 2009

NSW Department of Planning

www.planning.nsw.gov.au

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EXECUTIVE SUMMARY

Healthscope Limited proposes to develop an additional hospital building for the Newcastle Private Hospital, at New Lambton Heights, in the Newcastle Local Government Area.

The site is within the grounds of the existing John Hunter and Newcastle Private Hospitals at New Lambton Heights. The hospital grounds are surrounded by bush land on 3 sides, with the nearest residents approximately 100m to the east, on the opposite side of Lookout Road. A childcare centre is approximately 40 m from the site on the hospital grounds.

The proposal involves the remediation of the site and construction and operation of a 6 storey building incorporating 3 storeys of hospital space and 3 levels of basement car parking. The project has a capital investment value of \$33.7 million and would provide 60 inpatient beds and 2 operating theatres.

The proposal constitutes a major project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act 1979), and consequently the Minister is the approval authority for the project.

During the public exhibition of the project the Department received 12 submissions on the project, 6 from public authorities and 6 from the general public. None of the public authorities objected to the project. Submissions from the general public objected due to concerns about the potential traffic, access, parking, safety (from the remediation of contaminated soils, from traffic and from bushfires), amenity, sewer infrastructure and construction impacts of the project.

The Department has assessed the merits of the project. This assessment found the key issues from the project relate to remediation, noise, heritage and traffic. These issues have been assessed in detail and the Department is satisfied they can be adequately mitigated and managed through the recommended conditions of approval.

The assessment also found the project would have social and economic benefits for the region, and would assist with the delivery of the State Plan, as it would:

- optimise the use of vacant land within the hospital grounds, providing an additional 60 inpatient beds;
- attract \$33.7 million worth of investment to the region; and
- create at least 42 new jobs.

Consequently, the Department considers the project is in the public interest and should be approved, subject to conditions.

1. PROPOSED PROJECT

1.1 Background

The John Hunter and Newcastle Private Hospitals are located on 33 hectares of land at New Lambton Heights in the Newcastle Local Government Area (see Figure 1).

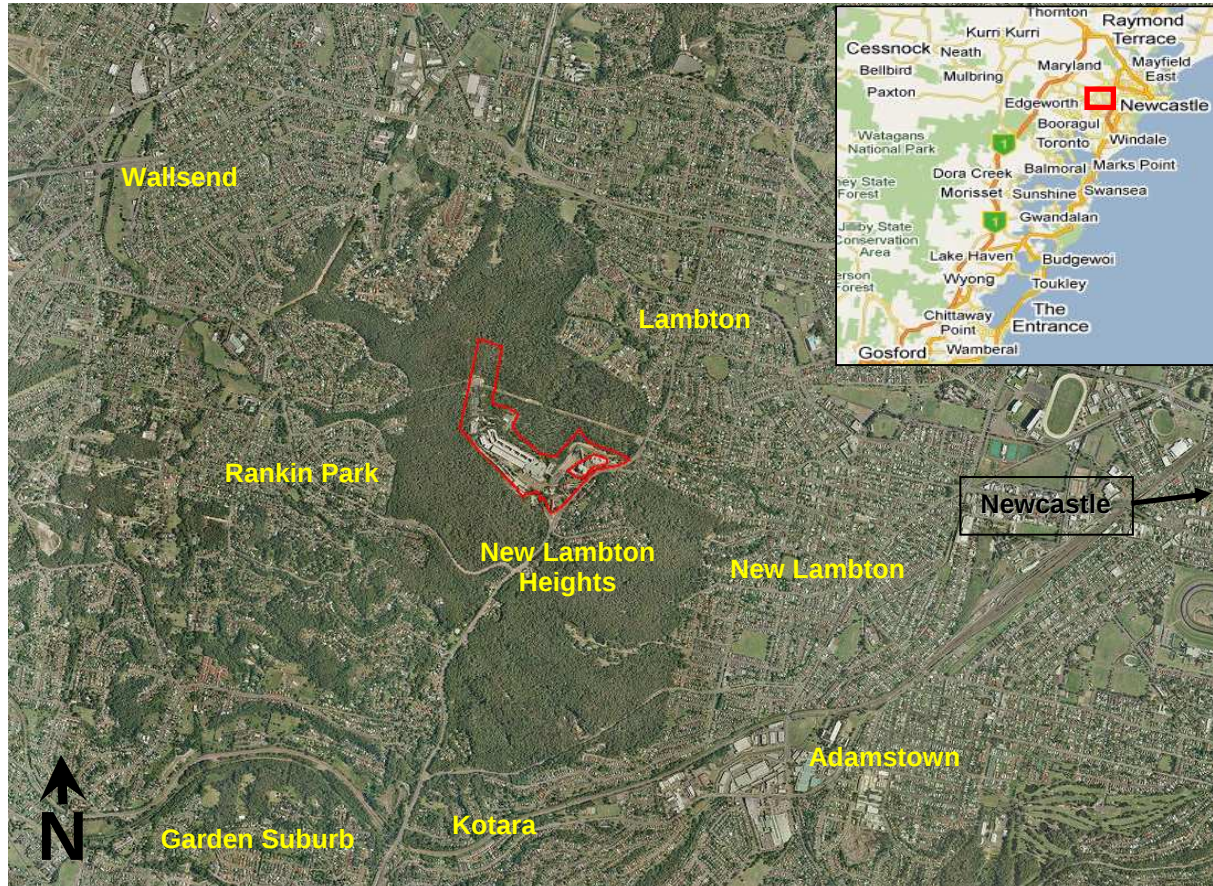


Figure 1 – Regional Context (John Hunter and Newcastle Private Hospital Grounds outlined in red)

Underground coal mining was undertaken in the area up until the 1920's with works approximately 100 m below the site. In 1863, as part of these mining operations Mr Thomas Croudace, the Manager of the Scottish Australian Mining Company Limited, built Croudace House on the site. This house is thought to have been damaged, by mining works beneath it, in 1877 and was subsequently repaired and extended in 1878/79.

In 1926 Croudace House was converted into a Convalescents Home by the Royal Newcastle Hospital. Various hospital buildings have since been constructed around Croudace House, forming the John Hunter and Newcastle Private Hospitals.

1.2 Project Description

Healthscope Limited (Healthscope) proposes to expand the Newcastle Private Hospital facilities, through the establishment of a new hospital building and associated car parking.

The project includes remediation of contaminated soil onsite and construction and operation of a new hospital building. The new building would connect to the existing Kingston Building and would occupy an area of vacant land between the Kingston Building and the newly constructed Jacaranda Drive.

