

[Agenda Report](#)**SUBJECT: CCL 23/11/21 - PLANNING PROPOSAL - LINGARD PRIVATE HOSPITAL - ENDORSEMENT FOR PUBLIC EXHIBITION****RESOLVED:** (Councillors Elliott/Rufo)

That Council:

- 1 Endorse the Planning Proposal (**Attachment A**) prepared in accordance with Section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), to commence the process to amend the Newcastle Local Environmental Plan 2012 (NLEP 2012), as follows:
  - i) Rezone the land at 23 Merewether Street, Merewether from R3 Medium Density Residential to SP2 Infrastructure (Health Service Facilities) and the land at 8 Lingard Street, Merewether from B5 Business Development to SP2 Infrastructure (Health Service Facilities).
  - ii) Increase the maximum Height of Building (HOB) standard from 10 metres to 18 metres at 23 Merewether Street and 8 Lingard Street, Merewether.
  - iii) Remove the maximum prescribed Floor Space Ratio (FSR) control (which is currently 0.9:1) at both 23 Merewether Street and 8 Lingard Street, Merewether.
- 2 Forward the Planning Proposal to the Department of Planning, Industry and Environment (DPIE) for a Gateway Determination pursuant to Section 3.34 of the EP&A Act, including a request that Council is authorised to make the proposed instrument pursuant to subsection 2(g).
- 3 Receive a report on the Planning Proposal following the exhibition period, undertaken in accordance with the Gateway Determination.
- 4 Requests the Gateway determination include a condition authorising Council to be the Local Plan Making Authority.

**ITEM-117                    CCL 23/11/21 - PLANNING PROPOSAL - LINGARD PRIVATE HOSPITAL - ENDORSEMENT FOR PUBLIC EXHIBITION**

**REPORT BY:                GOVERNANCE**  
**CONTACT:                 DIRECTOR GOVERNANCE AND CHIEF FINANCIAL OFFICER / MANAGER REGULATORY, PLANNING AND ASSESSMENT**

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**PURPOSE**

To commence the statutory process for amending the Newcastle Local Environmental Plan 2012 for the rezoning and expansion of the Lingard Private Hospital on land at 23 Merewether Street and 8 Lingard Street, Merewether.

**RECOMMENDATION**

That Council:

- 1 Endorse the Planning Proposal (**Attachment A**) prepared in accordance with Section 3.33 of the *Environmental Planning and Assessment Act 1979* (EP&A Act), to commence the process to amend the Newcastle Local Environmental Plan 2012 (NLEP 2012), as follows:
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## KEY ISSUES

### Site

- 5 The site comprises land at 23 Merewether Street and 8 Lingard Street, Merewether (Refer to Figure 1 in Attachment A). The land at 23 Merewether Street has an area of approximately 1ha and consists of the existing Lingard Private Hospital. The land at 8 Lingard Street (referred to as the Kingsland Precinct) has an area of approximately 0.38ha and consists of a health services facility comprising four operating theatres and two consulting suites, and associated basement level carpark.

### Zoning

- 6 The land at 23 Merewether Street, Merewether is currently zoned R3 Medium Density Residential under the NLEP 2012, and the land at 8 Lingard Street, Merewether is zoned B5 Business Development. Although the current zones allow for the current use of the land, they are not specifically tailored to the purpose of health services facilities and the zone objectives therefore do not reflect the current and future use of the land. The proposed SP2 Infrastructure (Health Service Facilities) zone will better reflect the existing and future use of the land and will allow the continued use and expansion of 'health service facilities' with reasonable supporting development controls.

### Letter of intent to enter into a planning agreement

- 7 The proponent has submitted a 'letter of intent' to enter into a planning agreement with Council in conjunction with milestone development applications for each precinct, i.e., Lingard Private Hospital Precinct, Kingsland Precinct and Hopkins Street Precinct. The letter of intent is provided at **Attachment B**.
- 8 The letter notes the inherent community benefits of increasing health infrastructure and also states that Lingard Private Hospital is willing to provide further community benefits as part of a planning agreement including exploring opportunities not limited to, pedestrian paths from the hospital to Townson Oval, making the hospital car park available on the weekend to Townson Oval users and enhancing the oval with park furniture, signage and lighting.

### Development Controls / Height of Buildings and Floor Space Ratio

- 9 The proposed removal of the FSR standards and increasing the HOB standards will allow the Lingard Private Hospital to provide facilities in accordance with health-related State standards and obligations. For example, Health NSW stipulates minimum floor space requirements for operating theatres, corridors and support suites that may not be capable of adhering to the FSR standards in the NLEP 2012.
- 10 It is proposed that the bulk and scale of the Lingard Private Hospital is managed through building envelope controls. A Concept Plan is at Appendix 3

in Attachment A and outlines a vision for the health precinct, including indicative bulk and scale. However, the Concept Plan should only be utilised for reference and does not form part of the Planning Proposal.

