



Planning &
Infrastructure

**STATE SIGNIFICANT DEVELOPMENT
ASSESSMENT REPORT:
KEMPSEY DISTRICT HOSPITAL
REDEVELOPMENT
(SSD 5363)**



Director-General's Assessment Report
Section 89H of the
Environmental Planning and Assessment Act 1979

January 2014

ABBREVIATIONS

Applicant	Health Infrastructure
CIV	Capital Investment Value
Department	Department of Planning and Infrastructure
DGRs	Director-General's Requirements
Director-General	Director-General of the Department of Planning and Infrastructure, or his delegate/nominee
EIS	Environmental Impact Statement
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	Environmental Planning and Assessment Regulation 2000
EPI	Environmental Planning Instrument
LEP	Local Environmental Plan
Minister	Minister for Planning and Infrastructure
PAC	Planning Assessment Commission
RtS	Response to Submissions
SEPP	State Environmental Planning Policy
SRD SEPP	State Environmental Planning Policy (State and Regional Development) 2011
SSD	State Significant Development

HYPERLINKS

[Hyperlinks](#) (CTRL + click to access) are included in this document to allow quick navigation to explanations and interpretations of commonly used legal, scientific or industry terms / phrases used in this document. The explanations / interpretations appear in the glossary appendix. Be sure to print the relevant glossary appendix to enable interpretation of these terms or phrases when printing the main body of the report.

Cover Photograph: Photomontage view from Polwood Street of the new main entrance (*Source: BVN Donovan Hill*)

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Published January 2014
NSW Department of Planning and Infrastructure
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EXECUTIVE SUMMARY

This report is an assessment of a State significant development application lodged by Health Infrastructure seeking approval for the construction and operation of the Kempsey District Hospital Redevelopment, at 119 River Street, West Kempsey.

The project has a capital investment value (CIV) of approximately \$61.5 million and would generate 90 new operational jobs and 564 construction jobs.

The development is classified as State significant development under clause 14 of Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP), as it is a development for the purpose of a hospital and has a CIV of more than \$30 million. Consequently, the Minister for Planning and Infrastructure is the consent authority for the application.

The site is zoned 5(a) Special Uses 'Hospital' under the Kempsey Local Environmental Plan 1987 and is permissible in the zone. The site is zoned R1 Residential under the Kempsey Local Environmental Plan 2013 and hospitals are permissible in the zone. However, the Kempsey Local Environmental Plan 2013 does not commence until the 3 February 2014.

The proposal was exhibited from 7 August 2013 until 5 September 2013. The department received submissions from six public authorities and no submissions were received from the public. The matters raised in the submissions included traffic impacts, pedestrian safety, flooding impacts on critical emergency procedures, development contributions and bushfire risk management requirements.

The applicant provided a Response to Submissions, which responded to the matters raised in submissions by the public authorities. This included providing further clarification and justification regarding the traffic impacts, further detail regarding water and sewer requirements, further justification for exemption from section 94 development contributions and further consideration of flooding impacts. The Response to Submissions also included the following minor changes to the proposal:

- a revised site layout;
- clarification on the extent of works, including removal of non-structural elements of the refurbishment works;
- minor changes to the design of the proposed new building, including a simplified building shape and improved access circulation systems;
- minor changes to the ambulance bays and main entrance;
- relocated link to the maternity section; and
- revised landscaping.

The department has assessed the merits of the proposal and has found the key issues associated with the project include: transport and traffic impacts; built form; heritage impacts; bushfire risk; development contributions; noise and vibration impacts; and the public interest. The department is satisfied that the impacts of the proposed development have been addressed in the Environmental Impact Statement and Response to Submissions, and can be adequately managed through the recommended conditions.

The department considers the site to be suitable for the proposed development and that the application is consistent with the objects of the EP&A Act (including ecologically sustainable development), NSW 2021 and Mid North Coast Regional Strategy. The department is further satisfied that the subject site is suitable for the proposed development as it would provide important social infrastructure in a major regional town and provide additional employment opportunities. The department therefore considers the development would be in the public interest and recommends that the State significant development application be approved, subject to conditions.

1. PROPOSED DEVELOPMENT AND SITE DESCRIPTION

1.1 The Proposal

Health Infrastructure (the applicant) proposes to construct and operate a new five storey hospital building at Kempsey District Hospital, located at 119 River Street, West Kempsey (Lots 1-8 Sec 20A DP 759080, Lots 1 and 14 Sec 23A DP 759080 and Lot 20 DP 112084).

The project location is shown in **Figure 1**.

Figure 1: Project Location



1.2 Site Description and Surrounding Development

The proposed hospital redevelopment is located centrally, towards the northern boundary of the four hectare main Kempsey District Hospital campus (see **Figure 2**). The campus is bounded by Polwood Street to the north, Tozer Street to the east, West Kempsey Cemetery to the south and River Street to the west. The site is generally flat in the northern section and then falls to the south eastern corner. It is occupied by hospital buildings (see **Figure 3**) varying in height from single storey buildings to a part three part four storey building. The site has been used for the purposes of a hospital since 1881.

The land uses surrounding the campus include open space to the north, residential to the east, cemetery to the south and a riparian corridor along Macleay River to the west.

Figure 2: Existing site layout (red dashed line representing the general location of the new building)

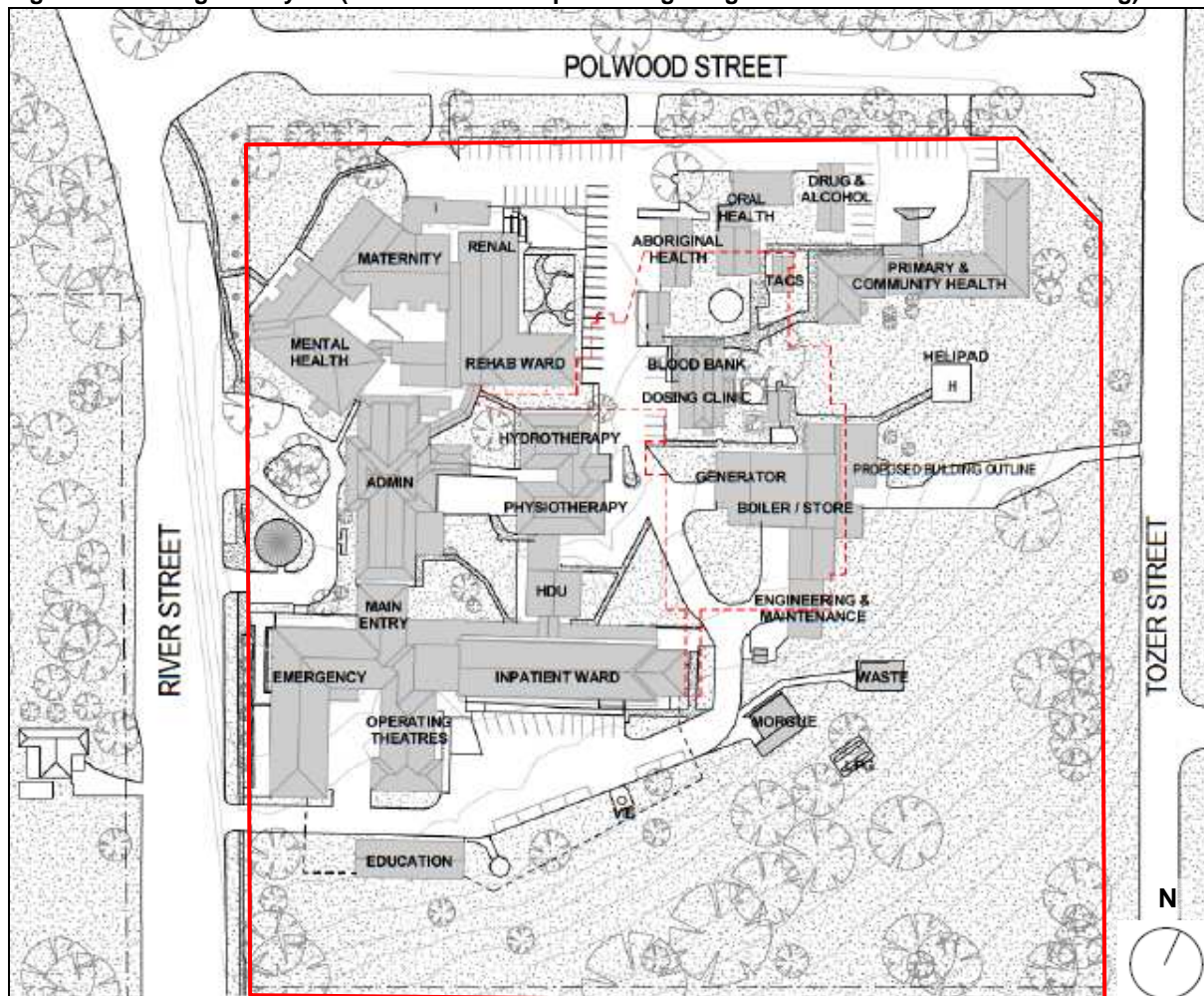


Figure 3: View of the site from Polwood Street



The applicant has commenced enabling works on the subject site approved under an REF (by the applicant) as development permitted without consent under clause 58 of the Infrastructure SEPP. The works will facilitate the clearing of the site and services delivery to support the proposed hospital redevelopment. The approved works are located within the subject site and adjoining land and include:

- relocation of buildings;
- demolition of existing buildings including:
 - workshop (former Boiler Room) and old laundry;
 - waste management buildings;
 - storage sheds;
 - transitional aged care services building;
 - oral health building;
 - drug and alcohol building;
 - miscellaneous structures including garden shed, cement slab, water tower and water tank;
- construction of a new service road from Tozer Street that will connect existing service access from River Street and associated parking;
- construction of the services compound, new waste management facility and new diesel generator;
- construction of staff car park west of River Street;
- engineering services upgrades, in-ground services upgrades, external services connections; and
- drainage works.