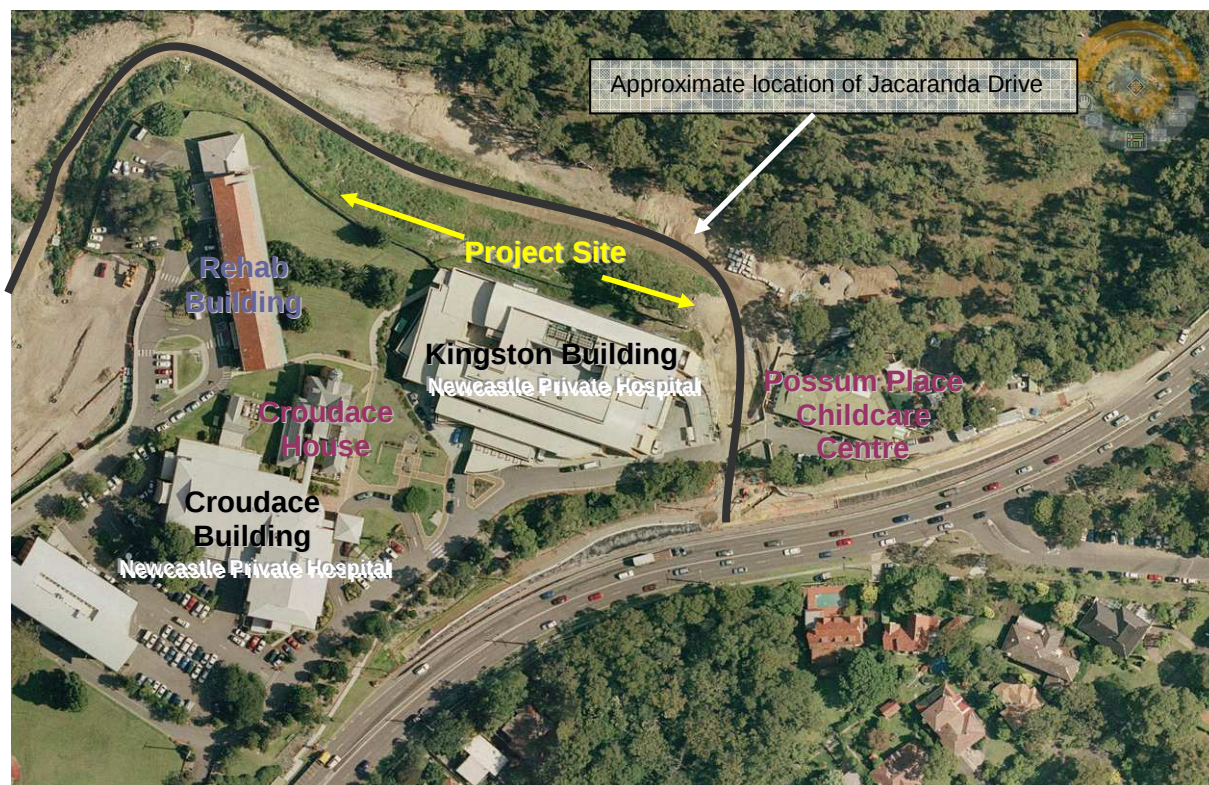


Figure 2 – Project Site

The major components of the project are summarised in Table 1, and depicted in Figure 3, Figure 4 and Figure 5. The project is described in full in the Environmental Assessment (EA), which is attached as Appendix E.

Table 1 – Major components of the project

Aspect	Description
Project Summary	Development of a 6 storey building, with 3 storeys of hospital space and 3 levels of basement car parking
Basement level 3	basement staff car park with 74 car spaces;
Basement level 2	- basement car park with 51 car spaces; - connection to the existing Kingston Building car park by a pedestrian walkway; - plant room; - loading dock; and - store and waste area.
Basement level 1	- basement car park with 70 car spaces; - connection to the existing Kingston Building car park by a pedestrian walkway; and - plant room.

Aspect	Description
Ground floor	• 30 inpatient beds and associated offices and amenities; • plant room; and • car park with 31 spaces.
First floor	• 30 inpatient beds and associated office and amenities; • plant room; and • connection to first floor of the Kingston Building.
Second floor	• 8 medical suites; • plant room; and • connection to the second floor of the Kingston Building.
Minor alterations to the Kingston Building	• basement – relocation of loading dock to new building; • ground floor – new services area and staff kitchen; • first floor – 2 new operating theatres and associated facilities including a steriliser, recovery area, nurses and staff station.
Additional parking	• 18 new spaces in front of the Kingston Building
Total beds	60
Total operating theatres	2
Total medical suites	8
Total parking	244 car spaces, 25 motorcycle bays, 22 public bicycle spaces and secure storage for 19 bicycles
CIV	\$33.7 million
Operating hours	24 hours a day, 7 days a week (admissions from 6am-6pm)
Employment	42

