NSW GOVERNMENT

InterContinental Hotel – Alterations and Additions

State Significant Development Assessment (SSD 7693)

September 2019

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Glossary

Abbreviation	Definition
AHC	Australian Heritage Council
Applicant	Mulpha Australia Pty Ltd
CBD	Central Business District
CIV	Capital Investment Value
CMP	Conservation Management Plan
Consent	Development Consent
Coastal SEPP	State Environmental Planning Policy (Coastal Management) 2018
Council	City of Sydney
CPTMP	Construction Pedestrian, Traffic and Access Management Plan
DCP	Development Control Plan
Department	Department of Planning, Industry and Environment
DRP	Design Review Panel
EESG	Environment, Energy and Science Group of the Department of Planning, Industry and Environment (former NSW Office of Environment and Heritage)
EIS	Environmental Impact Statement
EPA	Environment Protection Authority
EP&A Act	*Environmental Planning and Assessment Act 1979*
EP&A Regulation	*Environmental Planning and Assessment Regulation 2000*
EPI	Environmental Planning Instrument
ESD	Ecologically Sustainable Development
EPBC Act	*Environment Protection and Biodiversity Conservation Act 1999*
FSR	Floor Space Ratio
GANSW	Government Architect NSW
GFA	Gross Floor Area
GSC	Greater Sydney Commission
HC	Heritage Council
Heritage Division	Heritage Division of the Department of Premier and Cabinet (former Heritage Division of the Office of Environment and Heritage)
IC Hotel	InterContinental Hotel
ISEPP	State Environmental Planning Policy (Infrastructure) 2007
LEP	Local Environmental Plan
LGA	Local Government Area
Minister	Minister for Planning and Public Spaces
RBG	Royal Botanic Gardens
RBGDT	Royal Botanic Gardens and Domain Trust

RtS	Response to Submissions
SCA	Special Character Area
SDCP 2012	Sydney Development Control Plan 2012
SEARs	Secretary's Environmental Assessment Requirements
Secretary	Secretary of the Department of Planning, Industry and Environment
SEPP	State Environmental Planning Policy
SEPP 55	State Environmental Planning Policy No. 55 – Remediation of Land
SHR	State Heritage Register
SLEP 2012	Sydney Local Environmental Plan 2012
SREP SHC	Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005
SRD SEPP	State Environmental Planning Policy (State and Regional Development) 2011
SSD	State Significant Development
SSI	State Significant Infrastructure
TfNSW	Transport for NSW
TfNSW (RMS)	Transport for NSW (Roads and Maritime Services)
VEIAP	Visitor Economy Industry Action Plan
VIA	Visual Impact Assessment
VIS	Visual Impact Statement

Executive Summary

This report provides an assessment of a State Significant Development (SSD) application seeking approval for alterations and additions to the InterContinental Hotel (IC Hotel) at 115-119 Macquarie Street and Transport House at 99-113 Macquarie Street, Sydney (SSD 7693).

The application is a concept development application (Stage 1) that seeks approval for building envelopes to facilitate external alterations and additions and internal alterations and upgrade works to the IC Hotel. The expansion relies on using the roof and airspace above the hotel tower, and the northern and eastern elevations of the IC Hotel extending over part of Transport House and on the podium of the hotel immediately east of the hotel tower (referred to in this report as the Transport House building envelope).

While the application refers to works to both the IC Hotel and Transport House, approval for these works is sought in concept only and no construction works form part of the application.

The Department notes that City of Sydney Council granted development consent in 2003 for alterations to the IC Hotel and Transport House, including a three-storey addition to Transport House (D2002/00739). Works have been undertaken, although the three-storey rooftop addition to Transport House has not been constructed.

Engagement

The application was publicly exhibited between Thursday 14 September and Friday 27 October 2017. The Department of Planning, Industry and Environment (the Department) received a total of 11 submissions, comprising a submission of objection from City of Sydney Council (Council), five submissions from Government agencies and five submissions from the general public, of which four objected.

Council's key concerns included visual and heritage impacts, non-compliance with setback controls, inadequate draft conservation management plans and the Applicant's intention not to conduct a competitive design process in accordance with SLEP 2012.

The key issues raised in public submissions include heritage and visual impacts, built form/design and amenity issues.

The Response to Submissions (RtS) relocated the plant room above the podium on Bridge Street to level 8 of the Macquarie Street frontage, and deleted the storeroom associated with the ballroom on level 8 of Transport House and swimming pool from level 9. An additional submission of objection was received from Council raising heritage and visual impacts, and four Government agency submissions were also received in response to the RtS. The Heritage Division of the Department of Premier and Cabinet (Heritage Division) also raised heritage and visual impact issues. No public submissions were received.

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, which, amongst other conditions, required the Transport House building envelope to be setback further from Macquarie Street and Phillip Street to reduce the bulk and scale of the rooftop addition 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. A Response to Submissions Addendum and further supplementary information was provided in March 2019 and May 2019 (RRtS).

The RRtS made a number of changes to the proposed development, including increasing the Transport House building envelope setback to Philip Street from 0 m to 3 m (part) and 8.5 m (part) and reducing the height of the Transport House envelope in front of the IC Hotel tower (in part) from RL 51.1 to RL 45.5. The RRtS also deleted from the proposal the re-cladding of the hotel tower, internal works not associated with the State heritage item areas (primarily the hotel tower) and the balconies from the northern façade of level 13.

The RRtS was made publicly available on the Department's website and referred to Council, Heritage Division, Royal Botanic Gardens and Domain Trust (RBGDT) and those who made a submission during exhibition of the EIS. Council maintained 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 mainly object to the proposal due to visual and heritage impacts associated with the Transport House building envelope, non-compliance with setback controls and uncertainty about future structural impacts to Transport House.

While not objecting to the proposed development, the Heritage Division maintained its concerns about visual and heritage impact concerns and recommended the building envelope above Transport House be reduced. The RBGDT raised potential overshadowing impacts on the Royal Botanic Gardens (RBG).

Assessment

The Department has considered the merits of the proposal in accordance with the relevant matters under section 4.15(1) of the *Environmental Planning and Assessment Act 1979*, the issues raised in submissions and the Applicant's response to these.

Built form, heritage and visual impacts

The site contains two heritage listed items, the State listed former NSW Treasury Building and the locally listed Transport House, within an area characterised by historic Government buildings and streetscapes. Draft Conservation Management Plans (CMPs) have been prepared for the former Treasury Building and Transport House. At the time of writing this report, the draft CMPs were not endorsed.