The proposed location for the new building the subject of this report would be cleared under the REF works, except for the Blood Bank Building, which is proposed to be demolished as part of this SSD application.

The applicant has also obtained development consent from council on 23 September 2013 to undertake site remediation works.

1.3 Key Development Components and Features

Table 1 provides a summary of the development proposal's key components and features, and **Figure 4** illustrates the proposed development layout.

Table 1: Key Development Components

Development Summary	<ul style="list-style-type: none"> • demolition of the 1919 Blood Bank building; • construction of a new five storey hospital building; • refurbishment of existing hospital buildings; • modified main entrance; • modified car parking for staff, patients and visitors; • landscape works; and • associated infrastructure works.
GFA	<ul style="list-style-type: none"> • 9,500 sqm of new floor space; and • approximately 2,500 sqm of refurbished floor space.
Height	23.4 metres (RL 47.1)
Capital Investment Value	\$61,497,276
Jobs	90 new operational and 564 construction jobs

2.3. Permissibility and Zoning

The site is zoned 5(a) Special Uses 'Hospital' under the Kempsey Local Environmental Plan 1987 (KLEP 1987) and the development is permissible in the zone.

The site is zoned R1 Residential under the Kempsey Local Environmental Plan 2013 (KLEP 2013) with hospitals also permissible in this zone. The KLEP 2013 does not commence until 3 February 2014 and the savings provisions in the KLEP 2013 state that the provisions of the KLEP 2013 do not apply to development applications that have been lodged but not yet determined. Therefore, the provisions of KLEP 1987 still apply to the development.

2.4. Environmental Planning Instruments

The department's consideration of relevant [EPIs](#) (including SEPPs) is provided in [Appendix B](#). The proposal is consistent with the relevant requirements of the EPIs.

2.5. Objects of the EP&A Act

Decisions made under the EP&A Act must have regard to the [objects of the Act](#), as set out in section 5 of the Act. The proposal complies with the objects of the Act as it would deliver additional health facilities to promote the social welfare of the State through the orderly development of previously disturbed land within an existing health campus for social infrastructure and thereby also protecting the land for public purposes.

2.6. Ecologically Sustainable Development

The EP&A Act adopts the definition of [Ecologically Sustainable Development](#) (ESD) found in the *Protection of the Environment Administration Act 1991*. Section 6(2) of that Act states that ESD requires the effective integration of economic and environmental considerations in decision-making processes.

The department has considered the project in relation to the ESD principles. The Precautionary and Inter-generational Equity Principles have been applied in the decision making process via a thorough and rigorous assessment of the environmental impacts of the project. The proposal is considered to be consistent with ESD principles as described in Section 4.4 of the EIS, which has been prepared in accordance with the requirements of Schedule 2 of the Regulation.

The proposal is located on a previously developed and disturbed site and seeks to construct additional hospital facilities and refurbish existing hospital facilities. This would support the expansion of the district hospital to meet the needs of the community, while considering the life-cycle of the existing buildings whilst integrating with the new facilities to optimise and deliver more efficient floorspace. It would not result in the loss of any threatened or vulnerable species, populations, communities or significant habitats. The proposed location of the new building is not subject to any known effects of flooding and is located over 100 metres from the bushfire risk presented by the riparian corridor along the Macleay River. The proposed location of the development on the campus and the design ensures the development would not be impacted by changes in sea level resulting from climate change.

The development has been designed to target a 4 star Green Star rating and would include the following sustainability initiatives:

- reduction in energy use through the design with high performance glazing, variable air supply air conditioning system, use of energy efficient fixtures, use of motion sensors and the adoption of intelligent building management systems that can monitor and reduce energy usage;
- facilitate reduction in construction and operational waste and encourage recycling; and
- support active transport through the provision of cyclist facilities and a Green Travel Plan.

The department is satisfied that the proposed sustainability initiatives would encourage ESD, in accordance with the objects of the EP&A Act.

2.7. Environmental Planning and Assessment Regulation 2000

Subject to any other references to compliance with the Regulation cited in this report, the requirements for Notification (Part 6, Division 6) and Fees (Part 15, Division 1AA) have been complied with.

2.8. Strategic Context

The department considers that the proposal is appropriate for the site given:

- it is consistent with the priorities of NSW 2021, the State's 10 year plan to increase investment in infrastructure and making more beds available, which would provide improved healthcare whilst also supporting economic growth of the health and community services industry in the region;
- it is consistent with the Mid North Coast Regional Strategy, which encourages the growth and redevelopment of the major regional centres and major towns, including strengthening the economic and administrative functions of these centres. The redevelopment of the campus would support Kempsey's role as a major town by providing health services to meet the increasing needs of the community and employment opportunities to support population growth within the major town;
- it would assist with the co-ordinated delivery of new and refurbished existing infrastructure to support an existing hospital campus and improve efficiency;
- it would provide critical public infrastructure to cater for the increased demand for health services required for the ageing population; and
- it would provide direct investment in the region of \$61,497,276, which would support 564 new construction jobs and support 90 operational jobs.

2.9. Director-General's Requirements

The EIS is compliant with the Director-General's Requirements and is sufficient to enable an adequate consideration and assessment of the proposal for determination purposes.

3. EXHIBITION CONSULTATION AND SUBMISSIONS

3.1. Exhibition

In accordance with section 89F of the EP&A Act and clause 83 of the EP&A Regulation, the Director-General has made the application and accompanying information publicly available for at least 30 days following the date of first publication, in accordance with the Regulation. The department publicly exhibited it:

- on the department's website from 7 August 2013 until 5 September 2013 (30 days); and
- at the department's Bridge Street Sydney Information Centre and Kempsey Shire Council's offices from 7 August 2013 until 5 September 2013 (30 days).

The department also advertised the public exhibition in The Macleay Argus on the 6 August 2013. The department notified adjoining landholders, and relevant State and local government authorities in writing.

No submissions were received from the public and a summary of the issues raised in submissions from the public authorities is provided in the following section.

3.2. Public Authority Consultation and Submissions

A total of six submissions were received from public authorities, as summarised below.

Kempsey Shire Council raised no objection to the development and provided the following comments for consideration:

- further consideration of impacts on critical emergency response during maximum flood levels is required;
- clarify pedestrian access routes;

- development contributions are required for road upgrades;
- clarification on whether additional floorspace is expansion or replacement space for existing facilities to determine the water and sewer requirements; and
- further details regarding stormwater management are required, including the proposed location of the proposed stormwater drain outlet, proposed water quality targets, how they would be achieved and potential effects on the Macleay River ecological environment.

Transport for NSW (including **Roads and Maritime Services**) raised no objection to the development and provided the following comments for consideration:

- access and parking requirements have been addressed;
- recommends that an appropriate intersection treatment be provided at the River Street/Polwood Street intersection for right-turn movements into Polwood Street from River Street given the additional traffic and ambulances utilising this intersection;
- recommends that the bus stop be relocated south of the new staff car park as:
 - pedestrian safety would be an issue as no pedestrian facilities are provided in the vicinity of the bus stop, which would be compounded by the additional traffic at the River Street/Polwood Street intersection;
 - it would provide sufficient space to provide a protected right-turn treatment at the River Street/Polwood Street intersection as vehicle safety issues may arise as a result of the bus stops proximity to the River Street/Polwood Street intersection and buses stopping adjacent to the intersection and blocking through traffic movements;
- pedestrian crossings within the campus may raise public liability issues for the hospital and external pedestrian crossings need to be designed to meet applicable guidelines and requires Local Traffic Committee approval; and
- a construction traffic management plan needs to be prepared to address traffic and safety during construction.

Office of Environment and Heritage (OEH) raised no objection to the development and provided the following comments for consideration:

- the conclusion that the proposal is unlikely to adversely affect any sensitive ecology is supported;
- the proposal is unlikely to have an adverse affect on flooding, coastal floodplains or estuaries; and
- whilst the local environment is significant to the local Aboriginal community, the site is highly disturbed and no Aboriginal cultural heritage values have been identified for the site, however, if Aboriginal objects are uncovered, they must be recorded and managed in accordance with the *National Parks and Wildlife Act 1974* and the management strategies in the EIS. Conditions reflecting these requirements should be included in any approval.

OEH Heritage Branch raised no objection to the development and supports the recommendations in the Heritage Impact Statement. They also recommended that a condition be included that if any significant archaeological relics are found that works cease and the Heritage Council be notified.

NSW Rural Fire Service (RFS) raised no objection to the development and recommended conditions to address the following matters:

- the development is to comply with the site layout identified in the bushfire assessment;
- the entire site is to be managed as an inner protection area;
- that buildings located within 100 m from the bushfire prone land should be upgraded for ember protection by enclosing all openings or covering openings within non-corrosive metal screen mesh and fitting external doors with draft excluders;
- the mental health and maternity buildings should be gutterless or guttering/valleys should be screened to prevent build up of flammable material;

- that prior to the occupation of the building an emergency and evacuation plan needs to be prepared or an existing plan updated to incorporate the redevelopment; and
- landscaping, internal roads, the provision and location of water electricity and gas shall comply with Planning for Bush Fire Protection 2006.

Civil Aviation Safety Authority raised no objection to the development and recommended that the applicant consult with Kempsey Shire Council, the operators of the Kempsey aerodrome, to determine if it penetrates the aerodromes Obstacle Limitation Surfaces and operators of the helicopter landing surface to determine any operational impacts.