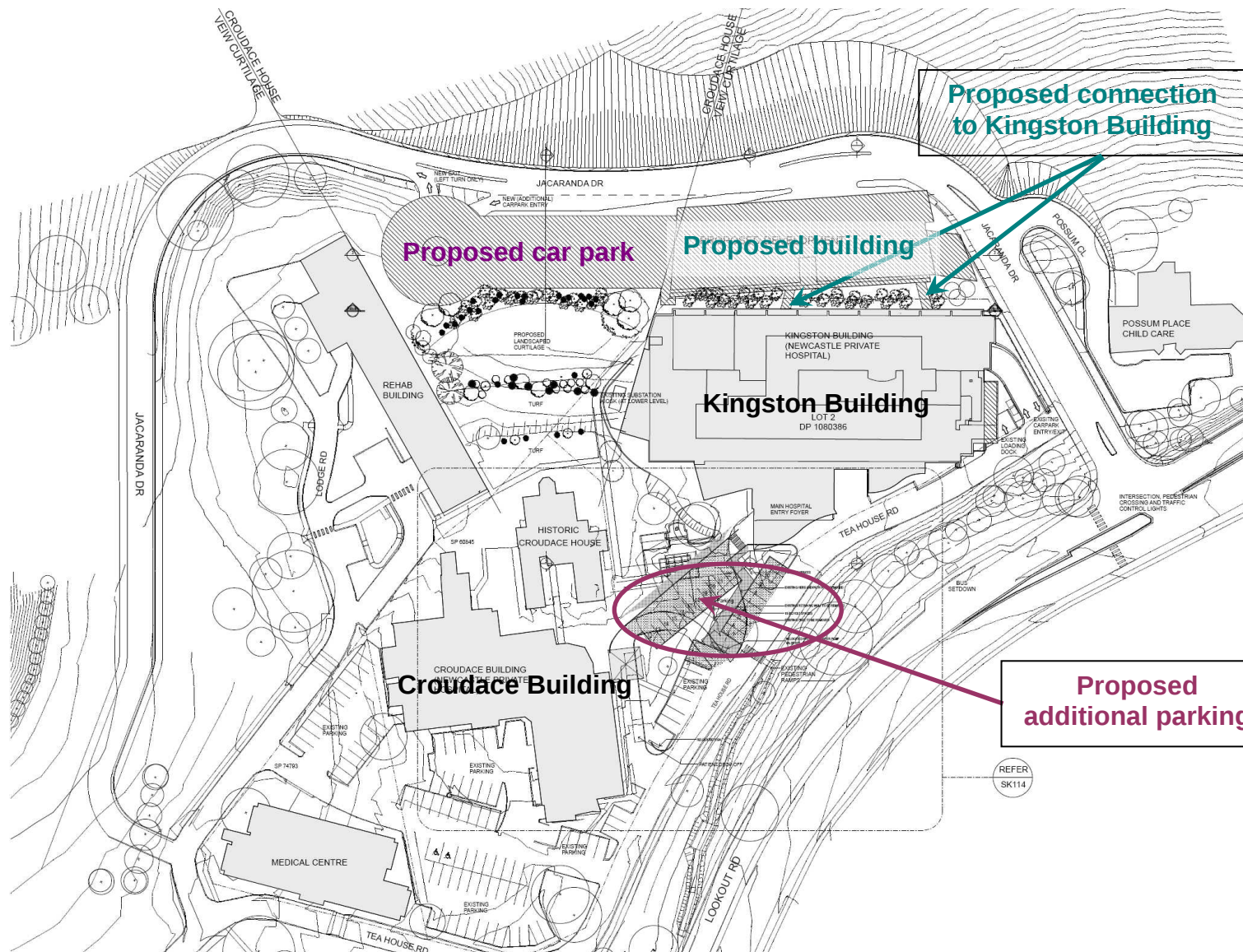


Figure 3 - Site Plan

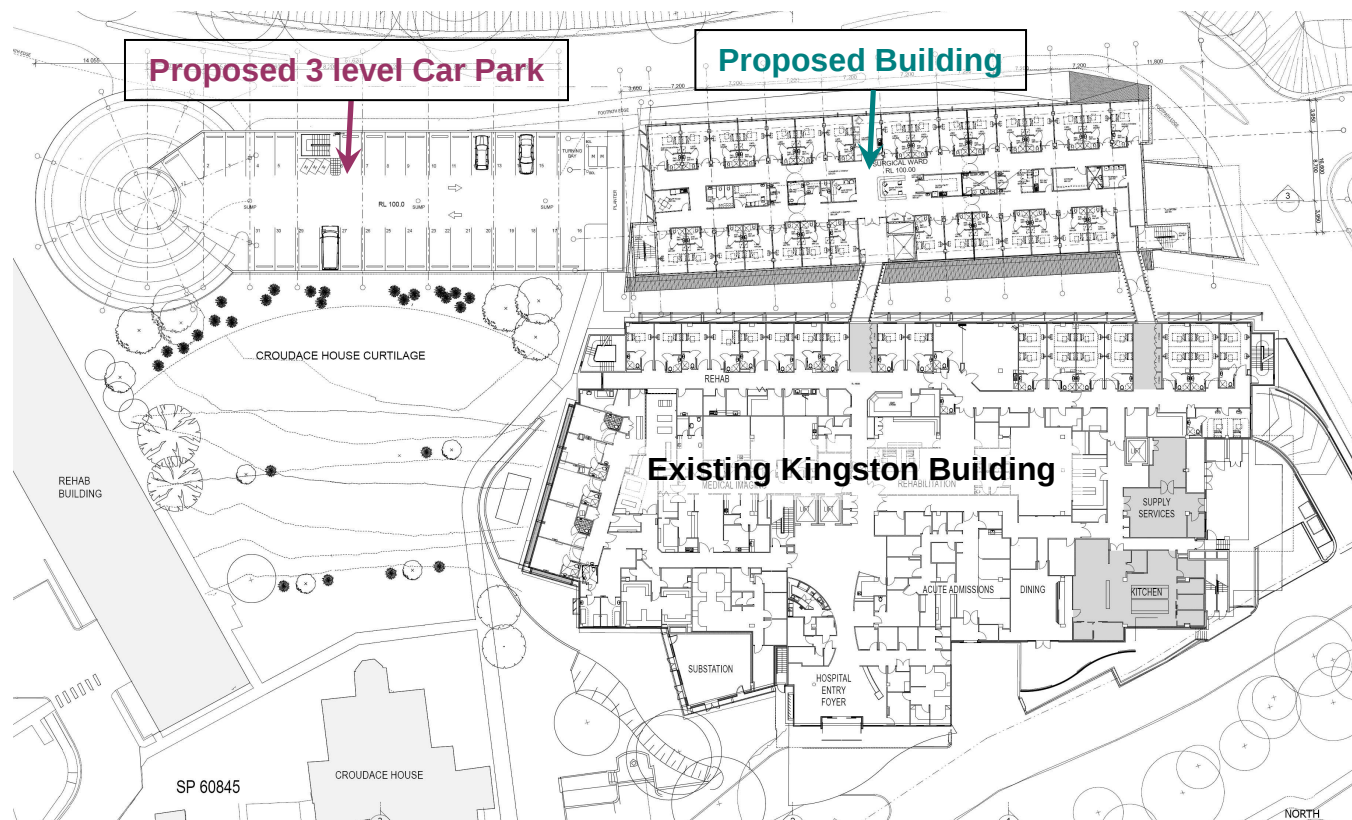


Figure 4 – Proposed building plan

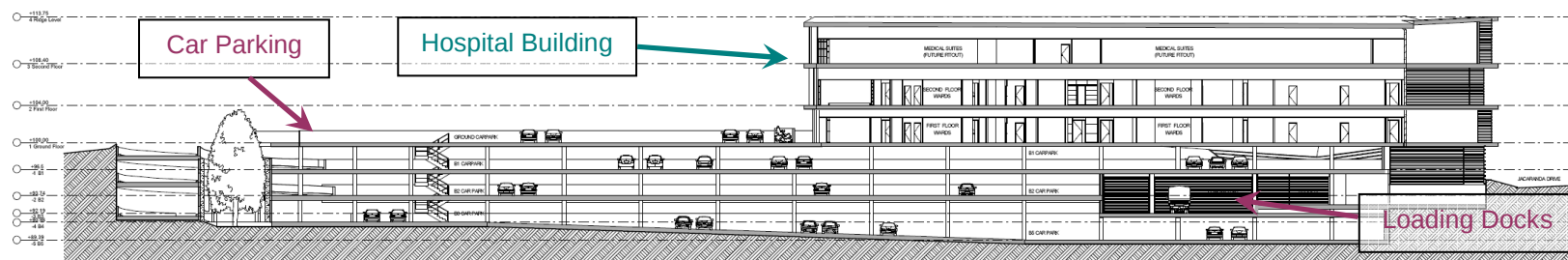


Figure 5 – Elevation Plan

1.3 Project Setting

Access to the hospitals is from Lookout Road, with connections to 2 internal roads, Jacaranda Drive and Kookaburra Crescent (both with traffic lights). The hospital grounds are surrounded by bush land on 3 sides and are adjacent to the New Lambton Heights residential area on the opposite side of Lookout Road. The nearest sensitive receivers are the adjacent Kingston Building (to be connected to the proposed building), a childcare centre on the hospital grounds (approximately 40 m from the site) and residents on the other side of Lookout Road (approximately 100m away).