The Applicant proposes a varied setback from Macquarie Street (12. 3 m, 19.7 m, 20.4 m, 24.1 m) and a 3 m (part) and 8.5 m (part) setback from Phillip Street for the Transport House building envelope. This is a variation to the 30 m setback for Macquarie Street and 10 m for Phillip Street under Sydney Development Control Plan (SDCP) 2012.

Council and the Heritage Division consider the Transport House envelope should be reduced by providing a greater setback to the Macquarie and Philip street frontages to minimise the visual impact of future additions and protect the heritage significance of the area.

The Department has therefore carefully considered the proposed Transport House envelope and its relationship to the two items on the site, including their setting and views to them, and the surrounding heritage context of the site.

The Department shares the concerns raised by Council, Heritage Division and in public submissions and concludes the proposed Transport House building envelope, when viewed from the east along Macquarie Street and the RBG is not sufficiently setback from the streetscape and would have a detrimental impact on the visual significance of the heritage items on the site and character of the streetscape. However, when viewed from Phillip Street, the proposed Transport House envelope setback ensures its built form is compatible with the building's heritage façade below, surrounding heritage items and streetscape. The Department similarly supports the proposed height of the Transport House envelope and its northern elevation which aligns with the parapet of Transport House and which is 14.8 m (40.2 m / RL 51.1) below the maximum 55 m height limit for the site.

The Department acknowledges City of Sydney has previously approved a three-storey addition to Transport House, and the building can accommodate a rooftop addition that reflects the heritage significance of the buildings on the site and surrounding area and character of the streetscapes.

The Department is satisfied this can be achieved, subject to the Transport House building envelope being setback 30 m to Macquarie Street. A minor reduction in the setback being permitted only if the detailed design of the future proposal exhibits design excellence, noting the approved three-storey addition to Transport House has a 28 m setback to Macquarie Street.

This is considered a reasonable and practical approach as it would encourage flexibility and design interpretation, whilst allowing the precise envelope and setback to be determined by an architectural design response via a competitive design process. It will also ensure the bulk and scale of the Transport House building envelope is sensitively and appropriately designed to deliver a development that better responds to its heritage context and surrounding development.

Design Excellence

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 SLEP 2012. Given the sensitivities of the site and surrounding heritage context, the Department considers a competitive design process should be undertaken prior to the lodgement of a subsequent DA(s), and a Design Excellence Strategy should be prepared in consultation with the Government Architect NSW (GANSW). It is noted that the Applicant's intention to not conduct a competitive design process, is not supported by Council or the GANSW.

The Department considers compliance with the Macquarie Street setback will ensure in concept an appropriate bulk and scale and a design which exhibits design excellence. However, to ensure there is some flexibility in the detailed design of the Transport House building envelope, the precise extent of any minor encroachment into the 30 m setback and its acceptability in a heritage and visual/streetscape context would be informed through a competitive design process and at the future development application stage.

The Department has recommended further conditions to ensure the built form within the Transport House building envelope maintains the visual prominence of the existing heritage buildings on the site. The architectural expression of the Transport House building envelope must also present as a contemporary and complementary projection of the existing building and be visually subservient to the existing heritage buildings and Macquarie Street streetscape. Materials and composition of the facades are also to respect and be submissive to the heritage sandstone facades.

Overshadowing

Concerns were raised by Council, RBGDT and in public submissions in relation to overshadowing of the RBG and Domain. The Transport House envelope would overshadow both Phillip Street and Macquarie Street and a minor portion of open space in The Domain between Macquarie Street and the Cahill Expressway, for 1 hour and 45 minutes on the winter solstice.

The Department is satisfied the proposal would not result in any unreasonable overshadowing impacts because there would be no additional overshadowing to the RBG or Domain caused by the extension of the Club lounge at Level 32, in accordance with the sun access plane controls under the SLEP 2012.

Draft Conservation Management Plans

It is considered unreasonable to delay the determination of the concept application as requested by Council and Heritage Division as there is no definitive timeframe as to when the CMPs will be endorsed.

As an alternative safeguard, the Department has recommended the competitive design process and subsequent DAs must have regard to, and comply with, the CMPs for the former NSW Treasury Building endorsed by the NSW Heritage Council and for Transport House endorsed by Council. This would ensure the competitive design process and subsequent detailed design DA(s) complies with the policies and guidelines contained within the CMPs (once endorsed) to preserve the heritage integrity of the buildings and minimise visual and heritage impacts.

Structural Intervention

A further concern of the Council and the Heritage Division, in relation to heritage, is the lack of detail and certainty to ensure the structural intervention to support a future addition above Transport House would adequately conserve its heritage significance.

The Department is satisfied the range of structural engineering solutions identified in the concept development application would ensure flexibility and minimise intervention into significant spaces, fabric and finishes to the interior of Transport House.

The Department has recommended conditions to ensure detailed structural investigations are undertaken as part of the development of a subsequent detailed DA(s), informed by the competitive design process and endorsed CMPs.

Summary

The Department considers that the setback to Macquarie Street is inadequate and would result in adverse heritage, visual and streetscape impacts. The Department has therefore recommended a 30 m setback from Macquarie Street. Minor intrusions into the 30 m setback could potentially be supported but would need to be informed by a design excellence process that would be subject to review by the Department, GANSW, Heritage Division and Council. It is noted that GANSW is supportive of such an approach.

The remaining internal and external works and envelopes are supported, including the rooftop additions to the hotel tower. These works would not have an adverse impact on amenity to the surrounding area in terms of overshadowing, views and privacy. The proposal would also not result in adverse access or car parking impacts and would not generate any significant additional traffic to the surrounding road network.

The Department supports the upgrade to the hotel rooms and facilities, including a wellness centre and a new grand ballroom, which would contribute to a competitive visitor economy in the Sydney CBD.

As Council has maintained its objection to the proposed development, it is being referred to the Commission for determination.

The Department considers the proposal is in the public interest and is approvable, subject to the conditions of consent. This assessment report is hereby presented to the Commission for determination.

Contents

1. Introduction

1.1 Introduction

This report provides an assessment of a State Significant Development application (SSD 7693) for alterations and additions to the InterContinental Hotel (IC Hotel) at 115-119 Macquarie Street and Transport House at 99-113 Macquarie Street, Sydney. The application is a concept development application (Stage 1) and does not seek approval for physical works. Approval for physical works would need to be sought as part of future separate applications. The application has been lodged by Mulpha Australia Ltd (the Applicant).

