

19 March 2018

Ms Carolyn McNally
Secretary
Department of Planning and Environment
GPO Box 39
SYDNEY
NSW 2001

Dear Ms McNally

RE: Request for Secretary's Environmental Assessment Requirements – Mudgee Hospital Redevelopment Comprising the Construction of a New Clinical Services Building and Associated Works

In accordance with Clause 3 of Schedule 2 of the Environmental Planning and Assessment Regulation 2000 (EP&A Regulation) and Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP), Health Infrastructure request the issue of Secretary's Environmental Assessment Requirements (SEARs) for the State Significant Development (SSD) application for the proposed Mudgee Hospital redevelopment, comprising the construction of a new Clinical Services Building (CSB) and associated works.

In June 2017, the State Government announced a funding commitment of \$70.2M for the redevelopment of the Mudgee Hospital and Health Service (MHS), through the replacement of almost all existing facilities on campus with a new purpose built facility.

The purpose of this letter is to provide a preliminary environmental assessment and other supporting documentation to allow for the SEARs to be issued for this application.

1 Background

The town of Mudgee is situated in the central west of New South Wales (NSW) in the broad fertile Cudgegong River valley, a tributary of the Macquarie River. It is the centre of the Mid-Western Regional Local Government Area (LGA). The Mid-Western Regional LGA also includes the towns of Rylstone, Kandos and Gulgong, in addition to many other rural village settlements. It covers an area of approximately 9,000 square kilometres and adjoins the LGAs of Wellington, Bathurst Regional, Cabonne, Warrumbungle, Greater Lithgow and Merriwa, all of which (except Merriwa and Greater Lithgow) are located within the Western NSW Local Health District (WNSWLHD) as shown in **Figure 1**.

The MHS catchment area is predominantly the Mid-Western Region LGA. The neighbouring LGAs of Bathurst Regional, Upper Hunter Shire, Lithgow and Warrumbungle do not significantly contribute to the catchment area (less than 3% of separations overall).

