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INDEPENDENT PLANNING COMMISSION

MEETING WITH DEPARTMENT OF PLANNING, INDUSTRY AND ENVIRONMENT

RE: INTERCONTINENTAL HOTEL ALTERATIONS AND ADDITIONS

PANEL: **CHRIS WILSON (CHAIR)**
SOO-TEE CHEONG

ASSISTING PANEL: **MATTHEW ROSEL**
CASEY JOSHUA
HELEN MULCAHY

DEPARTMENT OF PLANNING, INDUSTRY AND ENVIRONMENT: **ANTHONY WITHERDIN**
CAMERON SARGENT
RODGER ROPPOLO
KARL FETTERPLACE

LOCATION: **IPC OFFICES**
LEVEL 3, 201 ELIZABETH STREET
SYDNEY, NEW SOUTH WALES

DATE: **9.18 AM, MONDAY, 18 NOVEMBER 2019**

MR WILSON: Okay. Before we begin, I would like to acknowledge the traditional custodians of the land on which we meet. I would also like to pay my respects to their elders past and present and to the elders from other communities who may be here today. Welcome to the meeting today on the proposal seeking approval for alterations and additions to the InterContinental Hotel Sydney. My name is Chris Wilson. I am the chair of this IPC panel. Joining me is my fellow commissioner, Soo-Tee Cheong. The other attendees at the meeting are Casey Joshua from the Commission Secretariat and Matthew Rosel, consultant for the Commission. We also have Helen Mulcahy sitting here with us today.

In the interests of openness and transparency and to ensure the full capture of information, today's meeting is being recorded, and a full transcript will be produced and made available on the Commission's website. This meeting is one part of the Commission's decision-making process. It is taking place at a preliminary stage of this process and will form one of several sources of information upon which the Commission will base its decision. It is important for the commissioners to ask questions of attendees to clarify issues whenever we consider it appropriate. If you're asked a question and are not in a position to answer, please feel free to take the question on notice and provide any additional information in writing, which we will in turn put on our website. I request that all members here today introduce themselves before speaking for the first time and for all members to ensure that they do not speak over the top of each other to ensure accuracy of the transcript. We will now begin. Thank you for coming. We've sent the Department an agenda. So, now, we've done – if we could just go around the table and introduce everybody.

MR K. FETTERPLACE: Yeah. Karl Fetterplace, senior planning officer at the Department.

MR R. ROPPOLO: Rodger Roppolo, senior planning officer at the Department.

MR C. SARGENT: Cameron Sargent, team leader.

MR A. WITHERDIN: Anthony Witherdin, Director of Key Sites.

MS H. MULCAHY: Helen Mulcahy for the Secretariat.

MS C. JOSHUA: Casey Joshua for the Secretariat.

MS S. CHEONG: Soo-Tee Cheong, commissioner.

MR WILSON: Chris Wilson, commissioner.

MR M. ROSEL: Matthew Rosel for the Secretariat.

MR WILSON: Thank you. So, Anthony, it's over to you to the first agenda item, which is a discussion of the key outcomes of the assessment.

MR WITHERDIN: Okay. Great. Um, so just this morning, we thought we would, ah, provide the Commission with a brief background of the proposal.

MR WILSON: Sure.

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MR WITHERDIN: Run through all the key assessment issues that we've considered. And we will address the matters that were raised by the Department in the Commission's correspondence to us late last week. And also we note that the proponent submitted some additional information, but we haven't had sufficient time to assess that information in much detail, but we're happy to take any questions about that information on notice and provide some further details so I will hand you over to Rodger – sorry – to start.

10

MR ROPPOLO: So the proposed development because the Commission is for a concept development application that seeks approval to establish building envelopes to facilitate external alterations and additions to the InterContinental Hotel, including additions to the northern and eastern elevations of the InterContinental Hotel, including a new enclosure a wellness centre that will add at level 9 and a grand ballroom at levels 10, 11 and 12, which extends over part of the transport house and existing hotel podium, including the former New South Wales Treasury building. It also includes alterations to the roof on the hotel tower and for the expansion of the club lounge and terrace at level 32 and also includes internal alterations and other works to the InterContinental Hotel associated with the my colleague, Karl, will discuss the site, previous approvals and process.