### **Traffic and Parking**

- 11 The site is in a high amenity location, accessible to pedestrians and public transport with bus services operating from Union Street, The Junction.
- 12 The proposed expansion of the Lingard Private Hospital will increase traffic flow and loading services. Any future development of the site will therefore need to be designed to minimise noise impacts on the surrounding locality. The noise impact and proposed mitigation measures will be outlined in a Noise Impact Assessment which will be required as part of any future Development Application (DA).
- 13 There is the potential for a shared zone or pedestrian crossing along Merewether Street. The purpose of this would be to provide pedestrian connectivity between the two precincts (Lingard and Kingsland). The potential for either a pedestrian crossing or a shared zone will be considered in future designs for the site and supported by a Traffic Impact Assessment (TIA) as part of any submitted DA. It is noted that a recent development application (DA2021/01236) for a pedestrian footway bridge across Merewether Street to connect these two precincts has been lodged with CN and is currently being assessed.
- 14 At 23 Merewether Street, Merewether, a further development application (DA2021/01237) for alterations and additions to the building, including the construction of an additional level of health service facilities comprising, 15 consulting suites and other associated works has been lodged with CN and is currently being assessed.
- 15 It is not anticipated that the Planning Proposal will result in unreasonable traffic impacts. Potential traffic impacts would be dependent on the nature of any future proposal and the associated traffic generation rates. Furthermore, it should be noted that a previous TIA prepared in 2016 for the latest major development (Stage 5 development) of the Lingard Private Hospital concludes that considering the existing performance of the surrounding road network, the additional traffic generated by the Stage 5 development is not expected to impact on the function and operation of the surrounding roads and intersections, or parking areas in the immediate vicinity.
- 16 In addition, the TIA also states that existing servicing arrangements and vehicles are adequately accommodated and have sufficient capacity to accommodate the additional demand resulting from the Stage 5 development.
- 17 Any future DAs for the expansion of the site will take into consideration traffic impacts and will be accompanied by TIAs. These assessments will evaluate

access arrangements, parking and the existing and proposed operation and efficiency of the local road network.

**Flooding**

- 18 The land is located within a flood prone area. Previous flood assessments indicate that the flood risk for the site is minor and that a suitable development can be achieved subject to implementation of certain mitigation measures. Appropriate mitigation measures will be incorporated into the future design of the site and details and plans supplied as part of any future DA. These mitigation measures will take into consideration the potential isolation of the health services facilities during large flood events with appropriate management procedures put in place, as required. A Flood Emergency Response Plan will accompany a future DA for the expansion of the health service facility.

**Acid Sulfate Soil**

- 19 The site is identified in the NLEP 2012 as having Class 4 probability of Acid Sulfate Soils. The outcome of this Planning Proposal can be suitably addressed through future DAs for the intended use of the land. Moreover, it is anticipated that any future proposed development will be able to manage any risks associated with Acid Sulfate Soils.

**Mine Subsidence**

- 20 The site is located within a Mine Subsidence District. The Planning Proposal will be referred to Subsidence Advisory NSW for concurrence prior to commencing community consultation.

**Land Contamination**

- 21 The site is identified as having a history of contamination. However, the previous contaminating uses of the site are not likely to hinder the intended outcome of this Planning Proposal.
- 22 A validation report has been provided for 8 Lingard Street which is sufficient for the purposes of the proposed change of zoning to SP2 – Infrastructure, with the existing and proposed health services facility use of the land.
- 23 The land at 23 Merewether Street will require further investigation and remediation prior to any further development of the land, which, based on the information provided can occur at the DA stage. On this basis, this would not preclude the proposed change of zoning to SP2 – Infrastructure. In addition, we note that the land is already being used for a health services facility.

**Heritage**

- 24 The site has not been identified as a heritage item nor is it within a Heritage Conservation Area. The site is in proximity to the Townson Oval Pavilion –

Mitchell Park, which is a heritage listed item under the NLEP 2012 (Item no. 1318). The site is also located on Merewether Street, which is a site of a former railway line linking the Glebe Hill and Newcastle collieries in Merewether Heights with the Newcastle docks via The Junction, Cooks Hill and Civic Park.

- 25 While the Planning Proposal will enable the expansion of the existing hospital, it is noted that it does not seek to increase the existing development footprint and therefore the impacts on nearby heritage items including Merewether Street will be minimal. Moreover, further assessment of any potential heritage or archaeological impacts will be considered as part of any future DAs.