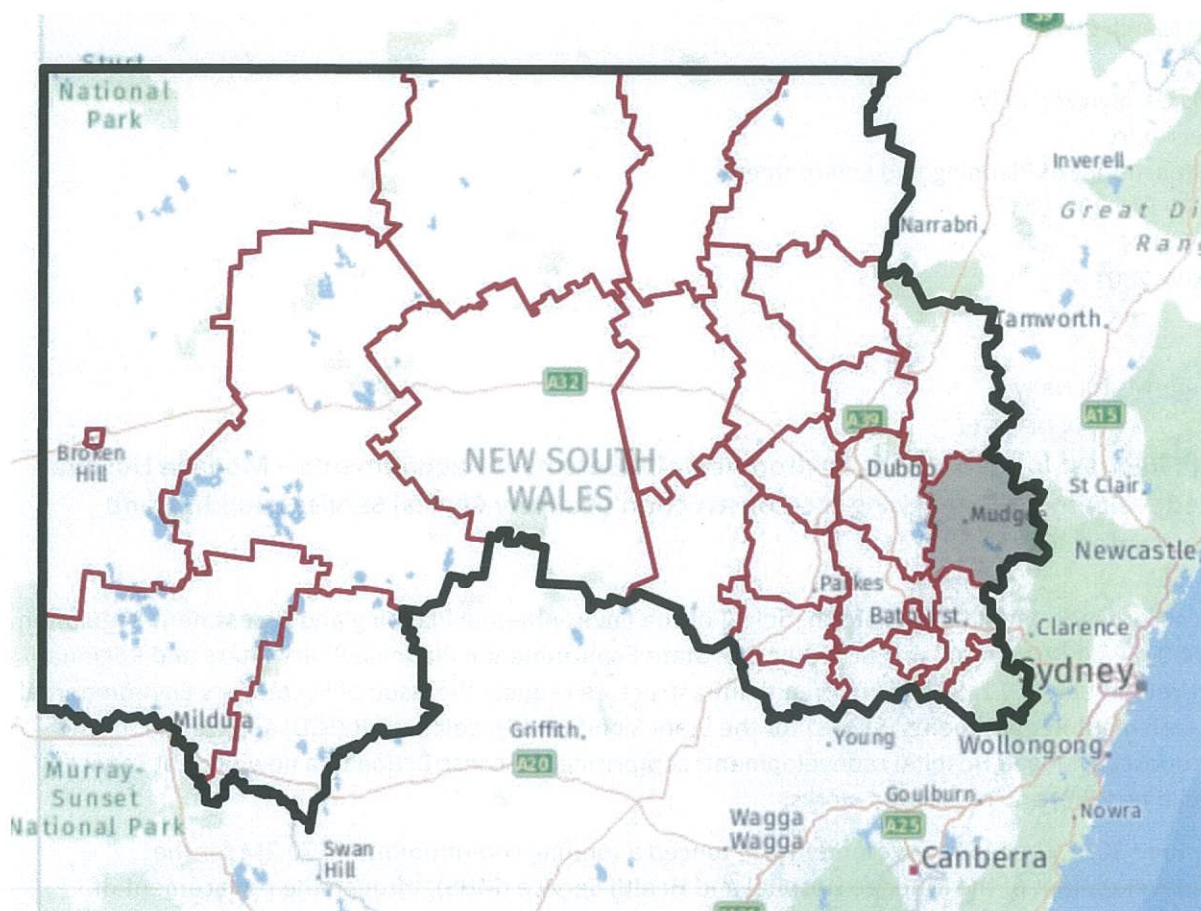


Figure 1: Western NSW LHD

The Northern Sector referral pathways are based around Dubbo Hospital which is the main referral hospital in the area, and Mudgee Hospital. Smaller hospitals that are part of the sector include Baradine MPS, Bourke MPS, Brewarrina MPS, Cobar Hospital and Health Service, Collarenebri MPS, Coolah MPS, Coonabarabran Hospital and Health Service, Coonamble MPS, Dunedoo MPS, Gilgandra MPS, Gulargambone MPS, Gulgong MPS, Lightning Ridge MPS, Narromine Hospital and Health Service, Nyngan MPS, Peak Hill MPS, Tottenham MPS, Trangie MPS, Walgett MPS, Warren MPS and Wellington Hospital and Health Service.

Current services delivered from the MHS include a range of clinical services to its catchment population, providing emergency, acute medical, surgical, maternity and subacute inpatient services and a range of primary, ambulatory and community services.

The existing MHS infrastructure is currently being impacted by a range of issues, including:

- Ageing assets. Ageing infrastructure and facilities that are no longer fit for purpose and are expensive to maintain at required standards.
- The existing facilities suffer from the following functional deficiencies:
 - Absence of purpose designed Ambulatory Care centre.
 - Fragmented Primary and Community Health due to separate buildings.
- Need to implement medical advances and install new technology.
- Need to increase capacity to meet demand. This increased demand and flow increases infrastructure "wear and tear".

2 Need for the Project

The Mudgee Hospital Redevelopment Project is being driven by a range of service needs listed below:

- Address population demographics:
 - A population that is marginally increasing.
 - A population that is ageing and will require increased levels of service in the future
 - A high number of Aboriginal and Torres Strait Islander people who have a poorer health status than any other group in the community
 - A significant number of children, adolescents and women of childbearing age who will need services
- New models of care: there is a need to update facilities to support the introduction of enhanced and contemporary models of care and new services integrated across the care continuum, including a greater emphasis on multidisciplinary Ambulatory and Community models.
- Workforce: ability to attract and retain workforce through the provision of modern facilities, the ability to work in speciality areas with new and contemporary models of care, and increased staff amenities.
- Provision of a safer and more appropriate environment to provide healthcare compliant to service delivery standards.

3 The Site and the Locality

The town of Mudgee is the largest town in the Mid-Western Regional LGA. It is located on the Castlereagh Highway in the central west of NSW, 268 Km by road northwest of Sydney, 126 Km east of Dubbo and 129 Km north of Bathurst.

Mudgee Hospital is located south of the Mudgee Town Centre and has a high degree of connectivity to the Town Centre. Church Street (on the western boundary of the MHS), provides the north-south link to the Town Centre and connects to the Castlereagh Highway (**Figure 2**).

The area surrounding the hospital has a generally low density residential character to the east (Lewis Street), south (Meares Street) and west (Church Street). To the north of the site is the former Mudgee Railway Station, and in addition to residential properties to the east of the Mudgee Hospital site, on Lewis Street, there is also a sporting field. The privately-operated Mudgee Medical Centre sits within the Mudgee Hospital precinct at 145 Church Street, Mudgee and does not form part of the proposed SSD Application.

Refer to an aerial view of the site and location plan at **Figure 3**.



- 1 MUDGEE RAILWAY STATION
- 2 CAHILL PARK
- 3 MUDGEE SHOW-GROUND
- 4 VICTORIA PARK
- 5 MUDGEE HIGH SCHOOL
- 6 CUDGEGONG VALLEY PUBLIC SCHOOL
- 7 MUDGEE GOLF COURSE
- 8 TO MUDGEE TOWN CENTRE



Figure 2: MDH Urban Context

Source: STH - Mudgee Hospital Redevelopment Schematic Design Report (February 2018)



Figure 3: Aerial Map of Mudgee Hospital

Source: Six Maps

4 The Site

Legal Description

The Mudgee District Hospital is located at the corner of Meares and Lewis Streets. The Site at approximately 38,000m² (excluding the area of the Mudgee Medical Centre), and is bounded by Church Street to the West, Meares Street to the South and Lewis Street to the East and the Railway line to the North.