Department representatives visited the site on 29 July 2009.

1.4 Project Need

The project would provide for the remediation of the contaminated land on site, through the development of the facility, and would take advantage of a disturbed area of vacant land in the hospital grounds.

The project would provide 60 additional inpatient beds, 2 additional operating theatres and 8 medical suites, allowing Healthscope to expand the capacity and services of Newcastle Private Hospital.

Additional parking within the hospital grounds is also needed, in response to resident complaints that hospital vehicles are parking in their streets. This project would contribute to meeting some of this additional parking demand. The project would also create 42 jobs once operational.

2. STATUTORY CONTEXT

2.1 Major Project

The proposal is classified as a major project under Part 3A of the *Environmental Planning and Assessment Act 1979* (EP&A Act), because it is development for the purpose of a hospital with a capital investment value of over \$15 million, and therefore triggers the criteria in Clause 18 of Schedule 1 of *State Environmental Planning Policy (Major Development) 2005*.

Consequently, the Minister for Planning is the approval authority for the project.

On 18 November 2008, the then Minister delegated her powers and functions as an approval authority for certain project applications (including those projects in relation to which a statement has been made disclosing a reportable political donation) to the Planning Assessment Commission (the Commission). This project meets the terms of the delegation as a statement has been made disclosing a reportable political donation. Consequently, the Commission may determine the project under delegated authority.

2.2 Permissibility

The site is zoned 5(a) Special Uses Zone under the *Newcastle Local Environmental Plan 2003* and the project is permissible with development consent in this zone.

2.3 Exhibition and Notification

Under Section 75(3) of the EP&A Act, the Director-General is required to make the Environmental Assessment (EA) of a project publicly available for at least 30 days.

After accepting the EA for the project, the Department:

- made it publicly available from 17 June 2009 until 17 July 2009:
 - on the Department's website, and

- at the Department's Information Centre, Newcastle City Council offices and Lambton Library;
- notified landowners in the vicinity of the site about the exhibition period by letter;
- notified relevant State government authorities and Newcastle City Council by letter; and
- advertised the exhibition in the Newcastle Herald and the Sydney Morning Herald.

This satisfies the requirements in Section 75H(3) of the EP&A Act.

During the assessment process the Department also made a number of documents available for download on the Department's website. These documents included the:

- project application;
- Director-General's environmental assessment requirements;
- EA; and
- ADW Johnson's responses to issues raised in submissions (on behalf of Healthscope).

2.4 Environmental Planning Instruments

Under Section 75I of the EP&A Act, the Director-General's report is to include a copy of or reference to the provisions of any:

- *State Environmental Planning Policy (SEPP)* that substantially govern the carrying out of the project; and
- environmental planning instrument that would (but for Part 3A) substantially govern the carrying out of the project and that have been taken into consideration in the environmental assessment of the project.

The Department has considered the project against the relevant provisions of several environmental planning instruments (including *State Environmental Planning Policy (Major Development) 2005*; *State Environmental Planning Policy No 55 – Remediation of Land*; *State Environmental Planning Policy (Infrastructure) 2007*; and the *Newcastle Local Environmental Plan 2003*).

The Department is satisfied that, subject to the implementation of the recommended conditions of approval, the proposal is generally consistent with the aims and objectives of these instruments (see Appendix B).

2.5 Objects of the *Environmental Planning and Assessment Act 1979*

The Minister's consideration and determination of the application must be consistent with the relevant provisions of the EP&A Act, including the objects set out in the Act's section 5. They are:

The objects of this Act are:

(a) *to encourage:*

- (i) *the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
- (ii) *the promotion and co-ordination of the orderly and economic use and development of land,*
- (iii) *the protection, provision and co-ordination of communication and utility services,*
- (iv) *the provision of land for public purposes,*
- (v) *the provision and co-ordination of community services and facilities, and*
- (vi) *the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
- (vii) *ecologically sustainable development, and*

- (viii) the provision and maintenance of affordable housing, and*
- (b) to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

The Department has fully considered the objects of the EP&A Act, including the encouragement of ESD, in its assessment of the application.

The assessment integrates all significant economic and environmental considerations and seeks to avoid any potential serious or irreversible damage to the environment.

Healthscope has also considered a number of alternatives to the proposed project (including the alternative of not proceeding), and considered the project in the light of the principles of ESD.

2.6 Statement of Compliance

Under Section 75I of the EP&A Act, the Director-General's report is required to include a statement relating to compliance with the environmental assessment requirements with respect to the project.

The Department is satisfied that the environmental assessment requirements have been complied with.

3. ISSUES RAISED IN SUBMISSIONS

During the exhibition period, the Department received a total of 12 submissions on the project:

- 6 from public authorities: Newcastle City Council, the Roads and Traffic Authority ((RTA) now a part of the NSW Department of Transport and Infrastructure), Ministry of Transport (now also part of the NSW Department of Transport and Infrastructure), the NSW Rural Fire Service, the Mine Subsidence Board and NSW Health; and
- 6 submissions from the general public.

A summary of the issues raised in submission is provided below. A full copy of these submissions is attached in Appendix D.

3.1 Public Authorities

Newcastle City Council provided comments relating to urban design and contamination; requested further information regarding noise, the asset protection zone, and the access and parking layout; and raised concerns about the number of car parking spaces to be provided (as there is a parking shortage on site).

The RTA recommended conditions relating to access, construction of the car park, bicycle parking and construction traffic management.

The Ministry of Transport recommended reducing the provision of onsite parking, providing for increased pedestrian and cycle access and amenities, identifying transport services and preparing a travel access guide.

The NSW Rural Fire Service recommended conditions relating to construction in a bushfire prone area, management of the asset protection zone and the arrangements for emergency/evacuation plans.

The Mine Subsidence Board advised they are satisfied risks from mine subsidence can be managed and have provided conditions to manage mine subsidence risks under the *Mine Subsidence Compensation Act 1961*.

NSW Health support the project, but noted traffic and access would need to be managed. Further the cumulative construction and operation traffic impacts of this project and the proposed Hunter Medical Research Facility (which the Department is currently assessing), also in the hospital grounds, would need to be considered.

3.2 Community and Interest Groups

Private submissions objected, and/or raised concerns about:

- parking;
- traffic congestion;
- traffic safety;
- bushfire risks;
- health impacts during remediation works;
- noise and dust impacts during construction;
- proposed staffing numbers; and
- the capacity of the sewer system.

3.3 Response to Submissions

ADW Johnson (on behalf of Healthscope) has provided responses to the issues raised in submissions (see Appendix C), as well as a revised Statement of Commitments for the project. These have been made publicly available on the Department's website.

The response to submissions provided further details of the proposed: parking, including motorcycle and bicycle parking; the landscaping; and stormwater management.

The Department has considered the issues raised in submissions, and ADW Johnson's responses to these issues, in its assessment of the project.