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MR FETTERPLACE: Thanks, Rodger. We're going to talk to some images, so I will just hand across a couple of front of you while we're speaking. So, firstly, to describe the site, it's located in the north-eastern part of the CBD and, as shown in image 1, occupies the southern section of the block bounded by Albert, Macquarie, Bridge and Phillip Streets. And the site comprises three allotments, being 99 to 113 Macquarie Street, which contains Transport House, a locally listed heritage item, and 115 to 119 Macquarie Street, which contains the InterContinental Hotel and also incorporates the former New South Wales Treasury building, which is State listed.

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In terms of the site context, image 2 provides an overview of the surrounding development, which includes various historic sandstone buildings along Phillip Street, including the Justice and Police Museum and the former Traffic Courts and Phillip Street Police Station, both State listed. To the north of Transport House on Macquarie Street is the Sir Stamford Hotel, which incorporates the former Health Department building, which is locally listed. Further north are the Quay Apartments and Royal Automobile Club of Australia, which are State listed. To the east of the site is Macquarie Street, which is identified as a special character area under the LEP, and beyond Macquarie Street is the Royal Botanic Gardens.

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The State heritage listed Chief Secretary's building is located opposite the site on the southern side of Bridge Street, which is item number 4, and further south is the Astor

residential apartments, which is a locally listed heritage item, which is number 5. And then on the western side of Phillip Street opposite the site is the AMP Tower, which is currently undergoing redevelopment for a new 50 storey tower comprising commercial and residential uses, which is item number 7. And then further to the north is the Sydney Cove AMP Building, which is a locally listed item. That's item number 8 on the map.

With regard to previous approvals, on the 19th of May 2003, council granted consent for a three storey rooftop addition to Transport House, containing guest rooms for the InterContinental Hotel and a rooftop swimming pool. Consent also granted approval for alterations to the existing InterContinental Hotel building, including internal replanning and relocation of facilities and the addition of a rooftop restaurant on level 32, and these additions are depicted in images 3 and 4. The consent is active, as works have been carried out. The Department notes that the addition above Transport House was approved with a setback of 28 metres from Macquarie Street and a maximum height of RL47.4, which is shown in image 4.

To summarise the consultation on the proposal, the Department exhibited the EIS over two years ago and then received responsive submissions or RtS 18 months ago. After seeking additional information, the Department finalised its report and provided draft conditions to the applicant 12 months ago. The applicant then requested the opportunity to revise the extent of the Transport House building envelope, resulting in a revised RtS being submitted in March and May this year. The Department then reconulted with council, the Heritage Division and the Royal Botanic Gardens and Domain Trust and members of the public who had submissions during the exhibition of the EIS.

So just in a little more detail now, the application was exhibited in September and October 2017, and the Department received 11 submissions comprising an objection from council, five submissions from government agencies and five submissions from the general public, of which four objected. The key concerns raised included visual and heritage impacts, noncompliance with setback controls and the applicant's intention not to conduct a competitive design process in accordance with the LEP.

In May 2018, the applicant provided an RtS, which included the following amendments: the relocation of the plant room above the podium tower on Bridge Street to level 8 in the Macquarie Street frontage at the base of the tower, deletion of the northernmost part of the storeroom associated with the ballroom on level 8 of Transport House and deletion of the swimming pool from level 9 to reduce structural loading on Transport House. The Department notes that no amendments were made to the Transport House envelope component of the proposal. An additional objection was received in response to the RtS from council raising heritage and visual impacts. Three government agencies made submissions, the Heritage Division raising concerns about heritage and visual impacts.

In November 2018, the Department finalised its assessment of the proposal, which found the bulk and scale of the Transport House building envelope was excessive

due to its heritage and visual impacts. Draft conditions were provided to the applicant, and, amongst other conditions, a requirement was included for the Transport House building envelope to be setback further from Macquarie Street and Phillip Street to reduce the bulk and scale of the rooftop position and minimise heritage and visual impacts. In response to the Department's draft conditions, the applicant requested the opportunity to revise the extent of the Transport House building envelope, and I'll now hand back to Rodger to describe those changes made by the applicant in the revised RtS.