The site includes a total of six (6) lots as described in **Table 1** below and shown at **Figure 4**.

Table 1. Legal description of site

Legal Description	Ownership
Lot 11, Section 64, CP 57.1009 (DP 758721)	Greater Western Area Health Service
Lot 5, Section 64, CP 40.1009 (DP 758721)	Greater Western Area Health Service
Lot 2 DP 845336	The Mudgee District Hospital
Lot 1 DP 845336	The Mudgee District Hospital
Lot 2 DP 1140724	Greater Western Area Health Service
Lot 403, CP 6259.2091 (DP 756894)	Greater Western Area Health Service



Figure 4. Lot Plan of Mudgee Hospital

Source: Six maps

A private medical centre is located within the block (Lot 1 DP 1140724). This lot is excluded from the redevelopment project. The Lot is privately owned by the Mudgee Medical Centre Developments Pty Ltd.

Site layout and description of existing building description is provided at **Figure 5** and below.



Figure 5: Mudgee Hospital and Health Service existing built form.

Note: The private Medical Centre to the North-West is excluded from this project.

Main Hospital Building: The Main Hospital building is a three-storey loadbearing brickwork structure with basement originally built in 1955.

Wellness Centre: A Single storey brick and weatherboard building originally built in 1978.

Community Health Building: Originally built as the Nurses Accommodation in 1934.

Old Boiler house, Facility Management & Records Archive Building: The original boiler house is currently vacant. Its original built date is currently uncertain.

Vacant Building: The Vacant building to the North of the main building is in extremely poor condition. Unconfirmed advice that it was built between 1934-1955.

Helicopter Landing Pad: On visual inspection the current helicopter landing pad has the necessary helicopter flight path clearances. Current records show approximately 55 annual landings on the pad for outgoing transfer.

Residence: An existing three-bedroom residence sits on the North-west corner of the site. The residence is in reasonable condition and provides temporary accommodation for visiting clinicians or agency staff.

Grounds and Car Parking: Grounds are generally in good condition and low maintenance. Car parking is provided in multiple locations onsite adjacent to each of the buildings

Transport and Access

The main entrance to Mudgee Hospital is located off Lewis Street to the east of the site. There is a separate Emergency vehicle access also off Lewis Street. Access to the Wellness Centre and for loading dock and deliveries is off Meares Street. At grade parking is provided adjacent to the Main Building and the Wellness Centre with access off both Lewis Street and Meares Street.

There is a bus stop located on Church Street near the intersection with Meares Road, serviced by routes numbered 560 and 562.

Existing Services

MHS is a District group 2 level hospital within the WNSW LHD. The hospital predominantly provides district health services at role delineation levels (RDL) 2 and 3, except for Oral Health services which are provided at RDL 4. Current services delivered from the MHS include a range of clinical services to its catchment population, providing emergency, acute medical, surgical, maternity and subacute inpatient services and a range of primary, ambulatory and community services.

Topography

The site generally falls from south to north and has a crest through the centre which causes the site to fall west and east. Slopes from the central areas downwards to the south western corner and north eastern corner. The site falls approximately 6.1m from RL 477.70 AHD at the centre of the southern boundary to RL 471.80m AHD in the north-west corner and the north-east corner.

Flooding

The site is not affected by flooding from local watercourses during either the 100-year design flood event or the probable maximum flood (PMF) event.

Vegetation & Ecology

The MDH site is an existing hospital with extensive development already in place. There is a stand of Lemon-scented Gum (*Corymbia citriodora*) located on the north eastern corner of the site which will not be affected by the proposal and a group of 39 Spotted Gum (*Corymbia maculata*) trees to the north of the Mudgee Medical Centre.

An Arborist report by McArdle and Sons Pro Tree Services (October 2017) notes that most of the trees on site are not indigenous to the area of Mudgee and have been planted. The Arborist Report includes that:

There are no mature Corymbia maculata on the hospital site of significant size.

There are only 3 trees on site that are indigenous to Mudgee; Eucalyptus microcarpa, Grey Box.

Zoning

The site is zoned **R1 – General Residential** pursuant to the Mid-Western Regional Local Environmental Plan 2012 (MWR LEP 2012) (**Figure 6**).



Figure 6. Extract of MWR LEP 2012 Zoning Map – Mudgee Hospital Site outlined in red.
Source: MWR LEP 2012

Heritage

Aboriginal Heritage

The site is not known to contain any items of Aboriginal Heritage.

European Heritage

A search of the State Heritage Register identified no items of State Significance on the State Heritage Register (SHR) in the project area. MHS is identified on the NSW State agency heritage register under s.170 of the *Heritage Act 1977*.

The site is also located in the Mudgee Heritage Conservation Area in accordance with the MWR LEP 2012 (Figure 7).