The department has fully considered the issues raised in submissions in its assessment of the development.

3.3. Applicant's Response to Submissions

The applicant has provided a response to the issues raised in submissions. The response included:

- a revised site layout to be consistent with the site plan in the bushfire assessment;
- clarification regarding the extent of the proposed works, including removal of non-structural elements of the refurbishment works that can be undertaken as exempt development such as painting;
- further consideration of the traffic impacts and the justification as to why traffic upgrade works at the River Street/Polwood Street intersection are not required as there would be minimal additional traffic at this intersection;
- further justification as to why sewer and water contributions are not required including the demolition of the commercial laundry which would significantly reduce the water consumption of the campus;
- further justification as to why section 94 contributions are not required as there is no nexus between the redevelopment and development contributions for future road upgrades;
- further consideration of the flooding impacts and demonstration that adequate procedures and measures are available for critical emergency response including by air to the helipad, which is located above the maximum flood level;
- advised that the stormwater management would be delivered as part of the already approved REF works;
- minor changes to the design of the proposed new building, including a simplified building shape and improved access circulation systems;
- minor changes to the ambulance bays and main entrance;
- a relocated link to maternity; and
- revised landscaping.

The applicant's Response to Submissions was forwarded to council and Transport for NSW for comment. Council has not provided any further comments. Transport for NSW advised that the applicant had not responded to the pedestrian safety concerns and the impacts of the additional traffic and location of the bus stop on the efficiency of the River Street/Polwood Street intersection.

The applicant has subsequently provided further justification as to why the relocation of the bus stop is not necessary and reiterated that the additional traffic would not impact on the traffic efficiency of the River Street/Polwood Street intersection, which is discussed in section 4.2.1.

4. ASSESSMENT

4.1. Section 79C Evaluation

Table 2 identifies the matters for consideration under section 79C that apply to State significant development, in accordance with section 89H of the EP&A Act. The table represents a summary for which additional information and consideration is provided for in Section 4 (Key and Other Issues) and relevant appendices or other sections of this report and the EIS, referenced in the table.

The EIS has been prepared by the applicant to consider these matters and those required to be considered in the DGRs and in accordance with the requirements of section 78(8A) of the EP&A Act and Schedule 2 of the EP&A Regulation.

Table 2: Section 79C(1) Matters for Consideration

Section 79C(1) Evaluation	Consideration
(a)(i) any environmental planning instrument	Complies - see Appendix B
(a)(ii) any proposed instrument	The KLEP 2013 has been considered as a draft instrument in Section 4.2 and Appendix B
(a)(iii) any development control plan	See Appendix B*
(a)(iiia) any planning agreement	Not applicable
(a)(iv) the regulations	The development application satisfactorily meets the relevant requirements of the Regulation, including the procedures relating to development applications (Part 6 of the Regulations), public participation procedures for SSD's and schedule 2 of the Regulation relating to environmental impact statements. Refer to discussion at Section 2.7
(a)(v) any coastal zone management plan	Not applicable
(b) the likely impacts of that development	Appropriately mitigated or conditioned - refer to Section 4.2
(c) the suitability of the site for the development	Suitable - Refer to Sections 2.8 and Section 5
(d) any submissions	Refer to Sections 3.2 and 4.2
(e) the public interest	Refer to Section 4.2.8
Biodiversity values exempt if: (a) On biodiversity certified land (b) Biobanking Statement exists	Not applicable

* Under clause 11 of the SRD SEPP, development control plans do not apply to state significant development. Notwithstanding, consideration has been given to relevant Development Control Plans at Appendix B.

4.2. Key and Other Issues

The department has considered the EIS, the issues raised in submissions and the applicant's response to these issues in its assessment of the development. The department considers the key issues to be:

- transport and traffic impacts;
- built form;
- heritage impacts;
- bushfire risk;
- development contributions;
- noise and vibration impacts; and
- the public interest.

These issues as well as other issues considered to be minor are addressed further in sections 4.2.1 to 4.2.8.

4.2.1. Transport and Traffic Impacts

Vehicular Access and Traffic

The proposal is expected to generate up to 300 additional light vehicle movements per day, which is a 53 per cent increase to the 560 vehicle movements currently generated by the site. The traffic generated during peak periods is estimated to be up to 45 vehicle movements during the afternoon peak hour which equates to a 45 per cent increase to the existing 100 peak hour vehicle trips generated by the hospital campus. The applicant has assumed that only 50 per cent of the vehicles would access the site from Polwood Street and therefore result in minimal increases to vehicle movements at the key intersections. The traffic assessment concluded that the additional traffic would have minimal impact on traffic efficiency. As the various car parking locations across the campus are accessible from River Street, Polwood Street and Tozer Street, the department considers the additional traffic would be dispersed and therefore supports the applicant's assumptions regarding traffic distribution and acceptable increases in movements at the key intersections.

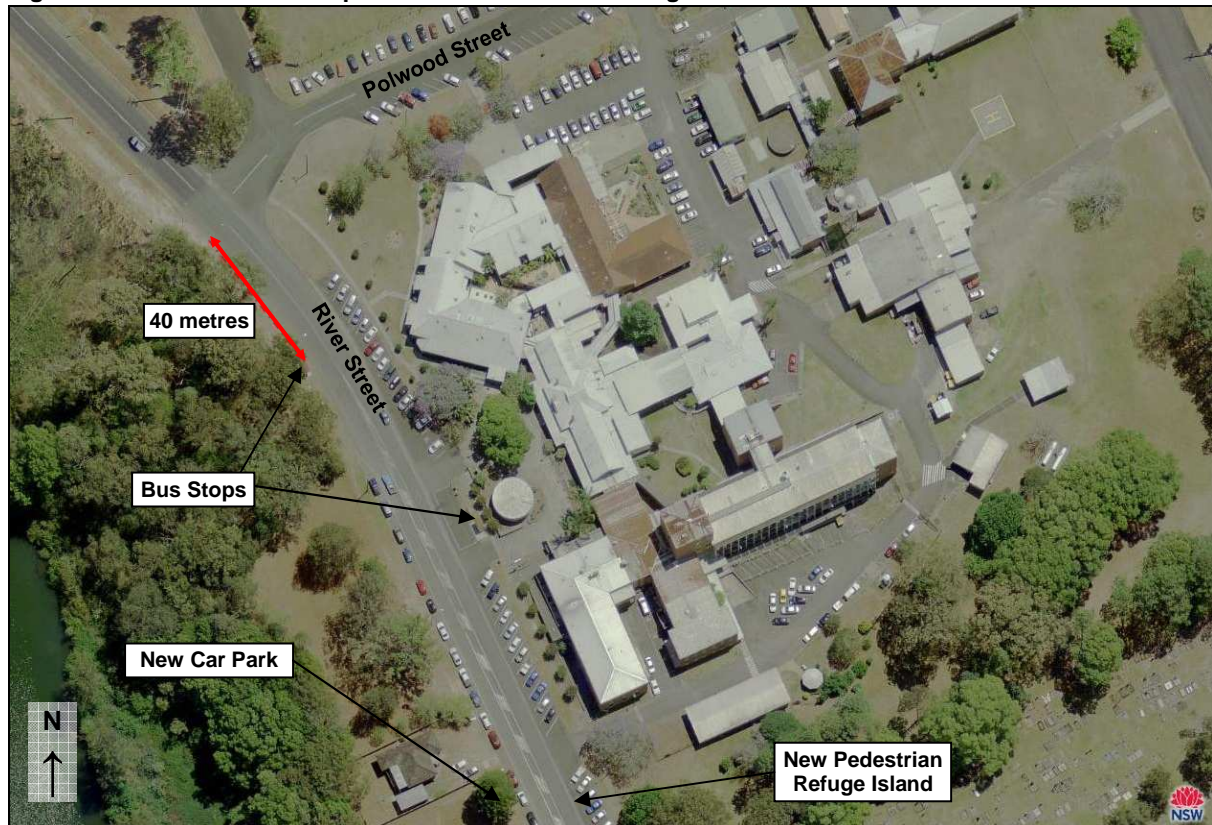
Council raised no issue with the traffic generated by the redevelopment. Transport for NSW and RMS noted that the proposal would potentially have impacts on the operation of the River Street/Polwood Street intersection given the additional traffic trying to access the new main entrance and new car parking areas on Polwood Street. Also, the proximity of the bus stop on the western side of River Street to the intersection would potentially exacerbate the impacts of the additional traffic as it could impede the flow of traffic if right-hand turning vehicles create queuing to the bus stop. Transport for NSW and RMS recommends a protected right-turn treatment be provided for vehicles travelling north along River Street trying to enter Polwood Street, which would necessitate the relocation of the bus stop on the western side of River Street. The preferred location for the bus stop would be to the south of the new staff car park as the staff car park is supported by a pedestrian facility (i.e. pedestrian refuge island).

The applicant has advised that adequate road widths are available for vehicles to overtake right turning vehicles safely and not impact on traffic flow. Furthermore, there would only be a maximum of 10 additional vehicles during the peak periods and therefore does not warrant a protected right-hand treatment from River Street to Polwood Street.

The department considers the distance between the bus stop and the intersection is adequate to ensure that right-turning vehicles would not impact traffic flow (see **Figure 5**). The department also considers the road widths are adequate to allow for traffic to flow effectively as vehicles are able to overtake right-turning vehicles.