10 MR ROPPOLO: Thanks, Karl. Ah, Response to Submissions addendum and further supplementary information, known as a revised RtS, was provided in March 2019 and May 2019. The following changes were made to the proposal as shown in image 5: increasing the Transport House envelope setback to Phillip Street from zero – from nil to eight point five metres to align with the corner tower limits above Transport House three metres to align with the InterContinental Hotel. The area including the 8.5 metre setback is proposed to be used as an outdoor terrace. As shown in image 6, the majority of the Transport House perimeter however, a minor portion of the envelope was reduced to connect with the existing fire stairway in Transport House metre setback is approximately in line with the existing hotel tower.

The revised RtS also included removing the following from the scope of works as shown in images 5 and 6 InterContinental Hotel tower façades with the glass and resulting increase in the GFA, instead proposing a replacement of the existing InterContinental Hotel tower windows with the existing window openings. It also included removal of the internal works not within the State heritage listed areas of the site. As shown in image 7, balconies on the northern façade of level 13 were also scope of works.

30 The revised RtS was made publicly available and referred to council, the Heritage Division, the Royal Botanic Gardens and Domain Trust and those who made a submission during the exhibition of the EIS. Council maintained its objections – its objection. Two submissions were received from government agencies. Seven public submissions, all of whom objected, were also received. Despite the changes made to the proposed development, council maintained their objection due to visual and heritage impacts associated with the Transport House noncompliance with setback controls and uncertainty about future structural impacts to Transport House. The Heritage Division also maintained their concerns about visual and heritage impact and recommended the building envelope above Transport House be reduced.

40 The Department considers the following to be key assessment issues associated with the proposal. Number one, built form heritage and visual impacts. The Department has assessed the built form heritage and visual impacts on pages 28 to 40 of its assessment report. The applicant proposes varied setback from Macquarie Street, 12.3 metres, 19.7 metres, 20.4 metres, 24.1 metres and a three metre eight point five metre setback Phillip Street for the Transport House building envelope. This is a variation to the 30 metre setback from Macquarie Street and metre

setback from Phillip Street the Department shares the concerns raised by the council, Heritage Division and in the public submissions and concludes the proposed Transport House building envelope when viewed from the east along Macquarie Street and Royal Botanic Gardens is not sufficiently setback from the streetscape and would have a detrimental impact on the visual significance of heritage items on the site and character of the streetscape.

To ensure the heritage significance of the site and surrounding area and character of the streetscape is maintained, the Department recommends a 30 metre setback to Macquarie Street. A minor reduction in setback only if the detailed design of the future exhibits design excellence, noting the approval of a three storey addition to Transport House has a 28 metre setback to Macquarie Street. This is considered a reasonable and practical approach as it would encourage flexibility in the design interpretation whilst allowing the precise envelope and setback to be determined by an architectural design response or competitive design process.

In relation to the setback from Phillip Street the Transport House building envelope, the Department acknowledges that the proposal has been amended from a nil setback to mostly 8.5 metres and three metres. While council doesn't support the proposed setback of Transport House – setback of the Transport House envelope when viewed from the west and north, Phillip Street and Alfred Street, the Department considers the setback is sufficient to ensure that the built form is compatible with the Transport House building and streetscape character.

Key issue number 2 is design excellence. The Department has assessed design excellence on pages 27 and 28 of its assessment report. The applicant has proposed to meet the design excellence requirements through the establishment of a design review panel, rather than undertake a competitive design process in accordance with the Sydney Local Environmental Plan 2012. However, given the sensitive nature of the site, the Department and also the government architect consider that the competitive design process should be undertaken prior to the lodgement of and a design be prepared in consultation with the Government Architect New South Wales. Additionally, the proposal does not meet the requirements for an exemption in the competitive design process under the Sydney Local Environmental Plan.