There are three (3) heritage listed items within proximity to the MDH as listed below:

- I27 – House (182 Church Street), locally listed heritage item;
- I28 – House (184 Church Street). Locally listed heritage item;
- I83/I84 – Mudgee Railway Precinct, State listed heritage item.

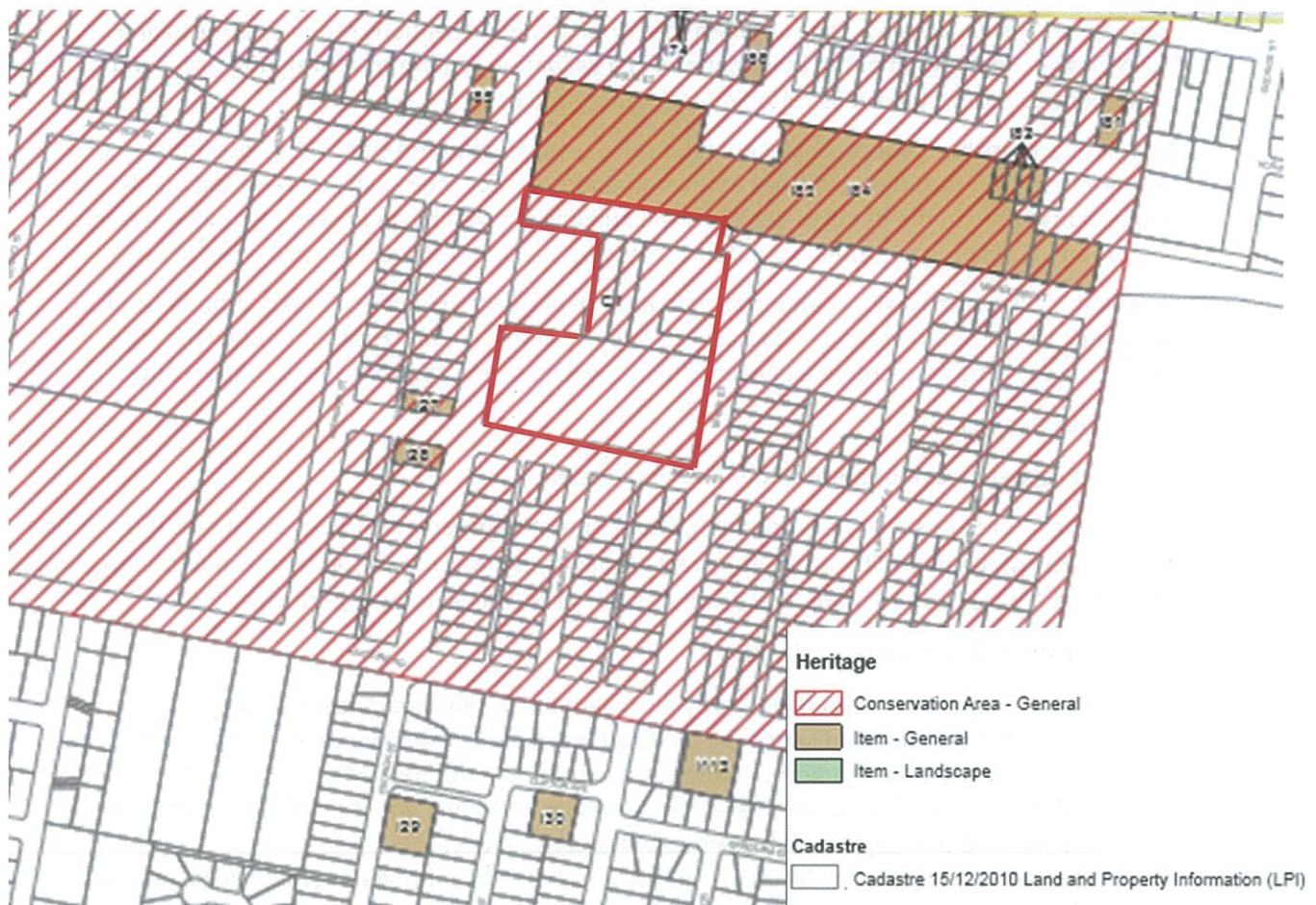


Figure 7. Extract of MWR LEP 2012 Heritage Map
Source: MWR LEP 2012

Aviation

The site accommodates a grassed helipad located to the north of the existing main hospital building. The proposed development does not seek any alteration to this existing helipad. No new helipads or other aviation-related facilities are proposed.

Geotechnical, Contamination and Hazardous Materials

The existing conditions of the site have been assessed by Douglas Partners in a Contaminated Land Preliminary Site Investigation. The assessment considers that the site exhibits potential for contamination and recommends that a detailed intrusive investigation of the site be undertaken to target areas identified in the report. The report concludes that the site can be made suitable for the proposed development with respect to contamination, subject to implementation of the provided recommendations. As a result, a detailed site investigation and any necessary remediation and validation (if required) will be undertaken as part of the proposed works.