Whilst Transport for NSW and RMS raised no further concerns with the applicant's justification that the right-turn treatment is not warranted based on additional traffic, they have indicated that the additional traffic would be compounded by the potential increased utilisation of the bus service, and thereby impact on the traffic efficiency through increased pedestrian and vehicular conflict. The department notes that council has identified as part of its Pedestrian and Access Mobility Plan, a pedestrian refuge on River Street at the bus stop be delivered as a high priority. This pedestrian facility would address concerns raised by Transport for NSW and RMS in regards to pedestrian and vehicular conflict impacting on the traffic flow at this intersection. Furthermore, given the reorientation of the hospital and relocation of the main entrance to Polwood Street, the relocation of the western bus stop south of the new car park would increase the distance of the bus stop to the main entrance of the hospital by over 100 metres down a slope which may deter patronage. The hospital, bus operators and council have not indicated that there would be support for such a relocation, which would also potentially create accessibility issues. Therefore the department does not consider the relocation appropriate.

Figure 5: Location of Bus Stops and New Pedestrian Refuge Island



Accordingly, given the minimal additional right-turn movements from River Street to Polwood Street during peak periods and the future pedestrian refuge facilities, the department considers that the traffic generated by the redevelopment can be accommodated on the surrounding road network and would have acceptable impacts on traffic efficiency.

Car Parking

The applicant has advised that the campus is currently supported by 113 on-site car parking spaces. As a result of the redevelopment works and the REF works, the location and configuration of the car parking across the site would be altered. The total on-site car parking located within the development footprint is approximately 77 car spaces. The applicant has indicated that the redevelopment works for the north-east and north-west car parks would deliver approximately 71 car spaces (see **Figure 6**). These would be complemented by an additional 102 additional car spaces across the campus, being constructed as part of the REF works, primarily located in the new car park to the west of River Street and located along the new services road. This would result in a total of 173 on-site car spaces for the entire hospital campus.

Legend:

- LANDSCAPE & CIVIL WORKS INCLUDED WITH NEW CSB WORKS
- NEW CSB BUILDING
- NEW ENCLOSED CORRIDORS LINKING TO EXISTING BUILDINGS INCLUDED IN NEW CSB WORKS
- NEW CANOPIES INCLUDED WITH NEW CSB WORKS
- HELICOPTER ACCESS
- PEDESTRIAN ACCESS
- VEHICULAR ACCESS
- CARPARK
- SCOPE OF WORKS FOR NEW BUILDING
- REFURBISHMENT WORK TO EXISTING BUILDINGS NOT INCLUDED IN NEW BUILDING CONTRACT
- AREAS OF EXISTING BUILDINGS NOT PART OF WORK
- DIRECTIONAL SIGN

Council and RMS raised no issues with the applicant's method for calculating car parking demand or the proposed car parking. The department notes that the applicant's response to submissions reduced the extent of the works in this application for the northern reconfigured car parks. It is unclear how many car parking spaces are being retained or provided in these car parks. The applicant has since indicated that a total of 161 car spaces would be provided across the campus, which the applicant considers is adequate to meet the demand generated by the hospital given the availability of on-street car parking.

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Public Transport

The hospital campus is supported by two local bus companies providing five service routes. The applicant has indicated that the bus services are currently under utilised and therefore proposes to prepare a green travel plan to support the use of the services, which may then support the expansion of the existing services.

The department recommends that the green travel plan be prepared prior to the operation of the new facilities and it should identify specific measures and incentives that would be provided to staff to support public transport, car sharing or car pooling initiatives, including incentives and subsidies.

Airspace Operations

The proposed building would impact approach and departure procedures for the helicopter landing site (HLS) on the hospital campus. While the HLS is not a regulated HLS, the proposed building would impact the approach and departure paths for the HLS which are currently from the south-east and north-west given the buildings location to the west of the HLS.

The draft NSW guidelines for medical helipads prepared by NSW Health recommend that a ground level HLS has at least two flight paths separated by not less than 150 degrees and that flight paths should be oriented such that the usability factor is 95 per cent for the helicopters the HLS is intended to serve. The proposal development would limit approach and departure routes to a 120 degree sector from the north-east and the south-east and useability would be approximately 60 per cent during high wind situations.

The applicant has consulted users of the HLS and identified several mitigation measures to improve the overall operation of the HLS, including installation of obstacle lighting, additional tree removal to improve sightlines, installation of wire markers and relocation of a high voltage pole. The study undertaken by the applicant concludes that the HLS would not need to be relocated as a result of the development. Notwithstanding that the proposal would impact the HLS operations during high wind situations, the department considers the impacts acceptable as:

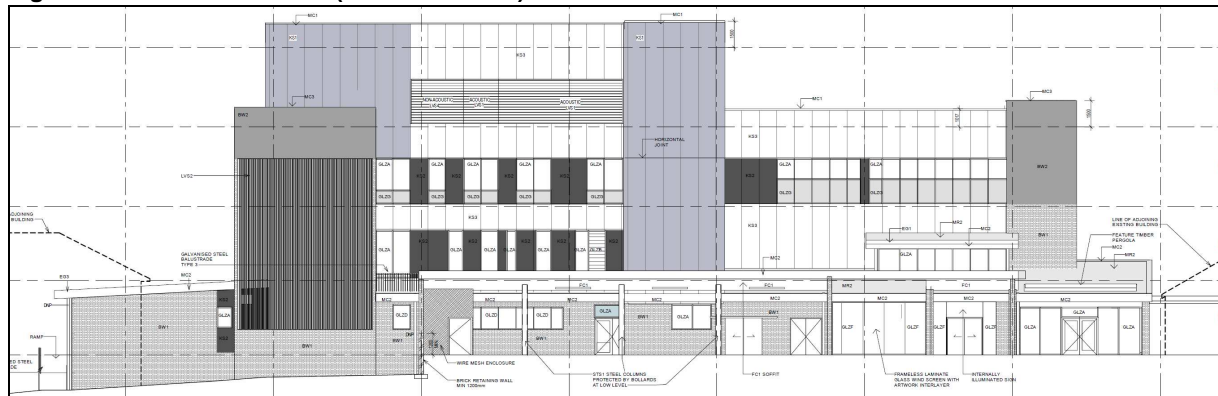
- the frequency of use of the HLS is low with approximately two helicopters per month;
- the impacts can be adequately managed through consultation with the users; and
- the guidelines have been prepared by NSW Health to provide guidance on the design of medical HLS and the applicant is satisfied that the existing HLS is still functional and can meet the needs of the hospital.

The construction activities may also have an impact due to installation and use of cranes. The department considers that any construction impacts can be managed and co-ordinated between the hospital operators and the users of the HLS. The department has included a condition that requires the applicant advise users of any changes to approach and departure procedures required for the construction period prior to the commencement of works.

4.2.2. Built Form

The new building is a five storey stand alone building to be located centrally on the hospital campus and to the north of the existing main hospital buildings (see **Figures 4 and 7**). The proposal consists of 9,500 sqm of GFA and would have a maximum building height of 23.4 metres.

Figure 7: Northern elevation (Polwood Street)



The Kempsey Local Environmental Plan 1987 (KRLEP 1987) does not set any height controls or floor space controls for the site. However, the Kempsey Local Environmental Plan 2013 sets a maximum height of 8.5 metres for the site. At a maximum height of 23.4 metres the building would exceed the maximum height.

The applicant considers that the height of the new hospital building responds to the sloping topography of the site and is required to address the functional needs of the hospital given the floor space requirements, functional relationships, constraints of the site, and the vertical relationships between the wards, the general hospital level and theatres.

The proposal is higher than existing buildings on the site, which range in height from one to part three part four storeys (approximately 16 metres). The department considers the construction of a larger scale building with a large building footprint and taller form (and the demolition of the smaller ad-hoc buildings) suitable for the site as it would improve service delivery through optimisation of resources and rationalisation of the floor space on the campus. The proposed building would be purpose designed and built to facilitate the delivery of modern healthcare practices and would have a large floor plate to ensure treatment spaces and layouts meet current health guidelines.

The building would be setback from the Polwood Street boundary and would have minimal visual impacts given the location within the campus and open space areas to the north. The department considers the provision of a large scale building is appropriate given the hospital's new orientation to Polwood Street and would facilitate navigation to the new main entrance, with a new clear and distinguishable main entry. The larger and more contemporary institutional form would also contribute to the evolving hospital landscape from Tozer Street and demonstrate the investment into social infrastructure for the region (see **Figure 8**).

Figure 8: Photomontage view from Tozer Street



The proposed building is articulated on all façades (utilising various materials and finishes) to minimise the expanse of solid walls and reduce the dominance of the proposal by adding visual interest to the various elevations. Landscaping has also been provided to soften the appearance of the main entrance from Polwood Street. The department considers the design of the building would revitalise the campus and provide a modern building that would provide a strong presence to the main entrance to the hospital whilst complementing the institutional landscape of the campus.

The height limit is being prescribed due to the change in zoning to residential, which would ensure any future residential development is consistent with the surrounding character. The department considers that it would be unreasonable to require the hospital to comply with the indicative 8.5 metre height limit in the KLEP 2013 given:

- the current hospital facilities on the campus exceed the 8.5 metre height controls;
- no council or community objections were raised regarding the height;
- the higher minimum floor to ceiling height requirements of the hospital uses;
- the topography of the site and the need to consolidate services to achieve efficient use of resources;
- the height and scale of the building is considered acceptable within the context of the site, which is still operating as major regional hospital; and
- the savings provisions in the KLEP 2013 state that the provisions of the KLEP 2013 do not apply to development applications that have been lodged but not yet determined. Therefore, the provisions of KLEP 1987 still apply, which promote the use of the site for hospital purposes, which are characteristically larger scale and multi-storey buildings.