1.2 The Site

The site is located in the north-eastern part of the central business district (CBD) and occupies the southern two-thirds of the block bounded by Macquarie Street, Bridge Street, Phillip Street and Albert Street. The site is located within the City of Sydney local government area (LGA).

The site comprises three allotments:

- Lot 3 DP 785393 containing Transport House at 99-113 Macquarie Street
- Lots 40 DP 41315 and 4 DP 785393 containing the IC Hotel, incorporating the former NSW Treasury Building at 115-119 Macquarie Street.

The southern portion of the site contains the IC Hotel and the inter-connected former NSW Treasury building and the northern portion of the site contains Transport House (**Figure 1**).

The site has a combined frontage width of 80.67 m to Macquarie Street, 68.5 m to Bridge Street and 88.4 m to Phillip Street and a total area of 5,510 m^2. The site is located within an area characterised by historic Government buildings and streetscapes on the eastern periphery of Sydney's CBD 120 m south of Circular Quay.

The eastern part of the site, fronting Macquarie Street, is located within the Macquarie Street Special Character Area (SCA) under Sydney Local Environment Plan (SLEP 2012) and contains a collection historic Government based buildings. The south-western corner of the site is located within the Bridge Street/Macquarie Place/Bulletin Place SCA, characterised by a cohesive group of landmark sandstone buildings. The site is also adjacent to the Circular Quay SCA.

The site is also located within an area currently being considered for inclusion as the Governor's Domain and Civic Precinct on the Australian National Heritage List.

The site contains two heritage listed items, the State listed former NSW Treasury Building and the locally listed Transport House.

Southern portion of the site

The southern portion of the site at 115-119 Macquarie Street contains two interconnected buildings, including the 32-storey, five-star IC Hotel on the corner of Phillip Street and Bridge Street and the former NSW Treasury building fronting Macquarie Street and Bridge Street, incorporated into the lower levels of the hotel (**Figures 2** and **3**).

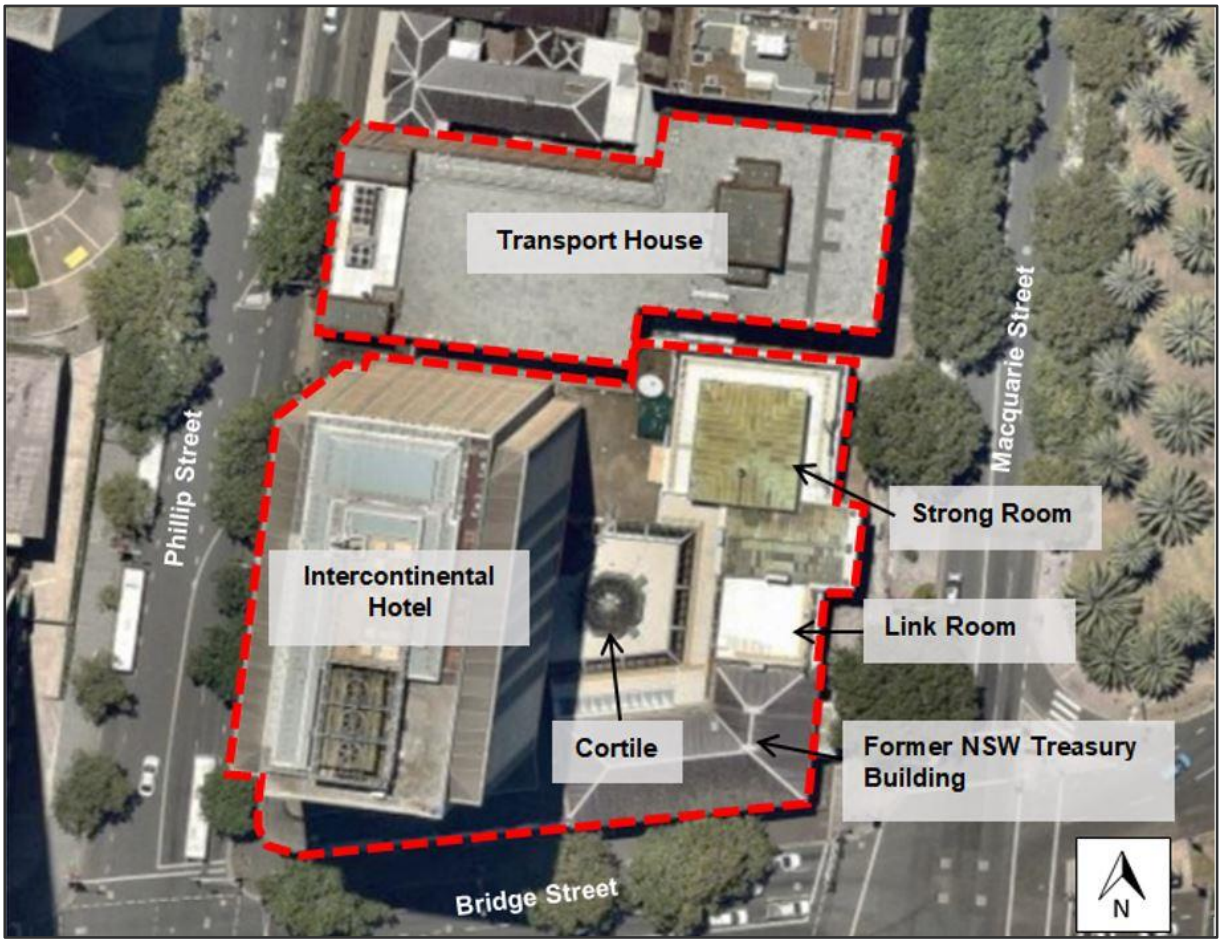


Figure 1 | Aerial view of the site (Base source: Applicant's EIS)

The former NSW Treasury Building is identified as an outstanding example of Sydney's colonial development, which comprises four distinct building stages:

- original treasury building on the corner of Macquarie Street and Bridge Street
- northern wing extension being the Strong Room and the Link Building on Macquarie Street
- western wing extension comprising a highly intact sandstone façade on Bridge Street
- 1980s contemporary hotel tower.

The hotel tower sits partly above the western wing of the former NSW Treasury Building, and includes restaurant, bar and retail spaces. An internal courtyard/atrium area (the Cortile) sits between the new tower and the former NSW Treasury Building and is currently used as the hotel's lounge and bar area.