A Hazardous Building Materials survey has been undertaken by Environmental Investigation Services (September 2017). The survey found that both asbestos-containing materials and hazardous materials were identified on the site. The report recommended that prior to or as part of the proposed works, all identified asbestos and other hazardous materials be removed, and anything remaining will need to be detailed in the site-specific Register and Asbestos Management Plan of

the report. The EIS will give consideration to any further investigations required prior to and following the demolition of the buildings and any validation requirements relating to ground conditions to ensure the site is suitable for the intended use.

Douglas Partners has undertaken a geotechnical investigation of the site. The geotechnical report (September 2017) includes a number of recommendations for the substructure of the building that will be considered in the detailed design of the building and will be addressed and any validation requirements relating to ground conditions to ensure the site is suitable for the intended use.

Relevant investigations will be undertaken in accordance with SEPP 55 – Remediation of Land, Managing Land Contamination – Planning Guidelines, and SEPP 33 – Hazardous and Offensive Development. The assessment against the SEPPs will be submitted with the SSD Application.

5 The Project

5.1 Proposed development under SSD application

This Request for SEARs seeks environmental assessment requirements for an SSD application for the construction of a new a CSB at the southwest corner of the hospital site, with new public carparking located off Meares Street. Ambulance and staff car park will be accessed off Lewis Street.

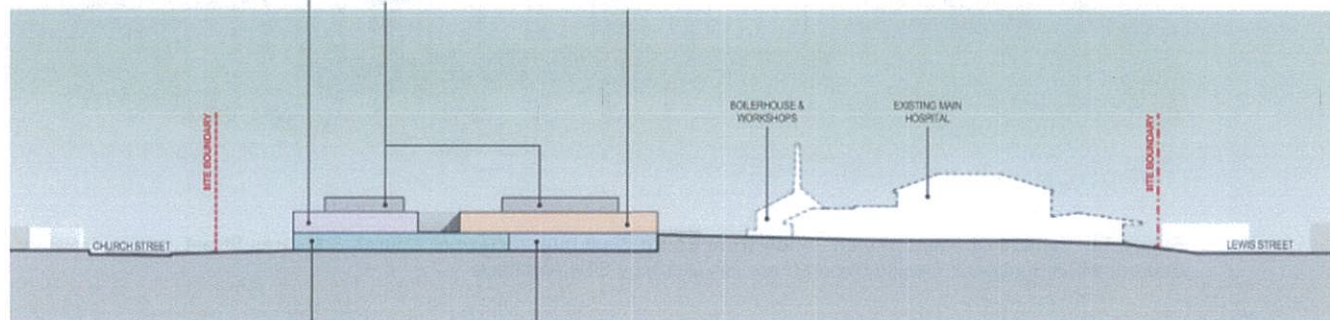
The scope of proposed works includes:

- Construction of a new two (2) storey plus plant acute clinical services building to accommodate relocated services including Medical Imaging, Emergency Department, Intensive Care Unit, Medical In-Patient Units (IPU), Surgical IPU, Maternity, Child and Family Unit, Unplanned Ambulatory Care, Perioperative (including Admissions), Pharmacy, Retail, Security and the majority of the Ambulatory Care Services;
- On-grade car parking and drop off facilities, and overall improved wayfinding and access throughout the campus, including new roadworks and footpaths;
- Upgrades to IT and engineering services infrastructure supporting the MHS;
- Non-clinical support services, including LHD offices, MHS administration offices, kitchen, stores, linen and maintenance services;
- Associated landscaping works; and
- Demolition of vacated buildings.

Concept drawings showing the location of works and indicative built form prepared by STH Architects are provided at **Figures 8 – 12**.