The department considers that it would be unreasonable in the circumstances to require a proposal for important social infrastructure to comply with the height restriction, which would result in a larger footprint and an inefficient design which would adversely impact the regions level of health services. Maintaining the development standard would not provide any public benefit in this instance. Furthermore, varying the development standard would not raise any matters or significance for State or regional planning as the variation would not set a precedence given the proposal is located on an existing health campus and the height proposed is necessary for the delivery of critical community facilities.

4.2.3. Heritage Impacts

The 'Kempsey District Hospital' is listed as a local environmental heritage item in the KLEP 1987 and in the KLEP 2013. The 'Kempsey District Hospital' is also listed on NSW Health's section 170 register. The EIS includes a Heritage Impact Statement (HIS) and a revised Statement of Significance that acknowledges the high significance of the 1913 Hospital Building, which is a representative example of early twentieth century institutional architecture, and the row of established mature trees along the southern boundary of the campus, which screens the hospital from the adjacent cemetery. The HIS indicates that the cultural significance of the site is primarily associated with the 1913 Hospital Building and its curtilage.

The proposed development would not impact on the curtilage of the 1913 Hospital Building which has been defined by the building and the existing view corridors to the building, which are generally to the west of the building from River Street. The proposed redevelopment is located to the east of the 1913 Hospital Building and setback and screened from the 1913 Hospital Building by existing buildings and internal courtyards. The proposal would not impact the tree planting along the site's southern boundary.

The Blood Bank building is listed as having moderate significance and the buildings demolished under the REF were identified as having little significance. The Blood Bank building has been altered and extended, which has degraded the integrity of the building. To retain the Blood Bank building, an alternative location for the hospital redevelopment would have been required or a building that surrounds the Blood Bank building. The only other

feasible location on the campus would have been towards the south eastern corner of the campus. Both options were considered inappropriate as they would either impact on other highly significant aspects of the campus (mature trees along southern boundary) and other heritage items in the vicinity of the site (West Kempsey Cemetery) or remove it from its context within the site. Therefore, the HIS concluded that retention of the Blood Bank building was not appropriate given that no alternative options would provide a suitable outcome whilst protecting the significance of the building. Therefore, the proposed demolition was considered acceptable subject to archival recording prior to demolition.

Council did not identify any issues in regards to impacts on the locally listed heritage item. OEH Heritage Branch also supported the recommendations in the HIS.

The department supports the conclusion in the HIS that the proposal would have an acceptable level of impact on the locally listed heritage items. The department is satisfied that the applicant has explored the feasible alternatives to the demolition of the Blood Bank building and the significance of the site is retained through the retention of the elements that were identified as having a high level of significance (1913 Hospital Building). Accordingly, the proposed demolition and building works are acceptable. The department has recommended conditions requiring archival recording be undertaken and that significant items within the Blood Bank building be retrieved prior to demolition and be relocated to the new building and interpreted.

4.2.4. Development contributions

Section 94 Contributions

Council has requested that section 94 contributions be required for local road upgrades due to the cumulative effect of the additional traffic and future traffic increases, and future road upgrading requirements.

The department has considered the principles of circular D6 which outlines when contributions should be applied to development by a Crown authority under Part 4 and considers the same principles are applicable for State Significant Development, and therefore only stormwater drainage works and direct local road works (entrance) should be funded through the payment of contributions or works in kind. As the proponent has committed to providing the necessary stormwater works, no development contribution would be required in this respect. In regards to contributions for local street works, the proposal includes the necessary site works to establish the site entrance. Development contribution for local roads is one of the exempted categories and therefore the department considers there are no relevant contributions.

In accordance with section 75R(4) and consequently section 94B(2) of the EP&A Act, the Minister may impose a different contribution after having had regard to council's Contributions Plan. The department considers that as the proposal is providing a community service, it is recommended that no development contributions be applied to the development, as council was seeking funding for potential future road upgrades that were not a direct result of the development.

Sewer and Water Contributions

Council has indicated that section 64 water and sewer developer contributions are required for the development for the new beds and potentially the 3,700 sqm of new floorspace. The standard equivalent tenement (ET) figures for hospitals are 1.4ET per bed for water and 0.9ET per bed for sewer.

The applicant contends that the proposal would have no specific increase in water supply or sewer discharge and there is sufficient capacity for connection. The applicant advises that the redevelopment of the hospital in its entirety would reduce the overall demands on water supply given the demolition of the commercial laundry, which is a major user of water.

Furthermore, the additional floorspace is a result of larger minimum size requirements for treatment areas and greater amount of travel spaces and therefore do not create any additional demand on water and sewer infrastructure and services.

The department considers that as the proposal would be increasing the total number of hospital beds, it would lead to additional demand on water supply and additional sewer discharge, and therefore can be levied in accordance with council's infrastructure plans and the water directorate. The department however accepts the applicant's justification that the additional floorspace is not placing additional strain on council's water and sewerage infrastructure and therefore the sewer and water developer contributions should only apply to the additional beds. The department has recommended a condition that requires the applicant obtain a compliance certificate from council which would allow the parties to further assess the actual impacts on council's infrastructure. Therefore, this would not limit the applicant's ability to demonstrate to council that total demand on water supply has reduced as part of the application with council for a compliance certificate under the *Water Management Act 2000*.

4.2.5. Bushfire Risk

Located to the west of the site is an unmanaged riparian corridor along the Macleay River, which is identified as a bushfire prone land. The bushfire prone land is identified as comprising Category 1 vegetation which poses a higher risk due to the vegetation type and size of the area of the continuous vegetation and requires a 100 metre buffer zone (see **Figure 9**). Part of the Category 1 vegetation is identified as extending into the site. The large majority of the remainder of the site is also identified as bushfire prone land that is a buffer zone. The applicant contends that the vegetation located on the site has a managed lawn as an understorey and therefore should not be classified as Category 1 bushfire prone land vegetation, which would mean the bushfire prone land Category Vegetation would not extend onto the site and the 100 metre buffer zone would only apply to the western portion of the site (100 metres from the vegetation along the river). Council and RFS raised no issues with the applicant's assessment of the revised extent of the bushfire prone land.

Figure 9: Bushfire Prone Land Map (subject site shown dotted)



The development is classified as development for 'Special Fire Protection Purposes' (SFPP) under Planning for Bushfire Protection Guidelines 2006 (PBPG) as it is a hospital development, where bushfire poses a higher risk to this use and therefore is subject to additional specific controls. SFPP developments generally have a greater reliance on providing a defensible space and providing adequate Asset Protection Zones to mitigate bushfire risk than relying on construction standards. PBPG also classifies the proposed works as infill development and therefore the extensions should provide improved construction standards or be no closer to the hazard than the existing building footprint.

The department is satisfied that the applicant has demonstrated that the extent of the bushfire risk is limited to the vegetation along the Macleay River and does not extend onto the campus. Therefore, the location of the proposed new building meets the minimum 100 metre distance required for SFPP from the bushfire threat. An APZ would be required to manage the risk and therefore the RFS has recommended that a condition be included that requires the applicant to manage the campus as an inner protection zone. Given the site has been cleared, except for a small pocket of vegetation, and developed, the site can be managed to perform as an inner protection area.

RFS has also requested the following conditions:

- buildings located within 100 m from the bushfire prone land should be upgraded for ember protection, that is enclosing all openings or covering openings within non-corrosive metal screen mesh and fitting external doors with draft excluders;
- gutters be removed from the mental health and maternity buildings or guttering/valleys should be screened to prevent build up of flammable material;
- prior to the occupation of the building an emergency and evacuation plan needs to be prepared or an existing plan updated to incorporate the redevelopment; and
- landscaping, internal roads, the provision and location of water electricity and gas shall comply with Planning for Bush Fire Protection 2006.

The department considers that the bushfire risk can be adequately managed and has recommended that the campus be managed as an inner protection area in perpetuity. The department has included the recommendations of the RFS in the recommended conditions of consent given:

- the proposed building will be linked and closely positioned to the existing buildings, which have not been built to the current fire safety construction standards and therefore it would be reasonable to require the ember protection and upgrade works to the buildings at risk to limit the risk of fire spreading to the new building and the renovated parts of the building, which would be linked to the older buildings at risk; and
- the proposed development would increase the intensity of the hospital use and result in additional vulnerable persons on the campus.