### **Summary**

- 26 The Planning Proposal will allow for the future expansion of the Lingard Private Hospital on land specifically zoned for health service facilities with development controls that are consistent with the requirements of a hospital land use.
- 27 The Planning Proposal is consistent with State and local strategies, including the Greater Newcastle Metropolitan Plan (GNMP) and the Newcastle Local Strategic Planning Statement (LSPS). Strategy 4 of the GNMP aims to grow health precincts and connect the health network, and identifies expansion of private hospitals, including Lingard Private Hospital, as supporting growth in health and medical research and future job opportunities.
- 28 The Planning Proposal demonstrates strategic merit, as it will increase the capacity of the Lingard Private Hospital to assist in meeting the significant increasing demand for health services from the growing and ageing population in the Newcastle Local Government Area and the Hunter Region more broadly.

### **FINANCIAL IMPACT**

- 29 The costs associated with the assessment and reporting of the Planning Proposal has been covered by relevant (Stage A and Stage B) fees payable by the proponent in accordance with City of Newcastle's (CN) Fees and Charges 2020/21.

### **COMMUNITY STRATEGIC PLAN ALIGNMENT**

- 30 The Planning Proposal aligns with the following strategic directions of the Newcastle 2030 Community Strategic Plan (CSP):

#### **Inclusive Community**

- 4.1c Improve, promote and facilitate equitable access to services and facilities.

**Liveable Built Environment**

- 5.1b Ensure our suburbs are preserved, enhanced and promoted, while also creating opportunities for growth.
- 5.2b Plan for an urban environment that promotes active and healthy communities.
- 5.4b Plan, provide and manage infrastructure that continues to meet community needs.

**Smart and Innovative**

- 6.1a Recognise and strengthen Newcastle's role as a metropolitan capital and hub for education, health, tourism, creative, port and logistics industries.
- 6.1b Attract new business and employment opportunities.
- 6.2a Support and advocate for innovation in business, research activities, education and creative industries.

**IMPLEMENTATION PLAN/IMPLICATIONS**

- 31 The Planning Proposal seeks to implement the outcomes of the following adopted strategies, plans and policies of CN:
  - i) Newcastle 2030 – CSP 2018-2028, as identified above.
  - ii) Newcastle LSPS, including the following relevant Planning Priority:
    - a) Planning Priority 13: Grow our key health and education sectors.
- 32 The Planning Proposal is consistent with the GNMP which identifies “Lingard Merewether” as a major health precinct in Greater Newcastle.

**RISK ASSESSMENT AND MITIGATION**

- 33 The process of amending an LEP is prescribed by Part 3 of the EP&A Act. Adherence to the legislative framework reduces risk to CN by ensuring that a Planning Proposal is consistent with relevant strategic planning documents and determined in an appropriate timeframe.

**RELATED PREVIOUS DECISIONS**

- 34 Planning Proposal 2013NEWCA\_007\_00 was gazetted on 26 September 2014. The LEP amendment changed the zoning of land bound by Lingard, Merewether, Mitchell and Union Streets from IN2 Light Industrial to B5 Business Development. This land includes 8 Lingard Street. The objective of the

Planning Proposal was to enable the establishment of a health services facility on the site.

**CONSULTATION**

- 35 Council received a briefing from Lingard Private Hospital on the future development of the site at the Briefing Committee meeting held on 19 October 2021.
- 36 Consultation with stakeholders (including the relevant State Agencies and the community) will occur in accordance with the Minister's requirements following Gateway Determination.
- 37 The Planning Proposal will be publicly exhibited in accordance with the Gateway requirements. It is anticipated that this will be for a minimum of 28 days.
- 38 Council will receive a report outlining the consultation outcomes prior to the plan being made.

**BACKGROUND**

- 39 Lingard Private Hospital has been operating at 23 Merewether Street since 1981. In 2016, the Hunter Joint Regional Planning Panel approved Development Application (DA) DA2015/10349 for alterations and additions to the Hospital, including construction of a two-storey building for additional operating theatres and private rooms at 23 Merewether Street Merewether.
- 40 In 2016, Council approved DA2016/00394 for a car parking structure with two Modifications, DA2016/00394.01 and D2016/00394.02 approved 2017 and 2018 respectively, for alterations and additions to include health services facilities and additional car parking.
- 41 In 2019, Council approved DA2019/00062 for alterations and additions to the approved health services facility including additional operating theatres, administrative areas, recovery areas and discharge rooms.

**OPTIONS**

**Option 1**

- 42 The recommendation as at Paragraphs 1 - 4. These are the recommended options.

**Option 2**

- 43 Council resolves not to proceed with the Planning Proposal. This is not the recommended option.



**ATTACHMENTS**

**Item 117 Attachment A:** Planning Proposal - 23 Merewether Street and 8 Lingard Street, Merewether

**Item 117 Attachment B:** Letter of Intent

**Item 117 Attachment A and B distributed under separate cover.**