Key issue number 3 is overshadowing. The Department has assessed on pages 40 to 43 of its assessment report. Concerns were raised by council and in public submissions in relation to overshadowing of the Royal Botanic Gardens and Domain. The Royal Botanic Gardens and Domain Trust stated that there were – stated there would be no additional overshadowing of the Botanic Gardens apart from a minor portion of open space between Macquarie Street and the Cahill Expressway. As shown in image 7, the Transport House envelope would overshadow Phillip Street for approximately one hour 30 minutes and a minor portion of open space in the Domain between Macquarie Street and the Cahill Expressway for one hour 45 minutes on the winter solstice. The Department considers the minor overshadowing to the open space in the Domain acceptable because it would fall in an isolated area of relatively poor quality public open space forming an island surrounded on three

sides by busy roads, being Macquarie Street and the Cahill Expressway link road, as shown in the Department notes there would be no overshadowing to the Domain or Royal Botanic Gardens.

5 The Department will now address the matters raised by the Commission in their
letter to the Department dated 13th of 2019. Item number one. The Commission
has sought further clarification on how the Department has assessed the visual and
heritage impact of the Transport House building envelope setback to Phillip Street, in
10 particular part of the building envelope setback between three metres and 8.5 metres
from Phillip Street. In response to this issue, the Department has considered the
visual and heritage impacts of the proposed building envelope setbacks to Phillip
Street and considers the setbacks are sufficient having regard for the visual – for
the heritage buildings on the site, as well the streetscape and views. As shown in
15 image 9 three metres setback to Phillip Street is provided to a small portion of the
proposed Transport House building envelope. A lesser setback has been provided to
ensure access from the ballroom to the house area on level 10 as well as
egress to a fire staircase. This setback is consistent with the InterContinental
Hotel tower on Phillip Street, which the Department notes is within the 10 metre
setback required by the DCP, and is, therefore, considered acceptable.

20 Image 10 shows the proposed Transport House building envelope when viewed from
the eastern end of Alfred Street adjacent to Circular Quay. The 8.5 metre building
envelope setback to Phillip Street aligns with the eastern face of the two corner tower
..... above Transport House. As such, the Department considers the setback sufficient
25 to ensure the built form is compatible with the Transport House building with
regards to Council's concerns about the separation between the Transport House
envelope and the existing InterContinental Hotel tower. The Department considers
that the proposed envelope is acceptable as viewers the separation between
standing almost directly front on to the buildings views will be blocked by the
30 hotel tower when viewed from the southern part of Phillip Street and by the
Transport House envelope from the other part of Phillip Street. As shown in
image 11, development consent has been granted to a three storey addition above
Transport House, which setbacks to Phillip Street of 8.8 metres to level 10 and
seven metres to level 9 and a nil setback to level 8.

35 Item number two. The Commission has sought further clarification about the
acceptability of providing concept approval for the proposed canopy within
Macquarie Lane. In response to this issue, the Department notes that the proposed
canopy was identified as part of as shown in image 12. However, the revised RtS
40 drawings do not identify the canopy. It is further noted while the application outlines
internal and external works, no consent is sought for these physical works as they are
concept only and will be subject to further assessment under the stage 2 development
application. Additionally, proposed condition C1H requires that the final design of
the canopies scale.

45 MR WILSON: So I'll just ask a question on that if there's any change
whatsoever to those items that are identified sought concept approval for

quite specific items in there, I presume it's unusual that you have such specificity in a concept approval, especially internal works.

5 MR SARGENT: So we've actually answered that. So we've got some Chris, that the concept plan drawings are quite detailed and there are also envelope plans. So in relation to the questions that have been asked, we would support amended concept plans in accordance with the setback requirements to be submitted for the planning secretary's approval prior to the lodgement of the DA. However, for completeness, if the IPC were to agree with the Department's setback requirements, 10 it would be preferable for the applicant, if they agreed, to lodge the amended plans prior to the IPCs determination. This way, the approved plans are identified in the actual consent, and a tweak to the wording of condition 18 would be made to reflect this.

15 While it's not typical for such detailed plans to be provided at concept stage, they do provide a greater understanding of the layout, circulation and space arrangements of the concept. However, it does potentially narrow the flexibility of the concept design, because by identifying the precise layouts, etcetera, they are locked in. And if changes are made through the competitive design process and subsequent detailed 20 design DA, a modification application to the approved concept may need to be prepared. The impact on the plans are that they have been modified by condition – by recommended condition 18. If the IPC determined not to require the plans to be amended prior to the determination of the application, the Department would when stamping the plans on the IPCs behalf place a note on each respective plan referring 25 to condition 18. As a further safeguard, condition A6 states that conditions of consent prevail to the extent of any inconsistency with any plan or document.