Source: MDH Schematic Design Report (February 2018) by STH Architects



Source: MDH Schematic Design Report (February 2018) by STH Architects

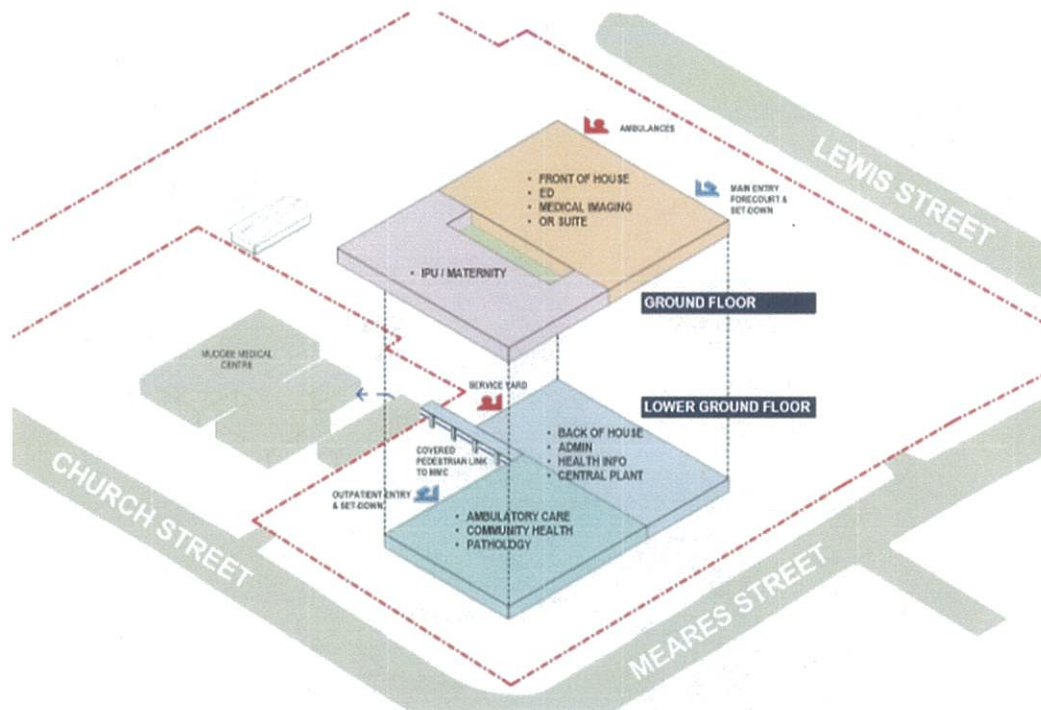


Figure 10: Concept block and stack design

Source: MDH Schematic Design Report (February 2018) by STH Architects



Figure 11: Façade Concept Sketch – View from South West Intersection of Church & Meares Street

Source: MDH Schematic Design Report (February 2018) by STH Architects

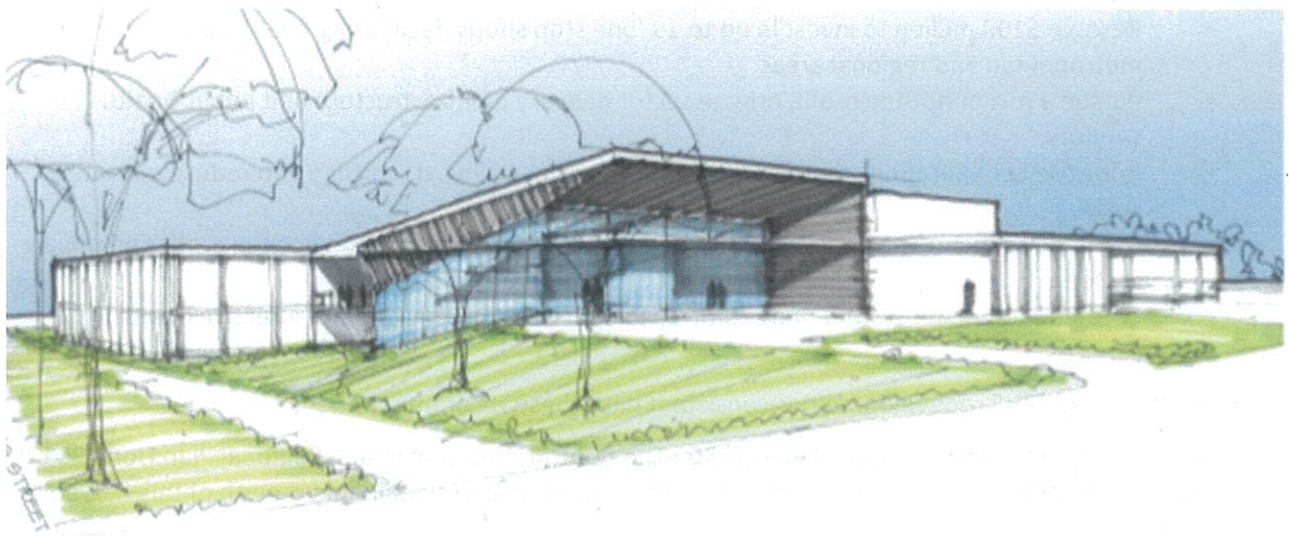


Figure 12: Façade Concept Sketch – View from South East along Meares Street
Source: MDH Schematic Design Report (February 2018) by STH Architects

6 Planning Issues

6.1 Strategic Planning Context

NSW: Making it Happen was released in September 2015 and replaces the State's previous 10 year plan, **NSW 2021**. **NSW: Making it Happen** outlines 30 key reforms for the State, including 12 personal priorities of the Premier.

The Premier's Priorities are key priorities for the NSW Government which identify 12 key areas of focus to rebuild the economy, return quality services, renovate infrastructure, strengthen our local environment and improve education, health and community services.