4. ASSESSMENT

4.1 Noise and Vibration

The project would generate construction, operation and traffic noise. Council raised concerns about the potential noise impacts on the adjacent Kingston Building hospital wards (which had not been assessed in the Environmental Assessment) and requested further details of the noise and vibration mitigation measures to be implemented during construction. The childcare centre also raised concerns about construction noise, especially during excavation works.

Construction

Construction is expected to take 18 months and noise modelling indicated the construction noise goals and ground vibration levels would be exceeded during the earthworks and major concrete pouring events. These exceedances would potentially impact on the hospital wards in the Kingston Building (to be connected to the proposed facility) and the nearby childcare centre.

Without management measures in place the construction noise goals are predicted to be exceeded by up to 18 dB(A) Leq at the hospital ward and 6 dB(A) Leq at the childcare centre during sheet piling and bulldozer operations. However, the noise assessment found that this exceedance would be temporary and could be managed and minimised through screens and enclosures, and scheduling of works.

Vibration levels are expected to reach $0.85\text{m/s}^{1.75}$ during pile driving and $0.60\text{m/s}^{1.75}$ when using vibrating rollers. This would exceed DECCW's maximum acceptable dose values for intermittent vibration of $0.80\text{m/s}^{1.75}$ for offices and schools, $0.40\text{m/s}^{1.75}$ for residences and $0.20\text{m/s}^{1.75}$ for hospital operating theatres. Consequently these works would need to be managed to minimise vibration and scheduled to avoid potential conflicts with operations being undertaken in the Kingston Building.

Works would be approximately 50 m from the Croudace House heritage building. Modelling suggests vibration levels may be perceptible, but are highly unlikely to cause any damage to buildings, and are expected to be within the recommended upper level of vibration for historical buildings. Nonetheless, the Department has recommended conditions to limit vibration levels, protecting Croudace House and minimising impacts on the childcare centre, surrounding hospital facilities and residential areas.

The noise assessment report recommended management measures to minimise impacts on sensitive receivers. These measures included:

- construction of acoustic barriers, screens and enclosures;
- installing temporary double glazing at sensitive receivers;
- use of mufflers, silencers and dampeners wherever possible;
- development of a comprehensive consultation and complaints handling system;
- scheduling of work; and
- attended noise and vibration monitoring at the commencement of each activity with the potential to exceed the relevant criteria.

The Department is satisfied these measures would ensure the identification and management of unacceptable construction noise and vibration in order to minimise impacts at sensitive receivers.

Consequently, the Department has recommended conditions requiring a construction noise and vibration management plan to be prepared and implemented, in consultation with the childcare centre, and incorporating the recommendations of the noise assessment report. This management plan would:

- identify the relevant noise and vibration goals;
- describe how noise and vibration would be monitored and managed, incorporating the recommendations in the EA;
- provide for the scheduling and monitoring of works; and
- include a consultation, notification and complaints handling procedure.

This addresses the concerns raised by Council and the childcare centre and would minimise construction noise and vibration. The Department is satisfied construction noise and vibration impacts would be temporary and could be managed through the recommended conditions.

Operation

The project would generate noise from mechanical plant and equipment, such as air conditioners and exhaust fans, and from loading dock activities, such as truck engines, fork lifts and reversing alarms.

Noise modelling indicates that, with treatment measures in place, noise from mechanical plant is expected to comply with the criteria. However, noise from the loading dock may cause the noise criteria to be exceeded, especially during the night time period. While deliveries to the loading dock would generally be made during the day and evening (and from 6-7am), the Proponent is seeking permission to operate the loading dock at any time, as this would provide greater flexibility and allow for unloading of late or emergency deliveries.

The nearest sensitive receiver would be the existing Kingston Building, which would also be connected to the project building, with access walkways from each level. Council raised concerns about the potential noise impacts on the Kingston Building and additional modelling confirmed that without treatment measures in place, DECCW's noise criteria for hospital wards would be exceeded. Consequently, to manage these impacts, double glazing would need to be added to windows on the western side of the Kingston Building. Modelling indicates this would manage noise levels to below the internal noise criteria.

The childcare centre is approximately 40 m from the site and the project has the potential to increase noise at the centre. The noise assessment found that noise from the operation of the project would not exceed the relevant noise limits at the childcare centre. The Department notes that the childcare centre is relatively close to Lookout Road and expects that noise from the operations of the project would be inaudible given the existing traffic noise levels. Nonetheless, the Department has recommended project noise limits at the childcare centre to ensure noise levels would be managed.

The nearest residences are approximately 100 m to the east of the site, on the other side of Lookout Road. Due to the topography of the area and the position of the busy road, between the site and the nearest residences, the project is highly unlikely to exceed the noise criteria at these residences. Nonetheless, the Department notes that traffic noise levels drop substantially during the night time period and considers noise from the project would need to be managed to prevent any intrusive or sleep disturbance impacts. Consequently, the Department has recommended noise limits at these residential receivers to ensure that these noise limits would not be exceeded. The Department has also recommended conditions to require any audible movement alarms to be white or broadband alarms, which are generally considered less intrusive than standard 'beeper' alarms.

Traffic noise would be generated from the 520 vehicle trips generated by the project daily. However, as the hospital grounds as a whole generate approximately 15,500 vehicle trips a day, the Department considers the increased traffic noise from the projects traffic would be minimal and is therefore considered acceptable.

The Department has carefully considered the potential noise impacts from the operation of the project and has recommended conditions to manage noise from the loading dock and limit noise levels at all nearby sensitive receivers. The Department is satisfied these noise limits are achievable and would protect the amenity of surrounding sensitive receivers.

4.2 Traffic

The project would generate traffic during construction and operations and submissions from the community raised concerns about the traffic and parking impacts of the proposal.

Construction

During construction heavy vehicles and machinery would access the site and the need to remove contaminated material and fill would result in additional construction traffic. The adjacent childcare centre raised concerns about the potential safety and congestion impacts and requested works be scheduled to minimise impacts on the childcare centre.

The Proponent has committed to stage the construction and prepare a construction traffic management plan. The Department is satisfied that construction traffic impacts would be short term and could be staged to minimise disruptions to the childcare centre. Consequently, the Department has incorporated the Proponent's commitment to prepare a construction traffic management plan into the recommended conditions. This would ensure construction traffic is managed to minimise traffic during the childcare centres drop off and pickup times.

Operation

The 2 hospitals currently generate approximately 15,500 vehicle trips per day. The hospital grounds can be accessed from 2 intersections with Lookout Road. The main entrance is via Kookaburra Crescent and the newly built Jacaranda Drive provides entry and exit to the North East only (ie right in, left out). Generally the intersections within the grounds operate at a good level of service, however the 2 intersections with Lookout Road, from Kookaburra Crescent and Jacaranda Drive, have significant delays during peak periods. Submissions from the community also state that traffic congestion is already an issue during peak periods.

The proposal would generate an additional 520 trips per day and traffic modelling indicates this additional traffic would only have a minor impact on the current traffic queues.