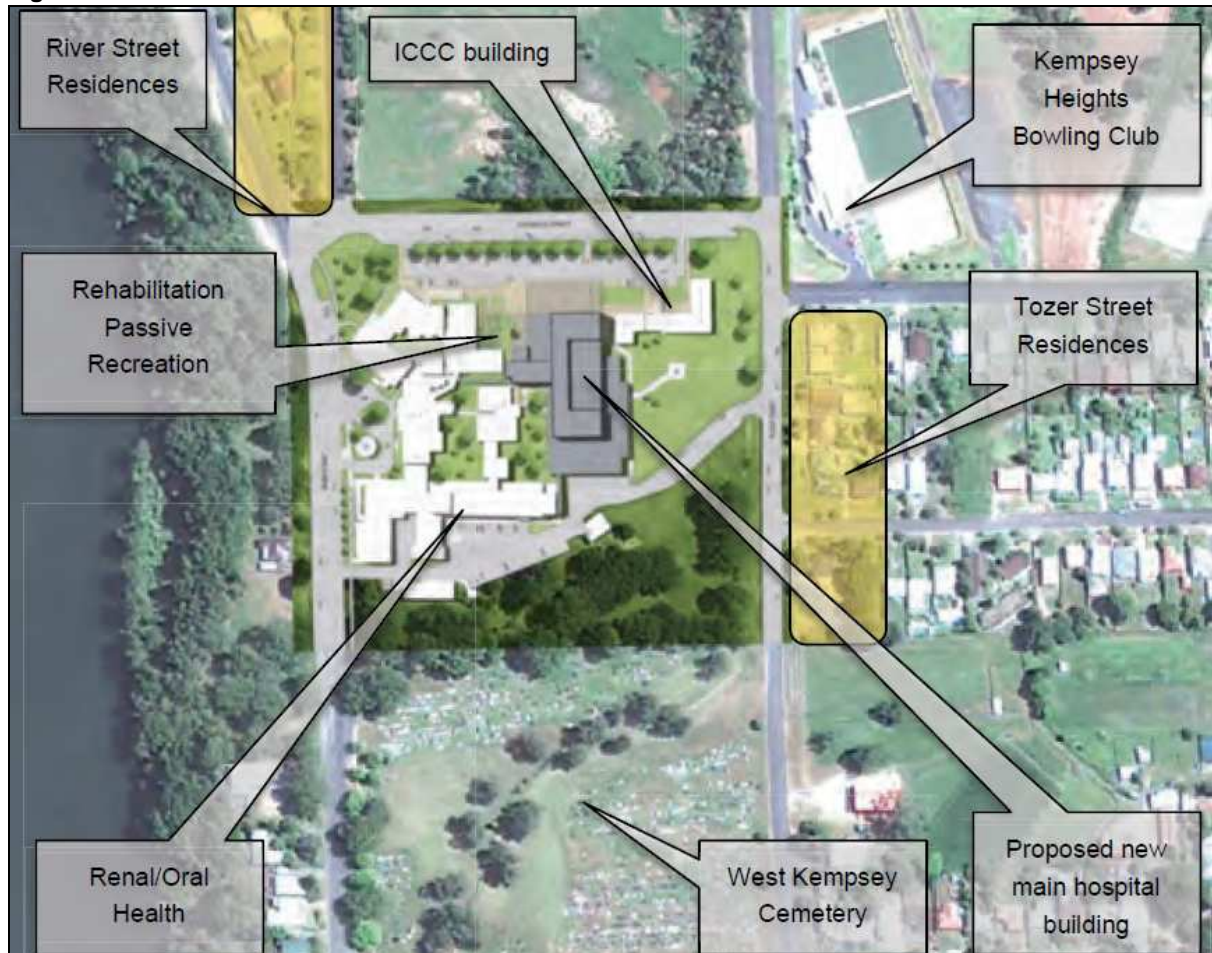
The applicant has indicated that due to the number of buildings that would require ember protection and upgrade works and the costs involved, these works would unduly delay occupation of the new building if they had to be completed prior to occupation of the new facilities. To overcome this issue, the department has in consultation with RFS recommended a condition that requires that a program be developed for these works and that the works are completed within two years of occupation of the new building the subject of this report.

4.2.6.Noise and Vibration Impacts

The EIS was accompanied by a Schematic Acoustic Design Report (acoustic report) which addresses the noise and vibration impacts of the demolition and construction works and the operation of the proposed new hospital building.

The nearest sensitive and uses to the subject site include: the residential sensitive receivers to the east of the site along Tozer Street (approximately 80 m); the Kempsey Heights Bowling Club to the north-east (approximately 120 m); cemetery to the south; the residential sensitive receivers to the north-west along River Street (approximately 150 m); and adjacent and adjoining health buildings, and passive recreation spaces within the campus (see **Figure 10**).

Figure 10: Location of Sensitive Receivers



Construction

The Interim Construction Noise Guideline (Department of Environment and Climate Change, 2009) (ICN Guideline) establishes construction noise management levels for surrounding sensitive residential receivers, and for surrounding non-residential sensitive land uses. The noise management levels that would apply to the surrounding sensitive uses would be:

- a daytime noise management level of 49 dB(A) for the closest sensitive residential receivers, based on the measured background noise level of 39 dB(A);
- 55 dB(A) for the acute care passive recreation area;
- 65 dB(A) for the hospital wards and operating theatres given the 20 dB(A) assumed reduction achieved through the existing hospital building facades;
- 65 dB(A) for the Kempsey Heights Bowling Club; and
- 75 dB(A) for existing hospital offices.

The acoustic report predicts that the construction noise levels would exceed noise management levels at the nearest sensitive land uses during most phases of the construction program if management measures are not implemented, except at the bowling club where the noise levels would generally comply. The department notes that the enabling works and the majority of the demolition works which are projected to be undertaken in four

months have been completed as part of the REF works. The construction period for the new building is expected to be 17 months.

The applicant advises that all feasible and reasonable work practices would be implemented to reduce construction noise and vibration impacts including: adopting standard construction hours; induction and training of staff; hoarding and acoustic barriers; site management practices that aim to minimise noise where possible; ensuring equipment is set to low noise and vibration settings; ensuring silencers and enclosures are effective; notification to affected residential receivers; and establishing a complaints management system.

The predicted noise levels would be between 60 dB(A) to 68 dB(A) at the Tozer Street residential receivers and 47 dB(A) to 55 dB(A) at the River Street residential receivers during the construction phase. The noisiest equipment would be jackhammers and concrete vibrators which are not likely to be used during the whole construction period. Where noise levels are predicted to exceed the noise management levels after application of all reasonable and feasible mitigation measures, the ICNG specifies a maximum acceptable construction noise level of 75 dB(A) at the nearest residential receptors. The predicted noise levels would do not exceed this level.

The WorkCover Code of Practice for Managing Noise and Preventing Hearing Loss at Work specifies a noise level of 85 dB(A) for workers on site over an eight hour work day. The predicted noise levels at the acute care passive recreation area, which is the most sensitive and closest affected sensitive land use, would experience noise levels between 72 dB(A) to 80 dB(A), which would be below the occupational health and safety level of 85 dB(A). Furthermore, this area would be used for short periods of time and given the availability of other passive recreation areas on campus, the department considers that the noise impacts can be managed by the applicant and the hospital operators. The predicted noise level of between 71 dB(A) and 79 dB(A) at the hospital wards is also below the occupational health and safety level of 85 dB(A) and the applicant has identified the use of hoarding as one of the mitigation measures.

Vibration generated by the construction activities are not predicted to cause significant vibration impacts to the sensitive residential receivers given the 80-150 metre separation between the proposed works and these receivers. The vibration management levels may exceed the vibration management levels for the sensitive hospital facilities given its close proximity. However, the applicant has indicated that all feasible and reasonable measures would be implemented to minimise impacts.

The department has also recommended conditions requiring the applicant to prepare a Construction Environmental Management Plan (CEMP), which would include a section on construction noise and vibration management, and relevant noise management and vibration criteria during construction. The department acknowledges that the project would not comply with the relevant noise management levels, however, the applicant intends on implementing all reasonable and feasible measures to minimise noise. The department considers the CEMP to be critical for ensuring that noise impacts are appropriately managed and has recommended the CEMP must be informed by comprehensive consultation in relation to construction noise and vibration management. The department is satisfied that, subject to the recommended conditions and applicant's mitigation measures, any noise and vibration impacts associated with the proposed development can be adequately mitigated and managed.

Operational Noise

The new hospital building would generate noise from the operation of mechanical plant equipment including the cooling towers. The acoustic report establishes operational noise goals for the surrounding uses based on the NSW Industrial Noise Policy (Environmental Protection Authority, 2000) (INP), which are identified in **Table 3**.

Table 3: Industrial Noise Criteria

Type of Land Use	Noise Level Criteria dB(A) L_{Aeq}		
	Day	Evening	Night
Residential (Amenity)	55	45	40
Residential (Intrusive - Background plus 5 dB(A))	44	40	35
Active Recreation Amenity	55 (when in use)		
Passive Recreation Amenity	50 (when in use)		
Hospital Ward – External	50 (during the noisiest one hour period)		

The acoustic report recommends that the noise goals for the project for sensitive residential receivers should be 5 dB(A) below the above criteria to allow for future development, as follows:

- day time: 39 dB(A) L_{Aeq} ;
- evening: 35 dB(A) L_{Aeq} ; and
- night time: 30 dB(A) L_{Aeq} .

The acoustic report also considers that the above criteria for sensitive residences can be increased by 5 dB(A) if it is identified in the detailed design stages that the future development is not required. Based on the closest residential receiver being 80 metres from the site, the plant would have to operate at below: 85 dB(A) during the day; 81 dB(A) during the evening; and 76 dB(A) during the night to meet the above recommended noise criteria. The maximum sound power level of the plant would need to be below 90 dB(A) to meet the criteria for the hospital wards.

The acoustic report predicts preliminary noise levels of up to 96 dB(A) with one cooling tower operational and 99 dB(A) with the second cooling tower also operational. Therefore, noise attenuation measures would be necessary to ensure that the plant associated with the operation of the new hospital building meets the recommended noise level criteria.

As the selection of the plant and equipment is still subject to the detailed design stage, a detailed review of mechanical plant equipment associated with operation needs to be undertaken at the construction certification stage when detailed information of plant equipment is known.

The applicant has committed to selecting equipment with lower acoustic emissions and acoustic treatment of the plant rooms. The department recommends that a report demonstrating that the selected plant and equipment in the detailed design stage complies with the noise criteria be submitted to the department prior to the commencement of works and a condition that requires that the plant and machinery does not exceed the background level plus 5 dB(A).

The department is satisfied that, subject to the recommended conditions, any noise impacts associated with the operation of the proposed development can be adequately mitigated and managed.