The IC Hotel tower was constructed in the mid 1980s and is characterised by heavy concrete facades. It is setback above the podium approximately 36 m from Macquarie Street and a minimum 11 m to Bridge Street. The IC Hotel contains 509 guest rooms and ancillary restaurants, basement level ballroom, meeting rooms, conference facilities and various ground level food and retail outlet tenancies. The hotel also includes a health club with a swimming pool on Level 31 and the Club InterContinental Lounge on Level 32 (roof level).

At full occupancy, the IC Hotel accommodates up to 1,000 guests and employs 470 staff. Vehicular access to the hotel is from Phillip Street via a two driveway entrance to a basement car park containing 121 spaces, a loading dock and a one way porte-cochere, which exits to Albert Street via a right-of-way.

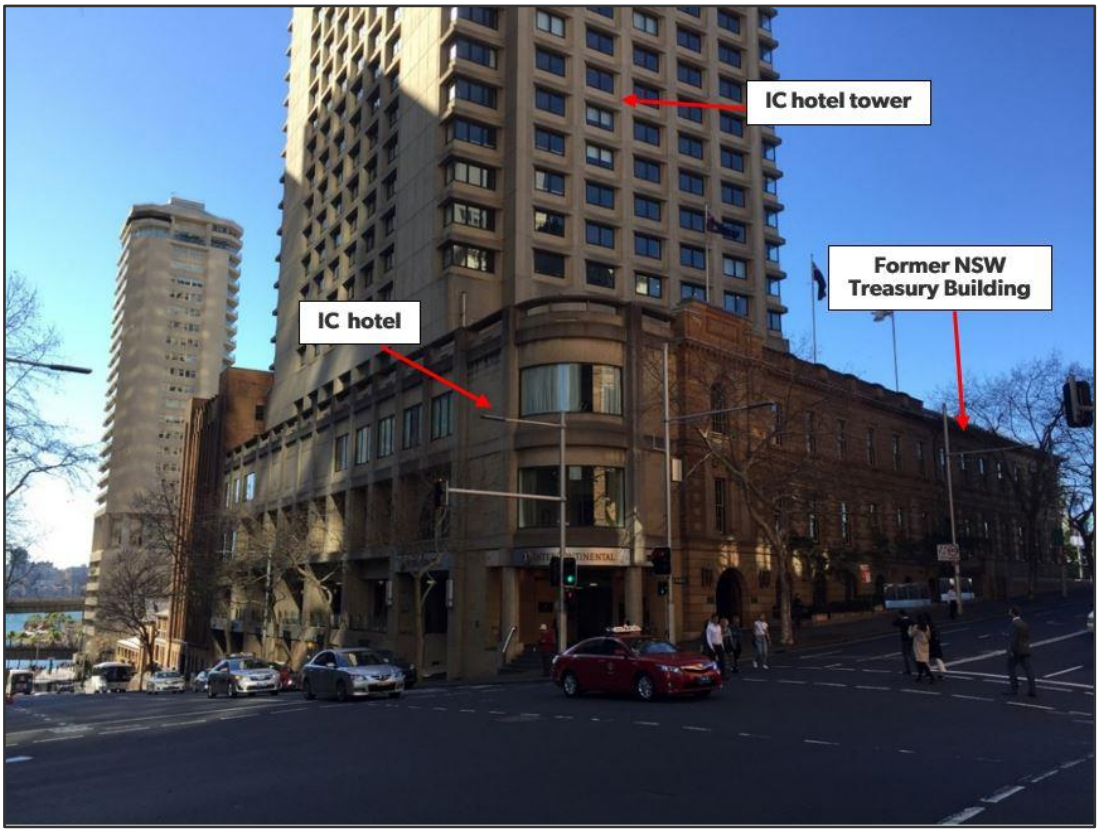


Figure 2 | View north from corner of Bridge Street and Phillip Street (Base source: Site photo)

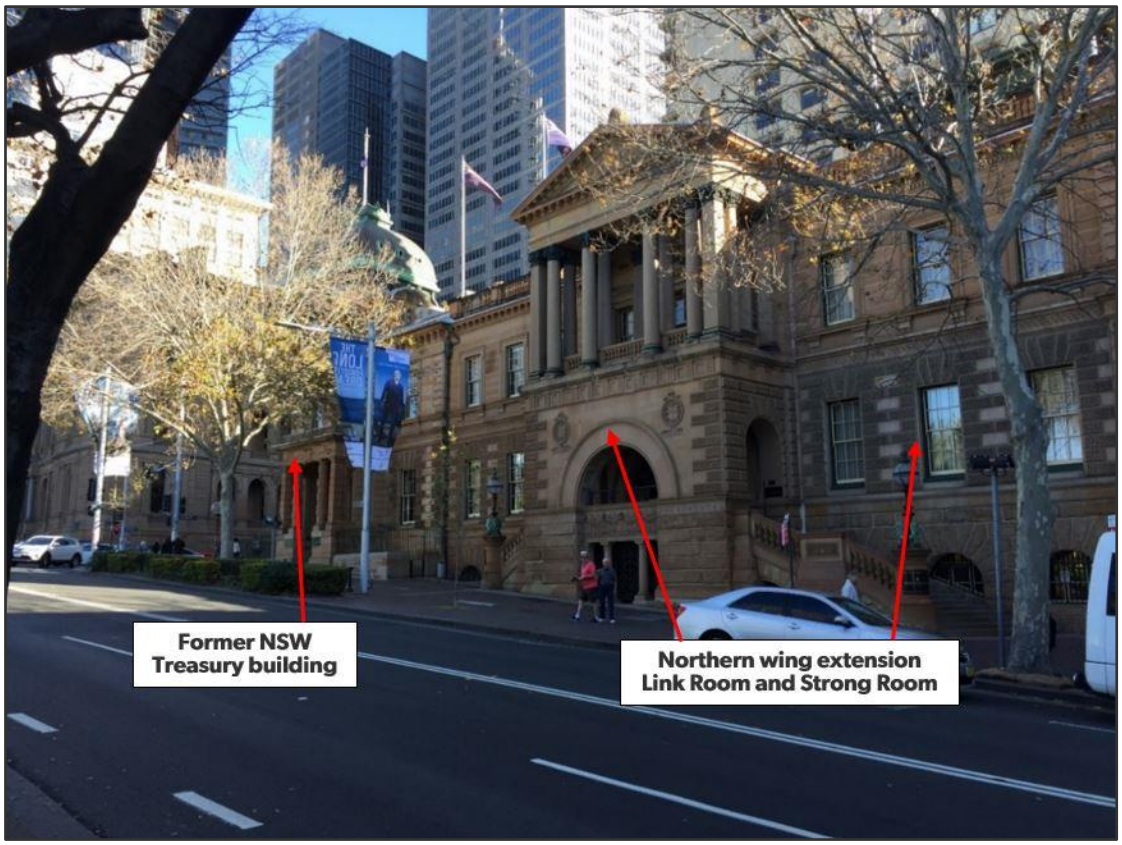


Figure 3 | View south-west from Macquarie Street (Base source: Site photo)

Northern portion of the site

The northern portion of the site at 99-113 Macquarie Street contains Transport House, which is a seven storey commercial building divided into two sections with a frontage of 27 m to Macquarie Street and 22 m to Phillip Street. Transport House is listed as a local heritage item under SLEP 2012 and currently nominated for State listing on the State Heritage Register (SHR) (**Figures 4** and **5**).