NSW Health raised concerns about the cumulative traffic impacts and the restrictions this would cause future proposals, such as the Hunter Medical Research Institute Project which is also under assessment by the Department. However, neither the RTA nor Council raised concerns about the traffic levels. The RTA recommended conditions of approval relating to access to the site and the car park from Jacaranda Drive.

The Department has incorporated the RTA's recommendations into the recommended conditions of approval and notes NSW Health's concerns. While the Department is satisfied the project's impact on traffic levels would be minimal, the Department notes there are existing traffic problems, and considers the project should be required to minimise traffic. NSW Transport and Infrastructure also recommended increasing public transport awareness and provisions for cyclists. Consequently, the Department has recommended conditions requiring a Sustainable Travel Plan to be prepared and implemented. The plan would include provision of a shuttle bus, linking to suitable public transport. A shuttle bus is currently used to connect the hospital to the Energy Australia Stadium at Broadmeadow (which is used for overflow parking), so this bus could also connect to the nearby Broadmeadow Station or other suitable public transport connections, to be identified in the Sustainable Travel Plan.

Parking

The project includes a 3 level car parking block and would accommodate 226 car spaces, 25 motorcycle bays, 22 public bicycle spaces and secure storage for 19 bicycles. An additional 18 car spaces would be provided outside the Kingston and Croudace Buildings.

50 parking spaces are required for the building under the *Newcastle Development Control Plan 2005*, however due to an ongoing parking shortage in the hospital grounds, an additional 200 parking spaces are required as part of an agreement between Newcastle Private Hospital and Hunter New England Area Health. Consequently, the project would need to provide 250 car parking spaces.

The project would be 6 spaces short of this target, with 244 car spaces, however would include 5 additional motorcycle spaces and 5 additional bicycle spaces. Submissions from the community raised concerns about the parking, noting that cars from the hospitals were already parking in the surrounding streets, while NSW Transport and Infrastructure requested that on-site car parking is reduced.

The Department notes the project would provide additional parking capacity within the hospital grounds and although this is slightly less than required, this would still assist in reducing impacts on surrounding streets. To address the potential traffic impacts of the project the Department has recommended conditions requiring the preparation and implementation of a Sustainable Travel Plan for the project, to reduce vehicle movements, by encouraging the use of public transport and cycling and this should also reduce parking demand from the facility.

The Department considers the proposal would greatly improve the parking capacity onsite, notes that additional motorcycle and bicycle parking is proposed, and is satisfied the proposed parking is sufficient.

4.3 Contamination

Aerial photograph records show the site was cleared prior to 1954 and uncontrolled stockpiling or filling occurred onsite between 1966 and 1974. In order to identify the nature of the fill, test pits were excavated across the site to assess contamination levels. Construction and demolition waste and slag-like material were identified in the test pits and soil testing confirmed the presence of asbestos containing materials and low levels of heavy metals and organic pollutants: Benzo(a)pyrene (BaP) (up to 2.9 mg/kg) and total Polycyclic Aromatic Hydrocarbons (total PAHs) (up to 47.5 mg/kg).

To ensure the site is suitable for the proposed land use, the asbestos containing materials would need to be removed, or contained, prior to construction of the project. Approximately 9,600 m³ of fill is thought to occur at the project site, however, as the proposed building would be built into the side of the hill, about 20,000 m³ of soil would be excavated during the site preparation works. Consequently, it is likely that all the contaminated material would be removed as part of the site preparation works.

Nonetheless, should additional fill be identified below the level of the building pad, the site would be capped with a geotextile marker layer.

While the levels of heavy metals and organic pollutants present are not expected to affect the future use of the site, this soil is likely to be removed as part of the remediation and excavation works to be undertaken for the project.

A Remedial Action Plan has been prepared, setting out the remediation strategy for the site. This strategy involves:

- the removal of asbestos containing materials, to be disposed of at a suitably licensed landfill;
- implementation of environmental management plans during remediation works, including monitoring of asbestos levels in the air;
- validation to ensure the site is suitable for the proposed land use; and, if necessary
- capping of any residual contaminated material and preparation of an Environmental Management Plan to maintain the integrity of the capping system.

An accredited site auditor has reviewed the Remedial Action Plan and confirmed the proposed remediation strategy is suitable.

The Department is satisfied contaminated material would be managed through the remediation strategy and has recommended conditions to ensure this occurs. The recommended conditions require the site to be remediated in accordance with the requirements of an accredited site auditor, ensuring the completed works are suitable for the proposed site use, prior to construction of the building. These recommended conditions also include requirements to monitor and manage erosion and sediment, airborne asbestos and any containment or capping required.

4.4 Bushfire risks

The site is adjacent to bushfire prone land and the hospital grounds are surrounded by bush on three sides. Consequently, bushfire risks would need to be managed. These risks have been assessed in the Environmental Assessment for the project, and this assessment found that risks could be minimised through the establishment of an Asset Protection Zone and by designing the building to certain standards. It is noted however that these measures would not remove the risk from a bushfire completely.

The NSW Rural Fire Service recommended conditions to ensure the project is developed in accordance with the requirements of the relevant guidelines for bushfire protection, which includes the requirement to establish an asset protection zone, and also recommended a bushfire evacuation management plan should be developed.

The Department has incorporated the NSW Rural Fire Service's requirements into the recommended conditions. These include the requirement to establish and maintain a 70 m wide asset protection zone around the building. The Department has received confirmation that this asset protection zone could be established without removing any trees; however the proposed landscaping would be within this area. Consequently, the Department has also recommended requirements to ensure the landscaping would be designed and maintained in accordance with the requirements of the asset protection zone.

The Department is satisfied that bushfire risks would be minimised and that evacuation plans would be in place to minimise threats to patients and staff.

4.5 Mine subsidence

Underground mining occurred around the site up until the 1920s, with an abandoned borehole seam approximately 100 m below the site. The Mine Subsidence Board has reviewed the proposal and provided conditions under the *Mine Subsidence Compensation Act 1961*.

These conditions require the proponent to remove the risk of subsidence, by means such as grouting, or undertake geotechnical investigations to confirm the workings are stable with no risk of mine subsidence.

The statement of commitments includes a commitment to undertake geotechnical investigations to determine whether works such as grouting would be required. The Department is satisfied that, should the geotechnical investigations find there is a risk of mine subsidence, these risks could be satisfactorily managed through measures such as grouting. Consequently the Department has incorporated the Mine Subsidence Boards requirements into the recommended conditions to ensure there is no risk of mine subsidence.

4.6 Heritage

The proposal has the potential to impact on the heritage values of the nearby Croudace House and remnant gardens, which are both listed as items of local heritage significance under the *Newcastle Local Environmental Plan 2003*. The project is approximately 50 m north of Croudace House and would not involve any direct impact on the building.

A study of the heritage values of the house identified that the observation tower, which was built after the completion of the house, is believed to have been constructed to take advantage of the views to the north. The study concluded that this view corridor was the most important aspect, as bushland would have screened other views from the house (see Figure 6).