Traffic Noise

The acoustic report also notes that based on a worst case scenario involving an increase of 300 vehicle movements on Polwood Street, 500 vehicles on River Street and 100 vehicles on Tozer Street, the operation of the new hospital building would result in a maximum respective increase in noise of 1.4 dB, 0.3 dB and 0.3 dB. Accordingly, the expected increase in vehicle movements associated with the proposed development would not lead to an unacceptable increase in the existing noise levels at the boundary of the nearest residential sensitive receiver and would satisfactorily comply with the traffic noise criteria set out within the EPA's Road Noise Policy.

4.2.7. Other matters

Internal Amenity

The operation of the plant, emergency generator (included in the REF works) and existing helipad would have noise and vibration impacts on the internal amenity of the hospital building.

The acoustic report has identified that the proposed structural design would not provide adequate amenity as the slab thickness is below that which is required to absorb noise and vibration impacts and therefore the suspended plasterboard ceiling would need to be upgraded to control noise levels. The department notes that this is subject to selection of the plant and equipment in the detailed design stage and therefore would need to be addressed prior to construction certification and commencement of works. The department has recommended that a report demonstrating that the recommendations of the acoustic report have been incorporated in the detailed design stages be submitted to the department prior to commencement of works.

The HLS is located 35 metres from the proposed hospital building. The acoustic report explored various typical construction methods, which revealed that the various methods would reduce noise levels from the operation of the HLS to between 70 and 79 dB(A) L_{AFmax} . The acoustic report demonstrated that higher level glazing did not necessarily result in corresponding improvements in the reduction of internal noise levels as the higher level glazing was not as effective in reducing low frequency noise emission generated by helicopters when compared to the design of the glazing system. The proposed construction method would reduce internal noise levels to 72 to 73 dB(A) L_{AFmax} . Further reductions could also be achieved through reduction in the amount of glazing, elimination of glazing for sensitive spaces or relocation of the sensitive spaces away from the eastern façade. The acoustic report recommends that the criteria be set at 75 dB(A) L_{AFmax} .

The department notes that the proposed construction method does not provide the highest level of attenuation achievable through normal construction methods. However, the department also notes that the HLS is used infrequently. Therefore, the department considers that the measures proposed to attenuate the new building are reasonable to limit amenity impacts and are acceptable when balancing the potential limited benefits of the more costly construction methods and the minimal reductions achievable when attenuating for low frequency noise generated by helicopters and the infrequency of the use of the HLS.

The emergency generators, which would be located 20 metres from the proposed hospital building in a contained setting, would generate noise levels up to 60 dB(A) at the hospital façade which would exceed the maximum 55 dB(A) criteria in the INP. The acoustic report considered the limited noise exceedance reasonable given the attenuation achieved through the proposed construction method adopted to address helicopter noise. The acoustic report notes that to achieve compliance a larger enclosure is required which would increase the cost. Therefore, the department considers that the measures proposed to attenuate the new building and the enclosure of the generators are reasonable to limit amenity impacts and are acceptable when balancing the cost of the higher attenuation measures and the infrequency of the use of the emergency generators.

Flooding

OEH has advised that the site is located above the probable maximum flood levels. Council however has requested that the applicant identify how potential impacts to critical emergency response procedures would be managed given probable maximum flood levels would cut off access to the site. The applicant has indicated that water based and air based facilities would be available and as the site and the helipad on site are located above the probable maximum flood level, critical emergency response procedures would continue to be effective in responding and during the probable.

Overshadowing

The proposal would result in an acceptable level of overshadowing as any shadows cast would fall entirely on existing hospital buildings within the campus.

4.2.8. Public interest

The proposal is considered to be in the public interest as it would have significant benefits including:

- delivering sustainable development on the campus by refurbishing existing buildings to complement new structures;
- delivering improved health facilities to meet the growing needs of the region and the ageing population;
- consolidating development in an accessible location;
- consolidating and providing further investment in social infrastructure in a major regional town; and
- supporting the creation of employment opportunities through the construction and operational stages of the development.

5. CONCLUSION AND RECOMMENDATION

5.1. Conclusion

The redevelopment of the Kempsey District Hospital, comprising the construction of a new five storey building and refurbishment of existing hospital facilities, would provide significant public benefit to the local and regional community through the provision of increased and improved health services, including 13 new beds and new services. The proposed development would also provide new purpose built health facilities and provide a more legible and distinguishable main entrance.


The proposal is considered to be in the public interest as it would deliver significant social, economic and environmental benefits to the wider community by providing new social infrastructure and supporting the generation of operational and construction jobs.

The department is satisfied that the proposed development satisfactorily responds to the issues raised and recommends that the SSD application for the Kempsey District Hospital Redevelopment be approved, subject to conditions. The department's recommended conditions of consent would ensure that the construction and future operation of the proposed facility would maintain the environmental and residential amenity of the surrounding environment and more specifically, ensure that archival recording is undertaken prior to the demolition works, a Green Travel Plan be prepared to promote sustainable and active transport modes and bushfire risk management measures are maintained in perpetuity.

5.2. Recommendation

In accordance with section 89E of the *Environmental Planning and Assessment Act 1979*, it is recommended that the Executive Director, Development Assessment Systems and Approvals, as delegate of the Minister for Planning and Infrastructure, grants development consent for the construction and operation of the Kempsey District Hospital Redevelopment (SSD 5363).

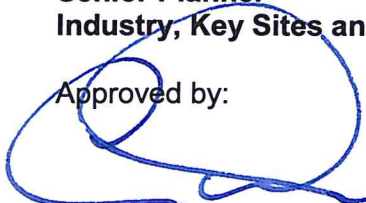
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APPENDIX A RELEVANT SUPPORTING INFORMATION

The following supporting documents and supporting information to this assessment report can be found on the Department of Planning and Infrastructure's website as follows.

1. Environmental Assessment
http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5363.
2. Submissions
http://majorprojects.planning.nsw.gov.au/index.pl?action=list_submissions&job_id=5363.
3. Applicant's Response to Submissions
http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=5363.

APPENDIX B CONSIDERATION OF ENVIRONMENTAL PLANNING INSTRUMENT(S) (INCLUDING DRAFT) AND DCP(S)

State Environmental Planning Policy (State and Regional Development) 2011

The aims of this SEPP are to identify State significant development and State significant infrastructure and confer the necessary functions to joint regional planning panels to determine development applications.

The proposal is for SSD in accordance with s. 89C of the *Environmental Planning and Assessment Act 1979* (EP&A Act) because it is development for the purpose of an educational establishment with a capital investment value (CIV) in excess of \$30 million, under clause 15 (Educational establishments) of Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011.

State Environmental Planning Policy No. 33 – Hazardous and Offensive Development

SEPP 33 provides clear definitions of hazardous and offensive industries and aims to facilitate development defined as such and to ensure that in determining developments of this nature, appropriate measures are employed to reduce the impact of the development and require advertisement of applications proposed to carry out such development.

A preliminary hazard analysis assessment is required if the development is identified as a potentially hazardous or potentially offensive development. The applicant has indicated that dangerous goods that would be handled or stored on the site would be below the threshold levels and therefore a preliminary hazard analysis assessment is not required as the development would not be a hazardous or offensive development.

State Environmental Planning Policy No. 55 – Remediation of Land

SEPP 55 aims to provide a state wide approach to the remediation of contaminated land. In particular, SEPP 55 aims to promote the remediation of contaminated land to reduce the risk of harm to human health and the environment by specifying under what circumstances consent is required, specifying certain considerations for consent to carry out remediation work and requiring that remediation works undertaken meet certain standards.

The contamination assessment undertaken for the site indicates that the potential concentrations of contaminants are below the site assessment criteria, except for elevated concentrations of lead in the surface soils in the vicinity of the former boiler room, potentially from flaking lead paint. The contamination assessment concluded that the site would be suitable for hospital uses, subject to the remediation of the surface soils to remove the lead contaminants and identification of potential hazards to be removed from the site, lead and asbestos within the buildings to be demolished. The applicant has obtained development consent from council to undertake the remediation works.

The department is satisfied that, in accordance with clause 7 of the SEPP, the investigations undertaken of the subject site and the development consent to undertake remediation demonstrate that the site can be made suitable for the continued use for the intended purpose.

State Environmental Planning Policy (Infrastructure) 2007

The aim of the Infrastructure SEPP is to facilitate the effective state wide delivery of infrastructure by providing greater flexibility in the location of infrastructure and service facilities, allowing the development of surplus government land, identifying relevant environmental assessment categories for development and relevant matters to be considered and providing for consultation with relevant public authorities.

Schedule 3 of the Infrastructure SEPP requires traffic generating development to be referred to the RMS. The proposal was referred to the RMS who raised no objection to the development.

A program of early works was also approved under Part 5 of the EP&A Act for the subject site and the adjoining areas, relying on clause 58 of the Infrastructure SEPP, to facilitate redevelopment of the site, including the following works:

- relocation of buildings;
- demolition of existing buildings including:
 - workshop (former Boiler Room) and old laundry;
 - waste management buildings ;
 - storage sheds;
 - transitional aged care services building;
 - oral health building;
 - drug and alcohol building;
 - miscellaneous structures including garden shed, cement slab, water tower and water tank;
- construction of a new service road from Tozer Street that will connect existing service access from River Street and associated parking;
- construction of the services compound, new waste management facility and new diesel generator;
- construction of staff car park west of River Street;
- engineering services upgrades, in-ground services upgrades, external services connections; and
- drainage works.

State Environmental Planning Policy No 44 - Koala Habitat Protection

State Environmental Planning Policy No 44 - Koala Habitat Protection applies to land that is potentially koala habitat and requires development to be consistent with an approved koala plan of management if land is identified as core koala habitat. The SEPP aims to encourage the proper conservation and management of areas of natural vegetation that provide habitat for koalas to ensure a permanent free-living population over their present range and to prevent koala population decline.