Of particular relevance to the redevelopment of MDH are the priorities to:

- improve access to quality healthcare
- improve survival rates and quality of life for people with potentially fatal or chronic illness through improvements in health care
- maintain and invest in infrastructure

Development of these services in regional areas, in particular, is a significant capital investment and results in employment opportunities. Projects will also contribute to achievement of the following priorities:

- jobs closer to home
- increased business investment in rural and regional NSW
- increased business investment

State Infrastructure Strategy - The 'State Infrastructure Strategy Update 2014' was prepared by Infrastructure NSW at the direction of the Premier to guide how proceeds from the Rebuilding NSW initiative could be spent. The 30 major projects and programs have been identified as strategically important and economically sound. The NSW Government has accepted the following recommendations in relation to health investment:

- Reserve \$300 million to accelerate the delivery of multipurpose health facilities in smaller country towns.

- Reserve \$100 million to invest in up to 19 'one stop shops' facilitating health care in metropolitan and regional areas.
- Pursue a mix of not-for-profit/private sector delivery of infrastructure and public health services.
- Prioritise configurations that implement best practice clinical redesign and reduce operating costs.
- Continue to pursue partnerships for a better mix of services with the not-for-profit and private sectors.
- Continue to pursue system-wide reforms to deliver more efficient and effective health services.

The proposed MHS redevelopment is consistent with these recommendations.

Central West and Orana Regional Plan 2036 - The Central West and Orana Regional Plan (June 2017) outlines the NSW Government's vision, goals and actions for the sustainable growth of this Region to 2036.

The aims of the Regional Plan are to guide the delivery of homes, jobs, infrastructure and services to support the growing and changing needs of the Central West and Orana Region. The Plan aims to meet the needs of changing communities, particularly for the ageing population, by promoting greater housing choices, improved housing affordability, access to health and education services and public and community transport.

The redevelopment of Mudgee Hospital is consistent with the Goals and Directions for the Region. In particular, *Direction 5: Improve access to health and aged care services*.

The Regional Plan highlights that the NSW Government is supporting the Central West and Orana economy and communities through the infrastructure investments including the redevelopment of Mudgee Hospital.

6.2 Statutory Planning

6.2.1 Legislation

Environmental Planning and Assessment Act 1979

The *Environmental Planning and Assessment Act 1979* (EP&A Act) establishes the assessment framework for State Significant Development (SSD). Section 4.12(8) requires the development application for SSD is to be accompanied by an Environmental Impact Statement (EIS) in the form prescribed by the Regulations.

Biodiversity Conservation Act 2016

The Biodiversity Conservation Act 2016 (BC Act) identifies threatened species, populations and ecological communities in NSW and provides mechanisms for their conservation and recovery.

There are several obligations placed on HI under the BC Act in relation to the Proposal. HI must consider threatened species, populations, ecological communities, habitat, key threatening processes, offsets and recovery plans in fulfilling its statutory responsibilities.

Under Division 2, Section 7.9 (2) an SSI Proposal must be accompanied by a 'biodiversity development assessment report' (BDAR) unless the Planning Agency Head and the Environment Agency Head determine that the proposed development is not likely to have any significant impact on biodiversity values.

6.2.2 State Environmental Planning Policies

State Environmental Planning Policy (State and Regional Development) 2011

The State and Regional Development SEPP (SSD SEPP) identifies development which is declared to be State Significant. Clause 14 of Schedule 1 of the policy provides that the proposed development as described herein is SSD, as follows:

Development that has a capital investment value of more than \$30million for any of the following purposes:

- a) Hospitals
- b) Medical centres
- c) Health, medical related facilities (which may also be associated with the facilities or research activities of NSW local health district board, a University or an independent medical research institute).

As the proposal is for the purposes of a hospital, and has a total estimated Capital Investment Value (CIV) in excess of \$30million, it is considered SSD.

Other State Environmental Planning Policies

In addition to the SSD SEPP, the following policies apply to the site and will need to be considered as part of the SSD application:

- State Environmental Planning Policy 33 - Hazardous and offensive development
- State Environmental Planning Policy 55 - Remediation of Land
- SEPP (Infrastructure) 2007

6.2.3 Local Environmental Plan

Permissibility

The site is located within Zone R1 – General Residential and is applicable to the provisions of the MWR LEP 2012. Development for the purposes of Health Services facilities is permitted within Zone R1 – General Residential under the land use table of the MWR LEP 2012.

Clause 57(1) of the State Environmental Planning Policy (Infrastructure) 2007 (ISEPP) establishes that development for the purpose of health services facilities may be carried out by any person with consent on land in a prescribed zone. The proposed hospital redevelopment is permitted with consent as it is within a prescribed zone (R1 – General Residential).

Development Standards & Other Provisions

The site is not subject to a maximum height of buildings control pursuant to Clause 4.3 of the MWR LEP 2012. Floor Space Ratio provisions under Clause 4.4 have not been adopted in the MWR LEP 2012.