The Commission also sought further clarification on whether the Department considers it necessary to obtain building envelopes for a number of external 30 elevations, such as awnings to Phillip Street and Macquarie Lane and the proposed replacement in response to this, as mentioned previously, the revised RtS drawings do not identify these external alterations. However, it is noted that it is a concept application and that while the application outlines these works, no consent is sought for these physical works as they are concept only and will be subject to 35 further design refinement and assessment under the stage 2 development application and as recommended by the Department's conditions of consent.

In respect of development contributions, the City of Sydney Development Contribution Plan 2013, it's made under section 61 of the City of Sydney Act. 40 Similar to a 7.12 levy or the old section 94A levy, the Council levies a contribution of one per cent. The plan identifies that Council will accept payment of the levy in stages only where the development is a staged DA. The plan also states Council will not consider a request to defer payment of the levy on the staged DA. It's important to note that under section 7.13 of the EP&A Act, the Minister/consent authority has 45 the discretion on whether or not to levy contributions. It is not mandatory. Given the concept DA proposes no works and condition A8 states no construction is

approved, the Department considers payment of a development contribution should be made prior to the issue of any construction certificate for stage 2.

5 MR ROPPOLO: Item number 7. The Commission has sought further clarification
on the use of the Transport House and whether Transport House can be
reduced in height. This area is a double above offices that is not currently
proposed to be used as part of the proposal. The proposed addition above Transport
House is four storeys in height, which is consistent with level 9 and a ballroom
10 which occupies levels 10, 11 and 12. A reduction to the building envelope height
could potentially affect the intended functioning and operation of the ballroom.
Additionally, the wellness centre cannot be reduced in height as it's currently one
storey.

15 It is noted that the proposed building envelope extending above Transport House has
a maximum height of 40.2 metres at Phillip Street and 34 metres above Macquarie
Street and is significantly below the maximum height limit of 55 metres pursuant to
the Sydney Local Environmental Plan. the Department notes the applicant has
provided an amended proposal to reduce the height of the Transport House envelope
20 for removing the wellness centre. However, the Department has not had sufficient
time to review the amended proposal in detail. The Department would not object to
the Commission obtaining a sectional drawing to explain the relationship between
the existing structure and the proposed additions.

25 MR WILSON: Okay. Thank you.

MR CHEONG: Just while you're on the drawings the drawing the addition,
but the plan actually but nothing is mentioned at all, and

30 MR FETTERPLACE: I think the reason for that in terms of showing – that diagram
is more about the envelopes or the boxes and the bulk that's being added to the
building or altered. So I think that's why it hasn't shown the roof being replaced as
works on that building. It's more to help try and understand where the bulk will be
added.

35 MR CHEONG: Yeah. So the next question is then what is important of roof?
Have you considered it at all?

40 MR FETTERPLACE: I think one of the points that we mentioned previously spoke
to the roof, but it's, again, not an envelope that would require consent, so it
would be detailed works that we would need to consider further as part of the stage 2
application.

MR CHEONG: So you're saying that there's no significance whatsoever

45 MR FETTERPLACE: I couldn't conclusively say that there's not. I think we could
look into that further for you. But we note that the Treasury buildings are State
listed. So - - -

MR CHEONG: Yeah.

MR FETTERPLACE: It's likely that - - -

5 MR WITHERDIN: So we're not saying that at the moment. So we're happy to take that on notice and give some details.

MR SARGENT: of you having to issue the Treasury building

10 MR WILSON: Just in relation to the additional information submitted to us by the applicant, there are some other changes in that which you'll be aware of as well that we picked up this morning. Is that right?

MR CHEONG: Yeah.

15

MR WILSON: Just drawing your attention to changes to the Phillip Street setback.

MR CHEONG: Yes. Do you mind if I jump in?

20 MR WILSON: No. Jump in

MR ROSEL: Okay. So just Matthew Rosel here. So I don't know if the Department has a copy of those – that, ah, letter of the 13th of November that was provided by applicant. If you would just turn to page 5. And, um, there's some SSD
25 scheme envelopes.