Figure 6 – Croudace House circa 1920s

Consequently the proposed building has been designed to minimise impacts on the Croudace House view curtilage. The six storey building would be built outside the view curtilage, while the much smaller 3 storey car park would not impact on the view and would be screened by landscaping designed to complement the existing gardens (see Figure 7 & Figure 8). Council did not raise any concerns regarding heritage.

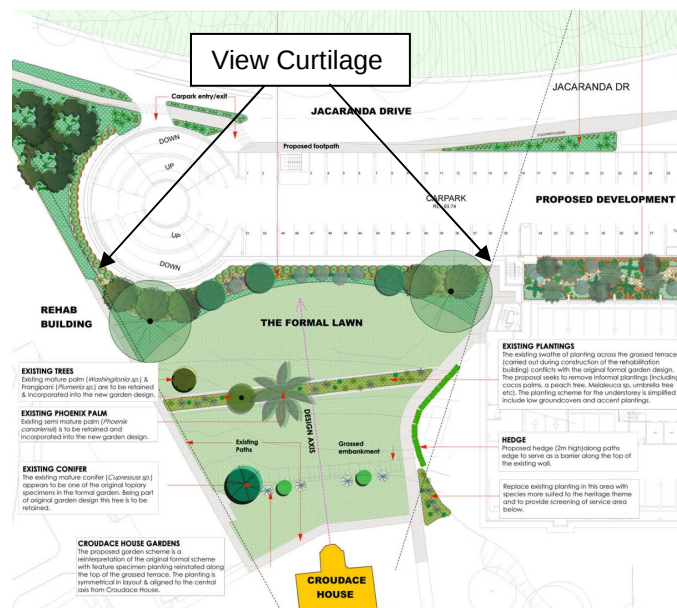


Figure 7 – Proposed landscaping in view curtilage

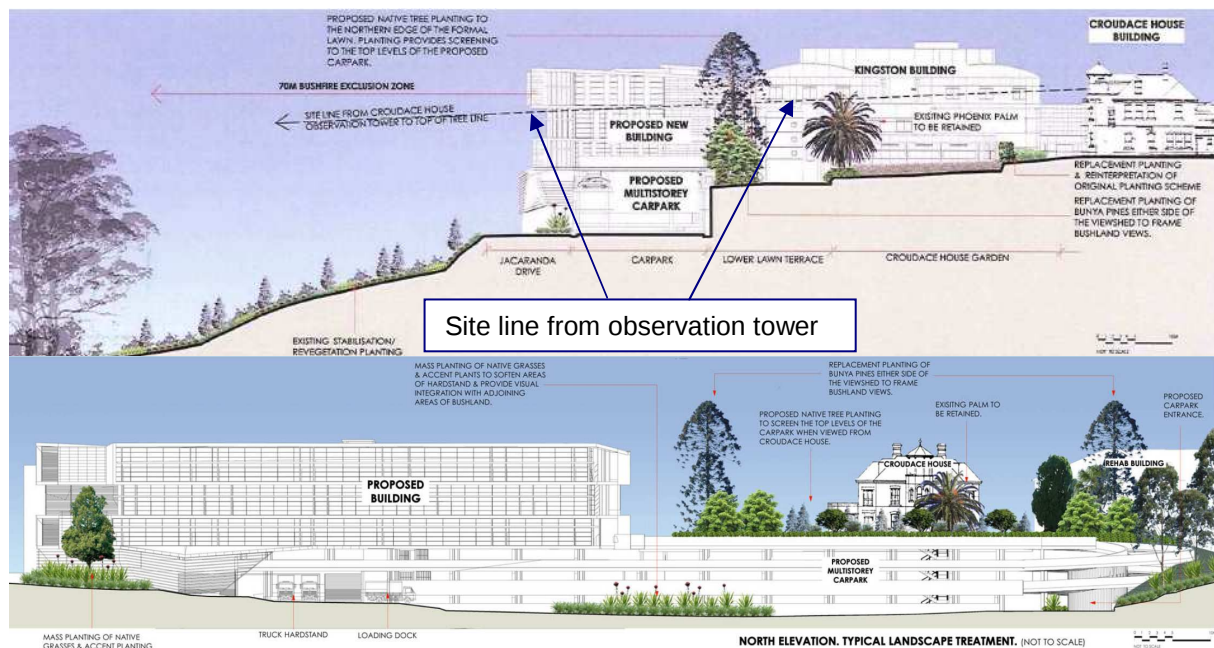


Figure 8 – Proposed heights illustrating minimal impact of the car park on the view curtilage

The Department has considered the potential impacts on the Croudace House and gardens, including the particular importance of the views to the north. This assessment concluded that the project design is sympathetic to the heritage values of the building and gardens and would not reduce the views to the north, in the view curtilage. Consequently the Department is satisfied impacts on the heritage values of Croudace House and gardens would be minimised and are acceptable.

4.7 Visual Impact, Design and Landscaping

The proposed building has been designed to integrate with the existing Kingston Building. It would have a comparable bulk and scale to the adjacent Kingston Building and materials have been selected to integrate with the surrounding facilities. The building roof level would reach 113.75 m (with plant up to 114.20 m) and this is approximately 2 m lower than the roof of Kingston Building.

There would be distant views of the upper floor and roof of the proposed building from the north, however this impact would be minimal as, from most areas, the roofline of the proposed building would be lower than the existing Kingston building (see Figure 9).



Figure 9 – View of proposed project from Dent Street, Lambton

Due to the topography of the area, the facility would be set into the slope of the hill and would only be glimpsed from sections of Lookout Road and the entrance to the hospital grounds (see Figure 10 and Figure 11).