Notwithstanding, a number of provisions of the LEP 2012 do apply to the site which provide matters for consideration and must be incorporated in the assessment of any development, including, however not limited to, Clause 5.10 (Heritage Conservation), Clause 6.1 (Acid Sulphate Soils) and Clause 6.3 (Earthworks).

These clauses will be adequately addressed in any SSDA submitted for the development.

7 Consultation Undertaken

Significant consultation has been undertaken to date by the Project Manager and consultant team members for the proposed redevelopment of Mudgee Hospital. This consultation has included (although was not limited to):

- NSW Ministry of Health staff
- Mid-Western Regional Council
- Western NSW Local Health District
- NSW Treasury
- NSW Health Infrastructure
- Aboriginal community and Aboriginal stakeholders
- NSW Ambulance, Police, Fire Brigade
- Local Medical Centres
- Local Health Council
- Local Aged Care providers
- The local community

8 Preliminary Impact Identification and Risk Assessment

Based on our preliminary environmental assessment, the potential impacts associated with the proposal are summarised below and will be addressed in detail in the EIS.

Traffic and Parking

A preliminary Transport Impact Assessment is being undertaken to determine the anticipated transport conditions in the vicinity of MHS and provide strategic design advice to ensure an appropriate transport network. This includes consideration of the following:

- A detailed review of existing traffic and parking conditions both on-site and surrounding the site.
- Provision of adequate parking supply to meet any such future demands.
- Traffic generation of future demands.
- Site accessibility.
- Service vehicle requirements.
- Pedestrian and bicycle considerations.
- Identification of the transport related constraints and opportunities.

A traffic and parking study will accompany the EIS. It will assess the parking requirements for the MHS Redevelopment, the feasibility and impacts of the proposed circulation and parking changes on the surrounding road network, as well as nearby intersections.

Noise and Vibration

An analysis of the construction and operation noise will require careful consideration of impacts upon the amenity of residential uses nearby. An acoustic and vibration assessment will be submitted with the future SSD Application.

Biodiversity

Section 7.9 of the *Biodiversity Conservation Act 2016* requires that an EIS submitted with an SSD application be accompanied by a *biodiversity development assessment report* unless the *Planning*

Agency Head and the Environment Agency Head determine that the proposed development is not likely to have any significant impact on biodiversity values.

To the extent required by state legislation, biodiversity impacts will be addressed in the EIS.

Trees

A Tree Assessment has been carried out by McArdle and Sons Pro Tree Services to identify trees of high quality on the site. The Concept Plan has been developed to preserve the group of trees to the north east of the site and north of the Mudgee Medical Centre. Trees located within the proposed building site have not been identified by the Arborist as being significant or having a high retention value. All other trees are viable to be retained with the exception of those trees that have to be removed to make way for construction of the new facility. An Arborist report will be submitted with the SSD package.

Geotechnical, Contamination and Hazardous Materials

A Preliminary Site Contamination Investigation indicates that the site has a history of potentially contaminating uses. The EIS will give consideration to any further investigations required prior to, and following the demolition of the buildings and any validation requirements relating to ground conditions to ensure the site is suitable for its intended use.

A geotechnical investigation of the site has been undertaken where the works are proposed. Recommendations for the substructure of the buildings will be considered in the detailed design of the buildings and will be addressed and any validation requirements relating to ground conditions to ensure the site is suitable for the intended use.

Relevant investigations will be undertaken in accordance with SEPP 55 – Remediation of Land, Managing Land Contamination – Planning Guidelines, and SEPP 33 – Hazardous and Offensive Development. The assessment against the SEPPs will be submitted with the SSD Application.

Heritage

The proposed new building will be designed taking into consideration the location of the site within the Mudgee Heritage Conservation Area. The EIS will be accompanied by a detailed Heritage Impact Statement to assess the impact of the proposal on the heritage significance of the site, and any potential impacts associated with the proposed development (including visual impacts).

Built Form and Visual Impact

Whilst the site has no maximum building height control, the surrounding development is adjacent to predominantly a low density residential environment. The proposed scheme will be the subject of a merit assessment with regard given to the siting, height and massing of the proposed development in the context of the surrounding landscape.

Infrastructure and servicing

The site is adequately serviced with potable water, sewer, stormwater, electricity and telecommunications services. Consultation will be undertaken with all relevant service providers in relation to any required capacity augmentation of existing services to the site.

9 Request for SEARs

On the basis that the proposal meets the criteria identified in Schedule 1 Clause 14 of the State and Regional Development SEPP, Health Infrastructure formally request that the Department of Planning and Environment issue the Secretary's Environmental Assessment Requirements to facilitate the preparation of the Environmental Impact Statement for the proposed redevelopment of Mudgee Hospital.

If you require any additional information please contact Rachel Mitchell on 0438 220 252.

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 read "D Ballantyne".

David Ballantyne
A/Chief Executive