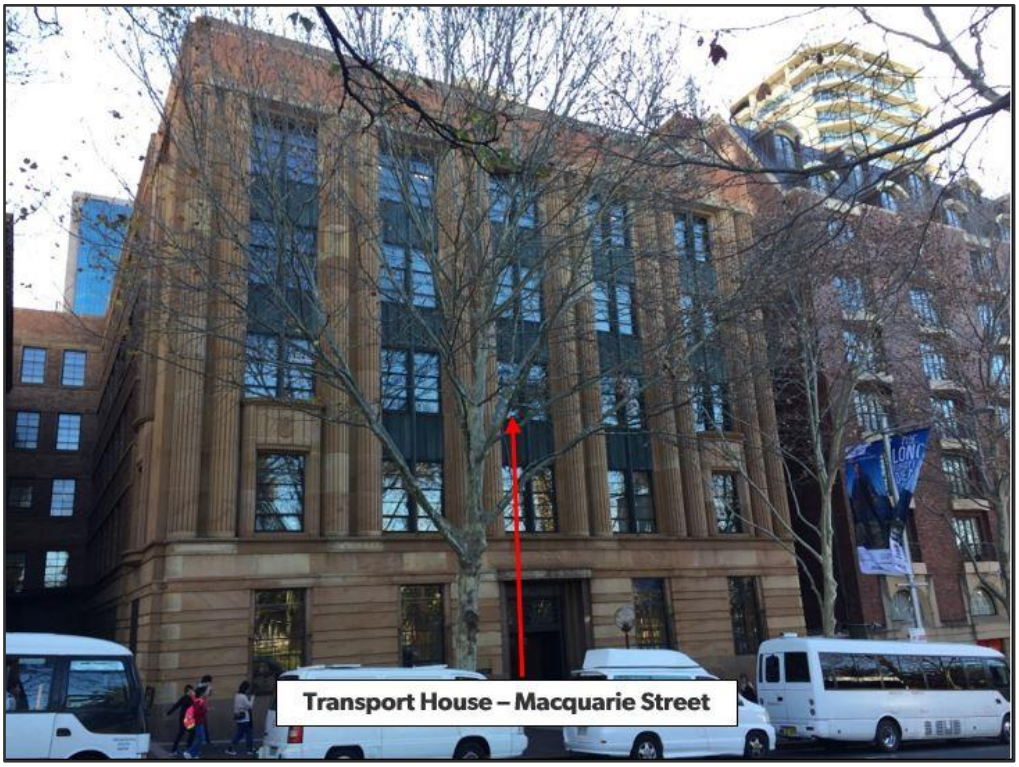


Figure 4 | View west from Macquarie Street (source: Site photo)

Figure 5 | View east from Phillip Street (source: Site photo)

1.3 Site surroundings

The land uses in the immediate vicinity of the site include:

- to the north of Transport House on the Phillip Street frontage are various historic sandstone buildings. These are now used as the Justice and Police Museum and include the former Traffic Courts and Phillip Street Police Station, both classified by the National Trust and are State and locally listed heritage items
- to the north of Transport House on the Macquarie Street frontage is the Sir Stamford at Circular Quay Hotel, a ten-storey building incorporating the former Health Department Building, which is listed as a local heritage item
- further north are the Quay Apartments and the Royal Automobile Club of Australia, which is listed as a local and State heritage item
- to the east of the site is Macquarie Street which is identified as a SCA under SLEP 2012. Beyond Macquarie Street is the Royal Botanic Gardens (RBG), including the Conservatorium of Music to the south-east
- the State heritage listed Chief Secretary's Building, a four-storey sandstone building, is located opposite the site on the southern side of Bridge Street. Further south is the Astor residential apartments, a locally listed heritage item
- on the western side of Phillip Street, opposite the site, is the AMP Tower. This 47-storey office building is currently undergoing redevelopment for a new 50 storey tower comprising commercial and residential uses. Further to the north is the 26-storey Sydney Cove AMP building, listed as a local heritage item.