The land is not identified as core koala habitat and is therefore not subject to a koala management plan. The KLEP 2013 however does identify the land as an area subject to a koala management plan, which requires consideration of whether the development is consistent with the relevant provisions of the Comprehensive Koala Plan of Management for Eastern Portion of Kempsey Shire LGA Volume I – The CKPoM (Working Provisions) April 2011. The site does not contain any preferred koala habitat and does not seek to remove any koala feed trees or native vegetation. Therefore the proposal is not expected to impact koala habitat. The proposal therefore is not inconsistent with the aims of the SEPP and the koala management plan, which seek to retain and conserve existing koala habitat. Accordingly, the proposal can be approved.

Kempsey Local Environmental Plan 1987

The development is consistent with the objectives of the special uses zone in the KLEP 1987 to make suitably located sites for community services and in relation to the site for hospital purposes. Consideration of the relevant clauses of the LEP is provided in **Table 1**.

Table 1: Consideration of KLEP 1987

KLEP 1987	Criteria	Complies	Department Comment / Assessment
Clause 18A	Development of land within Zone No 5 (a), 5 (b), 6 (a) or 6 (b)	Complies	The development is for hospital purposes which is the primary use identified for the land.

Clause 21	Filling of land	Complies	The cut from the bulk earthworks for the lower ground will be used to provide fill for the upper ground. The placing of fill would not have an adverse environmental impact as a batter slope would be provided between the levels and excess cut would be utilised for landscaping.
Clause 26	Items of environmental heritage	Complies	The applicant is seeking approval for demolition of a moderately significant element of the 'Kempsey District Hospital' item as part of this application. The department has considered the significance of the item and alternatives to demolition and is satisfied that the impacts are acceptable as the elements identified as having high significance are being retained.
Clause 28	Conservation incentive relating to heritage items	Complies	The proposed hospital building would not impact on the amenity of the 1913 Hospital Building.
Clause 29	Heritage Council to be given prior notice of demolition consent	Complies	The department has referred the application to Heritage Branch of the Office of Environment and Heritage, who as a delegate of the NSW Heritage Council raised no objection to the proposed demolition works.
Clause 30	Advertising of heritage applications	Complies	The application was advertised for 30 days.
Clause 38	Development along arterial roads	Complies	The development seeks to relocate the main entrance to Polwood Street and continues to provide vehicle access to the on-site car parking from Polwood Street.
Clause 56	Development on land containing potential acid sulfate soils	Complies	The department has included a condition that requires the applicant to prepare an Acid Sulphate Soil Management Plan prior to commencement of works.

Kempsey Local Environmental Plan 2013 (KLEP 2013)

The development is consistent with the aim of the KLEP 2013 and objectives of the General Residential zone to enable other land uses that provide facilities or services to meet the day to day needs of residents. The KLEP 2013 does not commence until 3 February 2014 and the savings provisions in the KLEP 2013 state that the provisions of the KLEP 2013 do not apply to development applications that have been lodged but not yet determined. Therefore, the provisions of KLEP 1987 still apply to the development. However, consideration of the relevant clauses of the LEP is provided in **Table 2**.

Table 2: Consideration of KLEP 2013

KLEP 2013	Criteria	Complies	Department Comment / Assessment
Clause 4.3	Height of buildings	No	The proposed height exceeds the 8.5 metre height limit. The department's consideration of the height of the building is contained in Section 4.2.2 in the body of the report.
Clause 4.6	Exceptions to development standards	Complies	<p>The department considers that it would be unreasonable in the circumstances to require a proposal for important social infrastructure to comply with the height restriction, which would result in a larger footprint and an inefficient design which would adversely impact the regions level of health services. Maintaining the development standard would not provide any public benefit.</p> <p>Varying the development standard would not raise any matters or significance for State or</p>

			regional planning as the variation would not set a precedence given the proposal is located on an existing health campus and is necessary for the delivery of critical community facilities.
Clause 5.9	Preservation of trees or vegetation	Complies	The proposal seeks approval to remove six trees and transplant two trees as part of the development. The department notes that trees are provided as landscaping for the site and the proposed landscaping would adequately offset the trees to be removed.
Clause 5.10	Heritage conservation	Complies	The applicant is seeking approval for demolition of a moderately significant element of the 'Kempsey District Hospital' item as part of this application. The department has considered the significance of the item and alternatives to demolition and is satisfied that the impacts are acceptable as the elements identified as having high significance are being retained.
Clause 7.1	Acid sulphate soils	Complies	The department has included a condition that requires the applicant to prepare an Acid Sulphate Soil Management Plan prior to commencement of works.
Clause 7.2	Earthworks	Complies	The cut from the bulk earthworks for the lower ground would be used to provide fill for the upper ground. The placing of fill would not have an adverse environmental impact as a batter slope would be provided between the levels and excess cut would be utilised for landscaping.
Clause 7.3	Flood planning	Complies	The proposed location of the development on the campus is located above the flood planning level.
Clause 7.4	Koala habitat	Complies	The land is in an area subject to a koala management plan, which requires consideration of whether the development is consistent with the relevant provisions of the Comprehensive Koala Plan of Management for Eastern Portion of Kempsey Shire LGA Volume I – The CKPoM (Working Provisions) April 2011. The site does not contain any preferred koala habitat and does not seek to remove any koala feed trees or native vegetation.
Clause 7.6	Airspace operations	Complies	Kempsey Shire Council is the relevant Commonwealth body for Kempsey airport and was consulted during the public exhibition of the application. Council did not identify that the proposed development would penetrate the Limitation or Operations Surface.

Development Control Plans

It is noted that clause 11 of the State Environmental Planning Policy (State and Regional Development) 2011 provides that development control plans do not apply to SSD. Notwithstanding, consideration of relevant controls has been given in **Table 3**.

Table 3: Consideration of the relevant DCP

DCP Provisions	Department Comment / Assessment
Development Control Plan 24 Access & Mobility	The recommended conditions require the applicant to demonstrate that the building has been designed to provide access and facilities for people with a disability.
Development Control Plan 30 Acid Sulfate Soils	The department has included a condition that requires the applicant to prepare an Acid Sulphate Soil Management Plan

	prior to commencement of works.
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APPENDIX C GLOSSARY

Delegated Authority

On 27 February 2013, the Minister for Planning and Infrastructure delegated his functions under section 89E of the *Environmental Planning and Assessment Act 1979* to Executive Director, Development Assessment Systems and Approvals to determine applications where:

- (a) the relevant council has not made an objection, and
- (b) a political disclosure statement has not been made, and
- (c) there are less than 25 public submissions in the nature of objections.

Ecologically Sustainable Development can be achieved through the implementation of:

- (a) *the precautionary principle - namely, that if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:*
 - (i) *careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment, and*
 - (ii) *an assessment of the risk-weighted consequences of various options,*
- (b) *inter-generational equity—namely, that the present generation should ensure that the health, diversity and productivity of the environment are maintained or enhanced for the benefit of future generations,*
- (c) *conservation of biological diversity and ecological integrity—namely, that conservation of biological diversity and ecological integrity should be a fundamental consideration,*
- (d) *improved valuation, pricing and incentive mechanisms—namely, that environmental factors should be included in the valuation of assets and services, such as:*
 - (i) *polluter pays—that is, those who generate pollution and waste should bear the cost of containment, avoidance or abatement,*
 - (ii) *the users of goods and services should pay prices based on the full life cycle of costs of providing goods and services, including the use of natural resources and assets and the ultimate disposal of any waste,*
 - (iii) *environmental goals, having been established, should be pursued in the most cost effective way, by establishing incentive structures, including market mechanisms, that enable those best placed to maximise benefits or minimise costs to develop their own solutions and responses to environmental problems.(Cl.7(4) Schedule 2 of the Regulation)*

Objects of the Act

- (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.*

Relevant Environmental Planning Instruments

These are EPIs that are required to be taken into consideration in the assessment of the project under s. 79C. A detailed evaluation of each is provided at Appendix B.

Section 79C Evaluation

(1) **Matters for consideration—general**

In determining a development application, a consent authority is to take into consideration such of the following matters as are of relevance to the development the subject of the development application:

(a) the provisions of:

- (i) any environmental planning instrument, and*
- (ii) any proposed instrument that is or has been the subject of public consultation under this Act and that has been notified to the consent authority (unless the Director-General has notified the consent authority that the making of the proposed instrument has been deferred indefinitely or has not been approved), and*
- (iii) any development control plan, and*
- (iiia) any planning agreement that has been entered into under section 93F, or any draft planning agreement that a developer has offered to enter into under section 93F, and*
- (iv) the regulations (to the extent that they prescribe matters for the purposes of this paragraph), and*
- (v) any coastal zone management plan (within the meaning of the Coastal Protection Act 1979),*

that apply to the land to which the development application relates,

- (b) the likely impacts of that development, including environmental impacts on both the natural and built environments, and social and economic impacts in the locality,*
- (c) the suitability of the site for the development,*
- (d) any submissions made in accordance with this Act or the regulations,*
- (e) the public interest.*

Note. See section 75P (2) (a) for circumstances in which determination of development application to be generally consistent with approved concept plan for a project under Part 3A.

Note. The consent authority is not required to take into consideration the likely impact of the development on biodiversity values if:

- (a) the development is to be carried out on biodiversity certified land (within the meaning of Part 7AA of the Threatened Species Conservation Act 1995), or*
 - (b) a biobanking statement has been issued in respect of the development under Part 7A of the Threatened Species Conservation Act 1995.*
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APPENDIX D RECOMMENDED CONDITIONS OF CONSENT