MR: Ballroom envelope.

MR ROSEL: Ballroom envelope. Just wanted to draw the Department's attention
30 to the third images of where it actually indicates that the ballroom has been set further back from Phillip Street behind the Transport House pylons. Another point to raise is that the applicant is suggesting that they revert to having a design excellence process rather than a competition as well. So the – so we would be interested to understand the Department's view on that. There are also other changes to the
35 conditions, um, proposed

MR SARGENT: So the – in regard to the design excellence process that they've suggested, they've maintained right from the start that that's the process they wanted to follow. The Department looked at their reasoning for it and we also looked at the
40 LEP, which states that it's mandatory unless the Department considers it's unnecessary or unreasonable, or it can meet a number of tests, and there's a number of tests that the LEP states. Looking at the tests and looking at what they propose, having regard to both the City of Sydney's comments as well as the government architect, the view was taken, given the potential – the sensitivities of the site, the
45 heritage items in particular and the nature of the scheme, that a design competition conducted in accordance with the competitive design process should be required and that an exemption was not going to be supported. The applicant has maintained right

up until the very end that they view that their process is the preferred – or that’s their preferred process; however, the Department does not agree - - -

MR WILSON: Okay.

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MR SARGENT: - - - with that based on the conclusions of our assessment, in particular having regard to the heritage and visual impacts associated with the proposed envelope.

10 MR WILSON: Anthony, when you’re considering this information, do you advise the Commission in your response whether or not you think that additional needs to be provided by the applicant to support these changes?

15 MR SARGENT: Ah, yes. We can have a look at the changes, um, in detail and provide some advice on that

MR WILSON: Like, for instance, whether or not you need to additional overshadowing or - - -

20 MR SARGENT: Yeah. Yeah.

MR WILSON: I mean, I think – that’s up to you. I’m not quite sure. The overshadowing in the RtS was deemed acceptable, and so it’s unlikely that’s going to be – you know, that’s just an example.

25

MR SARGENT: Matt, you mentioned that the change to the Phillip Street setback was also – even though they have dropped the height of the envelope by one storey, which I think is, what, about 2.8 metres - - -

30 MR ROPPOLO: Yeah.

MR SARGENT: They are bringing forward the eastern setback to Macquarie Street greater than what was originally proposed. So whilst they’re – if you look at the southern end of their setback of the original, it was 24.1. So now they’re actually – it runs in a straight line. So they’re actually project further forward from what they were originally proposing, despite the fact that they’re dropping it by 2.8 – approximately 2.8 metres. Um, but we still note it’s still 10 metres within that setback area that we’ve identified as not being sufficient. But as we’ve stated previously in our report and our recommended conditions, we – the Department in principle would support a minor intrusion into that setback zone. Um, the extent to which would be determined through competitive design process, um, as well as, um, ah, meeting the necessary obligations that they need to show how they demonstrate design excellence through the DA process.

45 MR WILSON: So I guess what we’re asking you to do is to consider whether or not the reduction in height may or may not change that view.

MR SARGENT: Just in regard to height, um, I'd just like to say the Department has not considered height to be an issue in respect of the it's purely just the – it's the bulk and scale and in particular the setbacks, um – well, that setback. That was the primary issue. We've never said to the applicant nor do we on any of our
5 conditions require them to reduce the height of the envelope. We were satisfied that the envelope – um, the height of the envelope, ah, was acceptable.

MR WILSON: The two go hand in hand surely. You need to consider – I'm not suggesting they basically we would like your advice on whether or not a
10 reduction position.

MR WITHERDIN: So we will consider that in detail

MR WILSON: Yes.
15

MR CHEONG: It does affect the bulk

MR WILSON: Yes. It must.

20 MR WILSON: Okay. Well, I think that's it

MR ROSEL: Yeah. Yeah.

MR WILSON: Thank you very much for coming. So we will – what I might do, though, is I might ask the applicant, because we're meeting them next, to provide us a schedule of changes they would make to ensure that there's no mistake in terms of what okay? that's it. Thanks.
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MR WITHERDIN: Thank you.
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MR WILSON: And we look forward to your response on Friday.

MATTER ADJOURNED INDEFINITELY