The site location and context is illustrated in **Figure 6.**

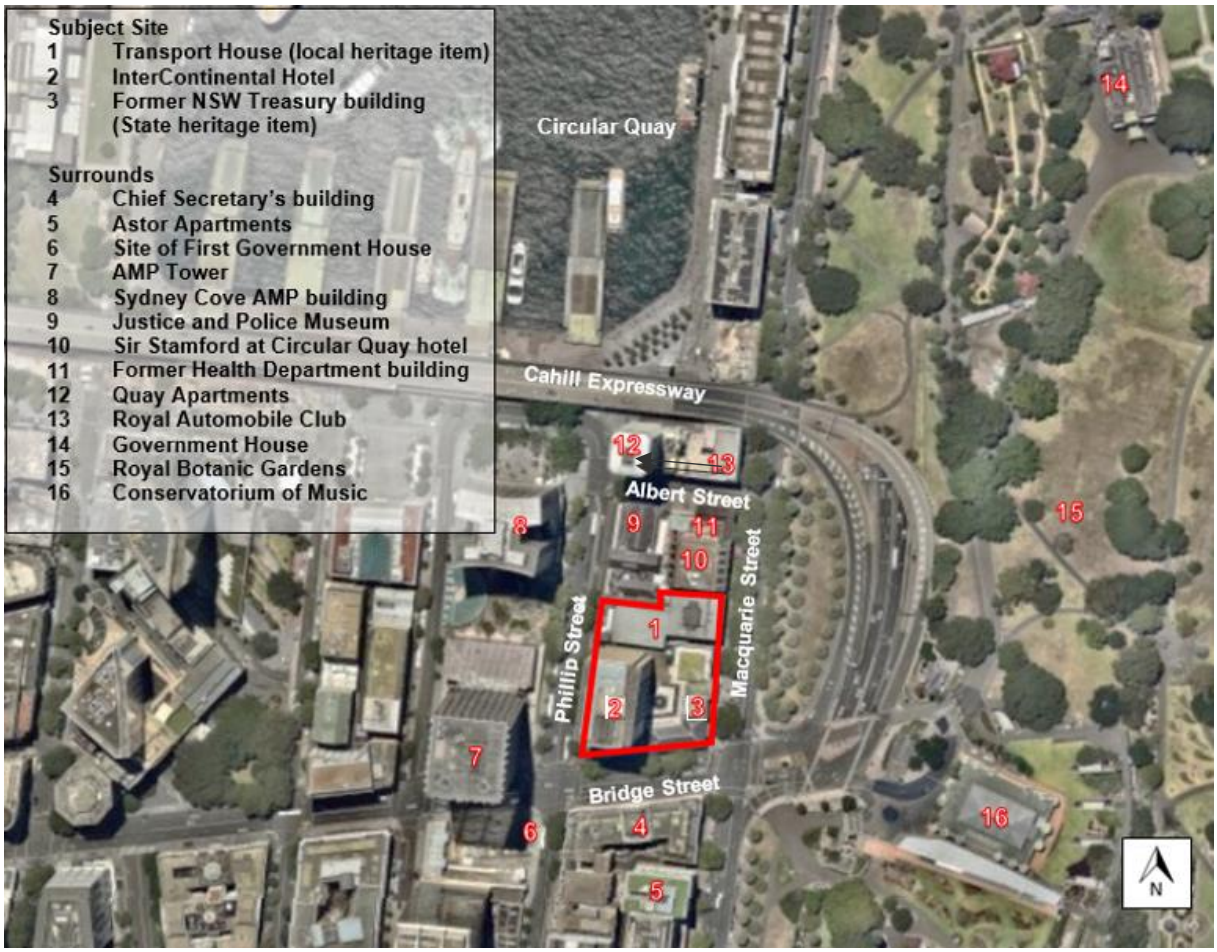


Figure 6 | Site context (source: Nearmap)

1.4 Previous Approvals

City of Sydney Council has granted development consent on two occasions for the redevelopment of the site:

DA/02/00739: Consent was granted for a three-storey roof addition to Transport House containing IC Hotel guest rooms and rooftop swimming pool. Alterations to the existing IC Hotel building including internal re-planning/relocation of facilities and the addition of a rooftop restaurant to Level 32 were also approved (**Figure 7**). Modification of this consent (DA/02/00739A) was granted on 19 May 2003. This modification approved the carrying out of the works in stages. The following works have been carried out (with the exception of the Transport House three-storey roof addition):

- internal stairs associated with the Transport House sub-basement
- restaurant services, amenities, internal stairs and columns associated with Level 5
- internal works associated with Levels 6, 7, 8 and 8a
- new guest rooms associated with Level 28
- stair and lift works associated with Level 31 and 31a
- external and internal refurbishment of Level 32, including a new restaurant.

D/2006/126: Consent was granted by Council for refurbishment and alterations to Transport House for adaptive reuse as a hotel school and commercial offices, replacement of existing rooftop plant room, new freestanding glazed canopy between Transport House and the IC Hotel, and an award of Heritage Floor Space. The consent has been implemented.

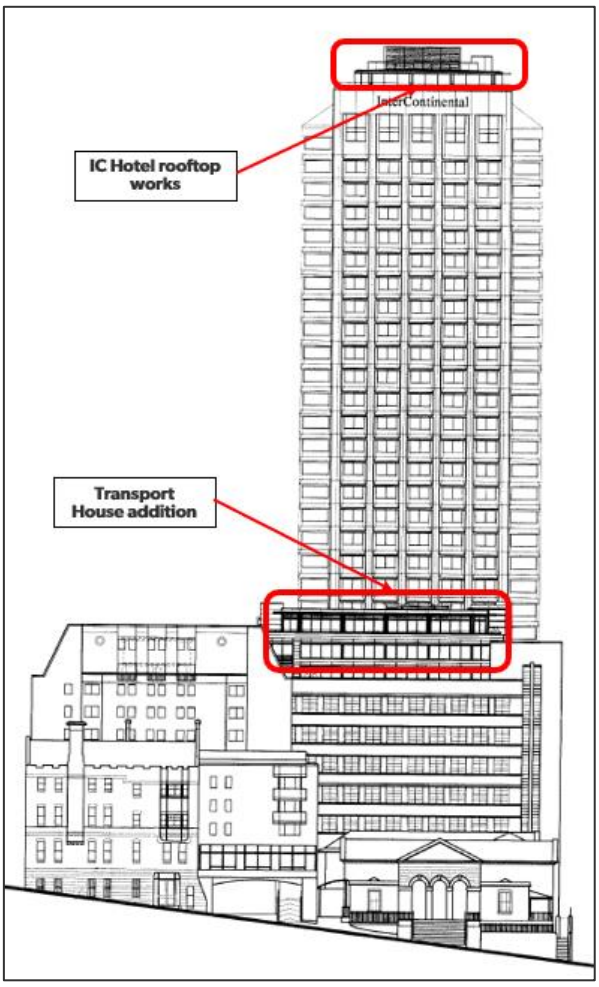


Figure 7: | Extract of the approved northern elevation (source: DA/02/00739)

2. Project

2.1 Description of Proposal

The proposal is a concept development application (Stage 1) that seeks approval to (as refined in the RtS and RRtS):

- use the roof and airspace above Transport House for tourist and visitor accommodation purposes (an addition to the IC Hotel)
- establish building envelopes to facilitate external alterations and additions to the IC hotel, including:
    - additions to the northern and eastern elevations of the IC Hotel (including a new plant room enclosure at Levels 8 to 9, wellness centre at Level 9 and a grand ballroom at Levels 10 to 12) extending over part of Transport House and the existing hotel podium, including the former NSW Treasury building
    - alterations to the roof of the hotel tower, including expansion of the club lounge and terrace at Level 32
    - internal alterations and upgrade works to the IC Hotel (State Heritage listed areas only).

The key components of the concept proposal are provided in **Table 1** and images showing the proposed building envelopes are provided in **Figures 8** and **9**. Whilst approval is not being sought for the physical works, as the detailed design for the new built form would be subject to subsequent DAs, the development concept illustrated on the architectural drawings submitted with the application would facilitate a comprehensive upgrade to the hotel. The key components associated with the upgrade works are provided in **Table 2**.

