

8.1. MM01: Keep Royal North Shore Hospital land in public hands

On 5 April 2025 the State Government announced an Expressions of Interest (EOI) process seeking parties interested in buying, or entering into a long-term lease, to develop the 3,301 square metre parcel of land at Lot 4B, Herbert Street, St Leonards – part of the Royal North Shore Hospital Precinct.

The subject land is coloured in blue on the image below. The land falls within the Willoughby Local Government Area and is part of the Crows Nest Accelerated Transport Oriented Development (TOD) precinct.



The Press Release announcing the EOI process entitled “Another block unlocked, St Leonards land to deliver new homes” stated

The Minns Labor Government has launched an Expressions of Interest (EOI) campaign to deliver up to 448 new homes, including 67 affordable homes targeting key workers at the nearby Royal North Shore Hospital precinct.

Activation of the dormant site will create much needed housing on the doorstep of the Royal North Shore Hospital precinct, conveniently located close to transport, services and amenities.

The land was assessed as surplus to the Government's needs and suitable for housing as part of the NSW Government's statewide Land Audit. The Audit is identifying unused government land that can be repurposed for the delivery of housing to help ease the State's housing crisis, so far identifying sites capable of delivering over 8,500 new homes.

The land was included in the St Leonards and Crows Nest Transport Oriented Development Accelerated Precinct (TOD) rezoning which came into effect last November. The rezoning requires 15 per cent of any housing built on the site to be affordable housing.

100% of the affordable housing developed at the site will be allocated as key worker housing, available for all health care workers at Royal North Shore Hospital, ensuring they can live close to work.

*The EOI process will open this week and will close on **15 May 2025**. The EOI is seeking a response from parties interested in delivering housing at the site. It will be the first step in a selection process to identify suitable candidates before formal proposals for purchase are invited for consideration.*

The Crows Nest TOD Precinct amendments were gazetted on 27 November 2024 and, according to the Department of Planning, Housing and Infrastructure will provide capacity for 5,900 new homes and up to 2,500 new jobs within the precinct – most to be delivered within the North Sydney Local Government Area boundary.

The TOD provided a massive upzoning and consequential uplift in value to sites across the precinct whilst only providing affordable housing contributions of between 3% to 18% for new residential development in the precinct.

Following gazettal of the Crows Nest TOD precinct amendments, the Lot 4B Herbert Street site was rezoned from SP2 Infrastructure (Hospital) to MU1 Mixed Use to permit:

- a maximum height of RL 283 AHD to facilitate a 62 storey building;
- a floor space ratio of 14.3:1, with approximately 620m² of non-residential land use and 46,300m² residential land use; and
- an affordable housing contribution rate of 15% on the site.

This is not the first time that a State Government has sought to sell off this important public asset. In late 2014, then Health Minister, Jillian Skinner, announced plans to sell off part of the Royal North Shore campus to a private developer. There was a long campaign against this proposal – indeed, an orthopaedic surgeon, Dr Stephen Ruff ran as an independent candidate in the Federal election in 2015 on this very issue.

Then, again, in 2021 the former State Government intended to develop a 45 storey mixed use development including 500 units, commercial and retail units with short term accommodation and a new school.

At the time, the Sydney Morning Herald reported that:

...doctors were concerned about the development, given the significant loss of prime public land being essentially used for private development.

"We support the concept of more schools and key worker accommodation, although we do not think that this should be done to the detriment of our future health care needs," he said. (SMH, 5 September 2021)

It is incredibly disappointing and short-sighted that the State Government is pursuing the sale of this vital public land. Addressing the housing crisis is important work. Yet, whilst the recently gazetted Crows Nest TOD amendments provide for an additional 5,900 new dwellings on the doorstep of this hospital precinct and delivered huge windfall increases in property values to a handful of private property owners, it failed to mandate more than 3% affordable housing provision for most of the sites within the precinct.

The EOI itself merely calls for the provision of just 67 affordable units within an up to 62 storey tower. 15% is risible.

It is essential that valuable public land within a health precinct continue to be held by the government in order to provide vital public health services to the significantly increasing population in the TOD precinct and beyond. This is especially important in the context that Royal North Shore is a major teaching hospital serving a rapidly expanding population and occupies the smallest land area of any of the major tertiary referral hospitals in NSW.

Once sold, no future government will ever be able to afford to acquire land within this hospital precinct again.

The State Government must retain the land in public hands and deliver housing for health care workers on the site without flogging it off to private developers for a quick profit.

I therefore recommend:

- 1. THAT** Council call on the State Government not to sell off vital public land within an essential hospital precinct to developers.
- 2. THAT** Council write to Willoughby City Council, Lane Cove Council, and NSROC, seeking that they join North Sydney Council in lobbying the State Government to retain public ownership of the Royal North Shore Hospital precinct land.

**COUNCILLOR ZOË BAKER
MAYOR**