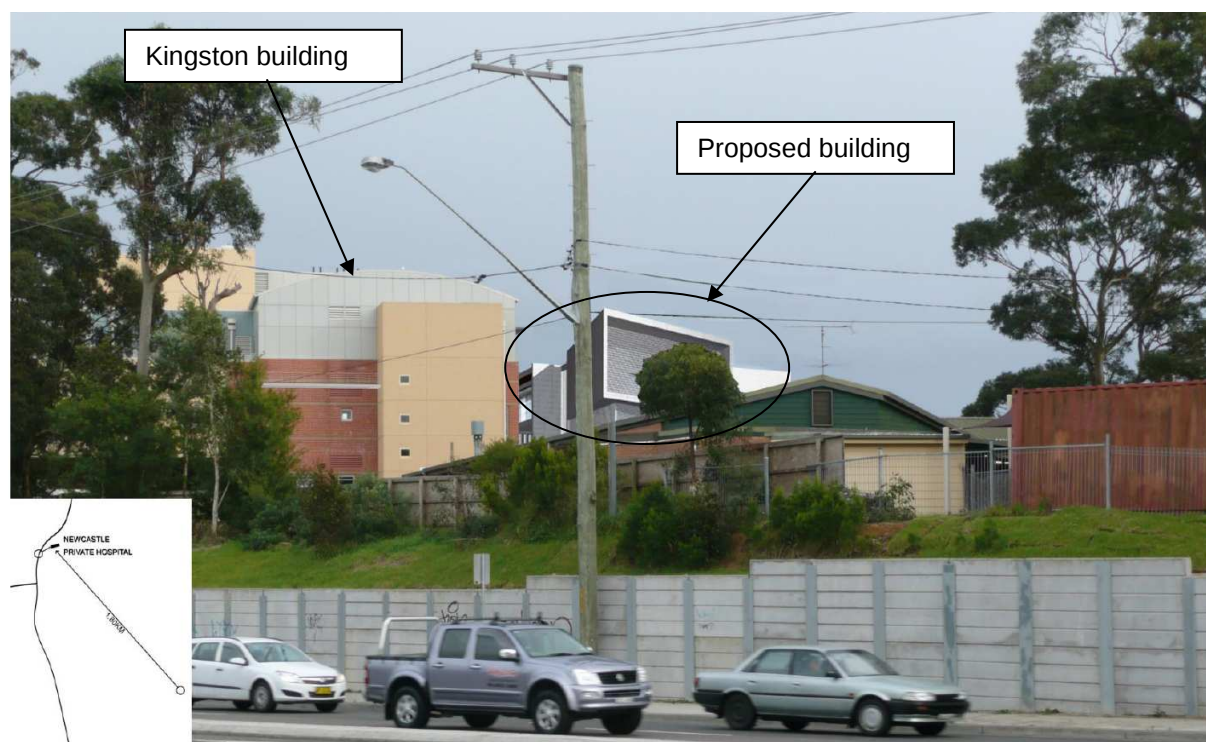


Figure 10 – View of project from main road (Lookout Road)



Figure 11 – View of project from the site entrance (intersection of Lookout Road and Jacaranda Drive)

Nonetheless, the building has been carefully designed to integrate with the existing Kingston building, which would be connected to the project, and to minimise impacts on the heritage curtilage. Council provided comments from the Urban Design Consultative Group, who were generally satisfied with the hospital building, however raised concerns about the design of the car park structure (being visually dominant from the east and west) and requested the introduction of a curve or angle to provide a setback from the road in which landscaping could be provided.

The Proponent's architect has advised it is not possible to move the building footprint, although the density of the landscaping has been increased to minimise this visual impact.

The Department has considered the concerns raised by the Urban Design Consultative Group and the additional landscaping to be provided. The Department notes the building and the car park structure in particular, would be set into the slope of the hill. As noted above the offsite views of the facility would be of the hospital building (not the car park) and would generally only be from a distance. Consequently, the Department is satisfied the design is acceptable and that screening of the car park structure would be maximised with landscaping.

4.8 Development Contributions

Newcastle City Council's Section 94A Development Contributions Plan 2006 applies to the area, however as of Monday 23 November 2009 the plan has been amended to exclude hospitals. Consequently no development contributions apply to the site.

4.9 Stormwater

Stormwater would need to be managed during construction and operation. During construction, sediment and erosion controls would be installed, and detailed plans of these controls would be finalised prior to the commencement of construction. These controls would also need to manage any contamination exposed during the remediation and excavation works. The Department is satisfied that erosion and sedimentation could be managed during construction and has recommended conditions to ensure the controls are implemented in

accordance with the requirements of the relevant guidelines and, during remediation works, to the satisfaction of a site auditor, accredited under the *Contaminated Land Management Act 1997*.

A 20,000 L storage tank would be installed to collect roof water during operations, for use in washing down the loading dock and waste storage area. Excess rainfall and stormwater from other areas of the site (such as the car park) would be connected to the existing stormwater drainage system with the installation of a sand filter and retention tank to manage the quality and quantity of stormwater discharged into the existing stormwater system. This stormwater is then discharged to the gully, to the north of the site.

Council did not raise concerns with the proposed stormwater management system. The Department has recommended conditions requiring the stormwater management system to be designed in accordance with the relevant guideline and with capacity to handle the 1 in 20 year storm event, as required by Council's Development Control Plan.

With the recommended conditions in place, the Department is satisfied stormwater would be managed during construction and operation of the project.

4.10 Ecologically Sustainable Development

Lifecycle cost and energy efficiency have been considered in the design of the building. Building materials have been selected to minimise maintenance costs and the building has been designed to manage natural light. The building would take advantage of the northern aspect and would use the building design and façade to manage sunlight, shade and glare.

The 20,000L rainwater storage tank would assist in reducing the project's demand on potable water and the Department supports this.

Nonetheless, the Department considers there are additional measures that could be implemented to improve the energy and water efficiency of the project. Consequently, the Department has recommended conditions requiring the implementation of a water and energy efficiency program to explore efficiency measures available and ensure the project would achieve industry best practice.

4.11 Services

Residents raised concerns that the sewer system is unable to cope with the existing sewerage volumes and would not have capacity to manage the additional load from the project. Healthscope has consulted Hunter Water, who confirmed there is insufficient capacity to cater for the loads from the project. Consequently Hunter Water requires Healthscope to construct an overflow relief line (approximately 115 m long) parallel to the existing sewermain. To ensure consistency, the Department has incorporated this requirement into the recommended conditions.

5. RECOMMENDED CONDITIONS

The Department has prepared recommended conditions of approval for the project (see Appendix A). These conditions are required to:

- ensure the site is appropriately managed for the proposed use;
- encourage ecologically sustainable development;
- adequately mitigate the environmental impacts of the project;
- protect the amenity of the local area; and
- protect the public interest.

6. CONCLUSION

The Department has assessed the merits of the project and this assessment found that the environmental impacts of the project can be adequately managed to ensure an acceptable level of performance.

While the project is adjacent to heritage listed Croudace House and gardens and within the view curtilage, the facility has been designed to integrate with the gardens and would not impede on the view from the observation tower.

The Department is satisfied the project would be an improvement to the site, as it would provide for the management of contamination on site, assist in reducing the parking shortage on site, and take advantage of vacant land in the hospital grounds to expand Newcastle Private Hospital with an additional 60 hospital beds.

The project would also attract \$33.7 million worth of capital investment to the region and create at least 42 new jobs.

Consequently, the Department believes the project is in the public interest and should be approved subject to conditions.

7. RECOMMENDATION

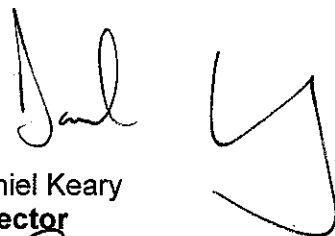
It is RECOMMENDED that the Planning Assessment Commission:

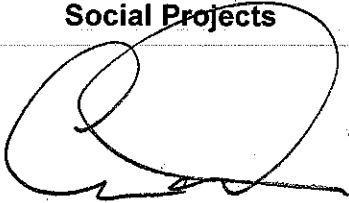
- consider the findings and recommendations of this report;
- approve the project application, subject to conditions, under section 75J of the *Environmental Planning and Assessment Act 1979*; and
- sign the attached project approval (see Appendix A).

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