Table 1 | Building Envelope Components of the Project

Aspect	Description
Land Uses	• Tourist and visitor accommodation and ancillary uses comprising a wellness centre including gym, spa and health and beauty salon and a grand ballroom
Transport House Building envelope siting, form and height	• Number of storeys – 2 (although reads as 4 storeys because ballroom is triple height) *Phillip Street frontage* • 12.66 m and part 7 m above Transport House* • building setback – mostly part 8.5 m, part 3 m* *Macquarie Street* • 12.66 m and part 7 m above existing buildings* • building setback – part 24. 1m, part 20.4 m, part 19.7 m, part 12.3 m*
InterContinental Hotel Building envelope siting, form and height	• Expansion to existing building envelope to accommodate changes to the Club lounge at Level 32*

* Amended on 1 March 2019 in RRtS

Table 2 | Key Components of the Comprehensive Upgrade Works

Aspect	Description
External Building Works	• rooftop addition above Transport House containing new plant and lifestyle facilities, including gym, spa and health and beauty salon at Level 9, new ballroom at Levels 10 to 12 and fire egress at Level 10 on eastern and western elevations, extending over part of the rear (western) parapet of the former NSW Treasury Strong Room Building (**Figures 10** and **11**) • rooftop addition on the podium of the hotel immediately east of the existing hotel tower between the cortile roof and the existing western façade of the Strong Room building containing three new lifts servicing the new ballroom space (**Figure 13**) • removal of cooling towers from the hotel tower rooftop and expansion of the Level 32 lounge and terrace to the west, onto the existing roof form • replacement of existing roof to the Cortile with a new contemporary glazed roof (**Figure 10**) • works at street level, including a new glazed awning over the Phillip Street footpath adjacent to existing porte-cochere and a new canopy over the laneway between Transport House and the IC Hotel
Internal building works	• relocation of the day spa and gymnasium from Level 31 to Level 9 beneath the new ballroom addition • relocation of the ground floor bar from the cortile space to the Macquarie Street frontage • alterations and upgrade works to entries and internal areas including rooms, corridors, lobbies, bars and restaurants (State Heritage listed areas only) • net reduction in total hotel rooms from 509 to 507.
Gross floor area (GFA)/ Floor Space Ratio (FSR)	• The proposal would increase the GFA by 2,601 m^2 equating to a total GFA of 43,265 m^2 and FSR of 7.852:1 (total site area is 5,510 m^2) • The majority of the additional GFA is attributed to: o the 916 m^2 ballroom at Level 10 (excluding lobby, services corridor, back-of-house) o the 640 m^2 wellness centre, deck and plant on Level 9 o 731 m^2 of new hotel rooms on Level 31A o 415 m^2 additions to the roof top club lounge
Capital Investment Value (CIV)	• $203 million
Jobs	• 200 construction jobs • 220 operational jobs

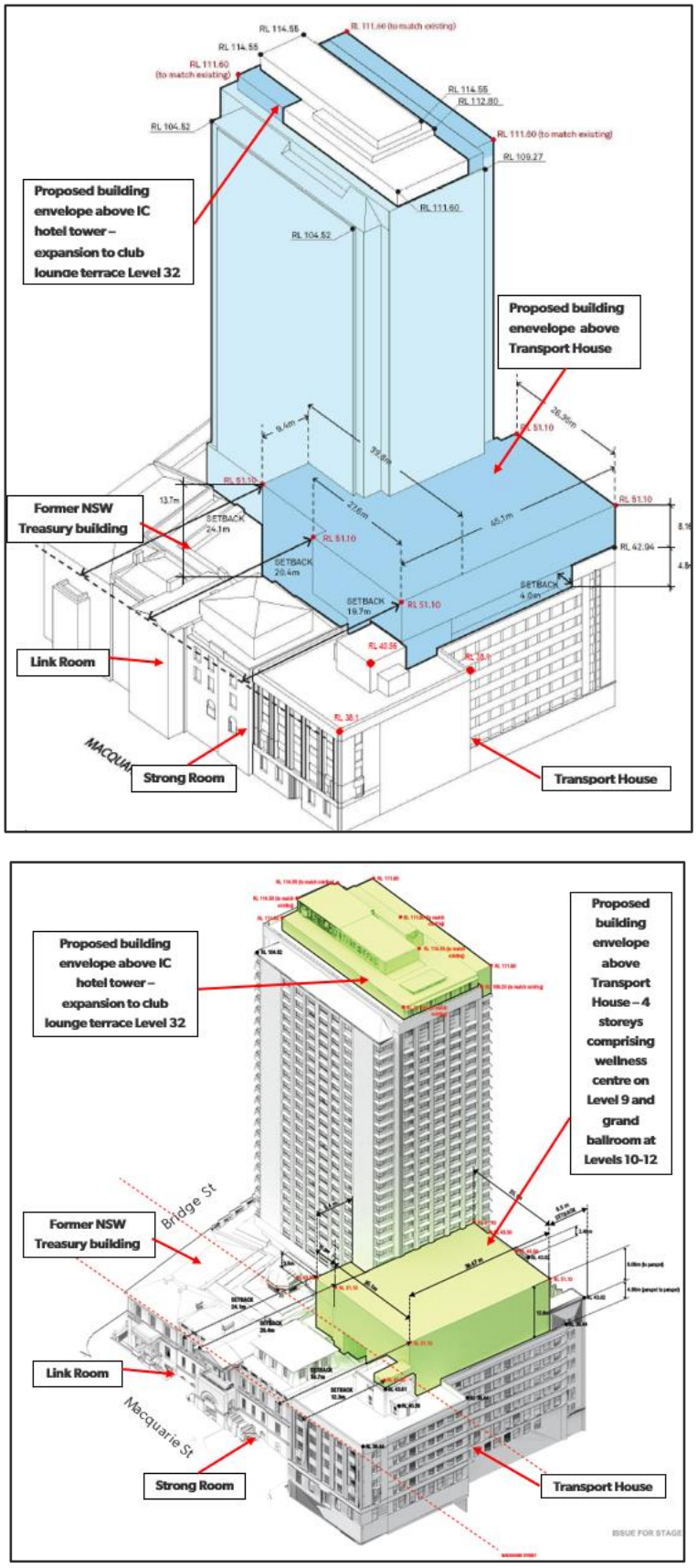
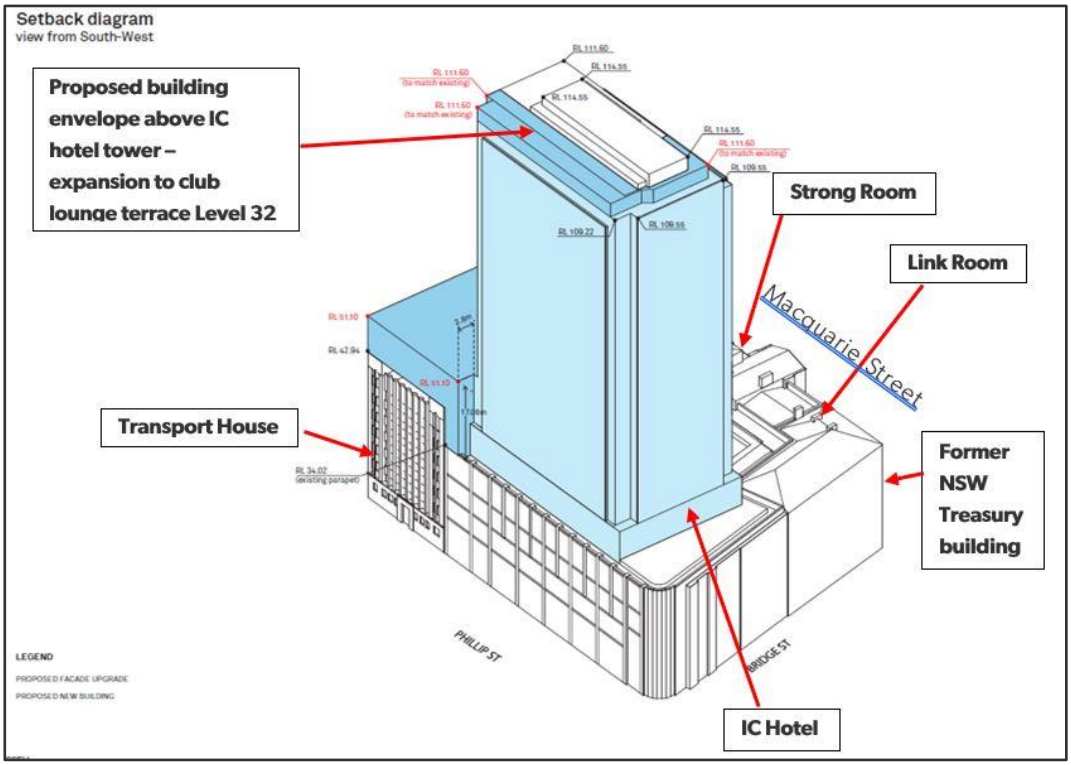


Figure 8: | Above - building envelope proposed in EIS, view from the north-east (Base source: Applicant's RtS)

Below - Proposed building envelope as amended by further supplementary RtS, view from the north-east (Base source: Applicant's Further Supplementary RtS)



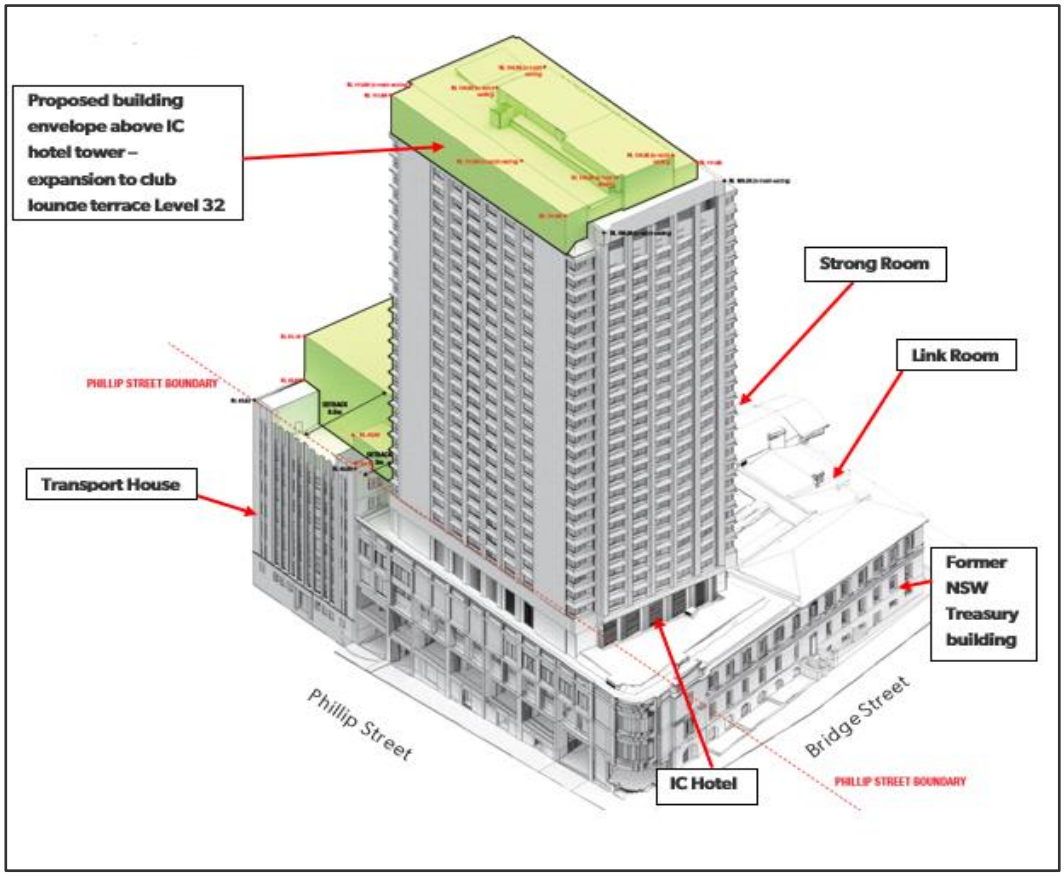


Figure 9: | Above - building envelope proposed in EIS, view from the south-west (Base source: Applicant's RtS)

Below - Proposed building envelope as amended by further supplementary RtS, view from the south-west (Base source: Applicant's Further Supplementary RtS)

Figure 10: | Above - Level 9, Wellness Centre proposed in EIS (source: Applicant's RtS)

Below - Level 9, Wellness Centre as amended by further supplementary RtS (source: Applicant's Further Supplementary RtS)

Figure 11: | Above - Level 10, ballroom addition proposed in EIS (Base source: Applicant's RtS)

Below - Level 10, proposed ballroom addition as amended by further supplementary RtS (Base source: Applicant's Further Supplementary RtS)

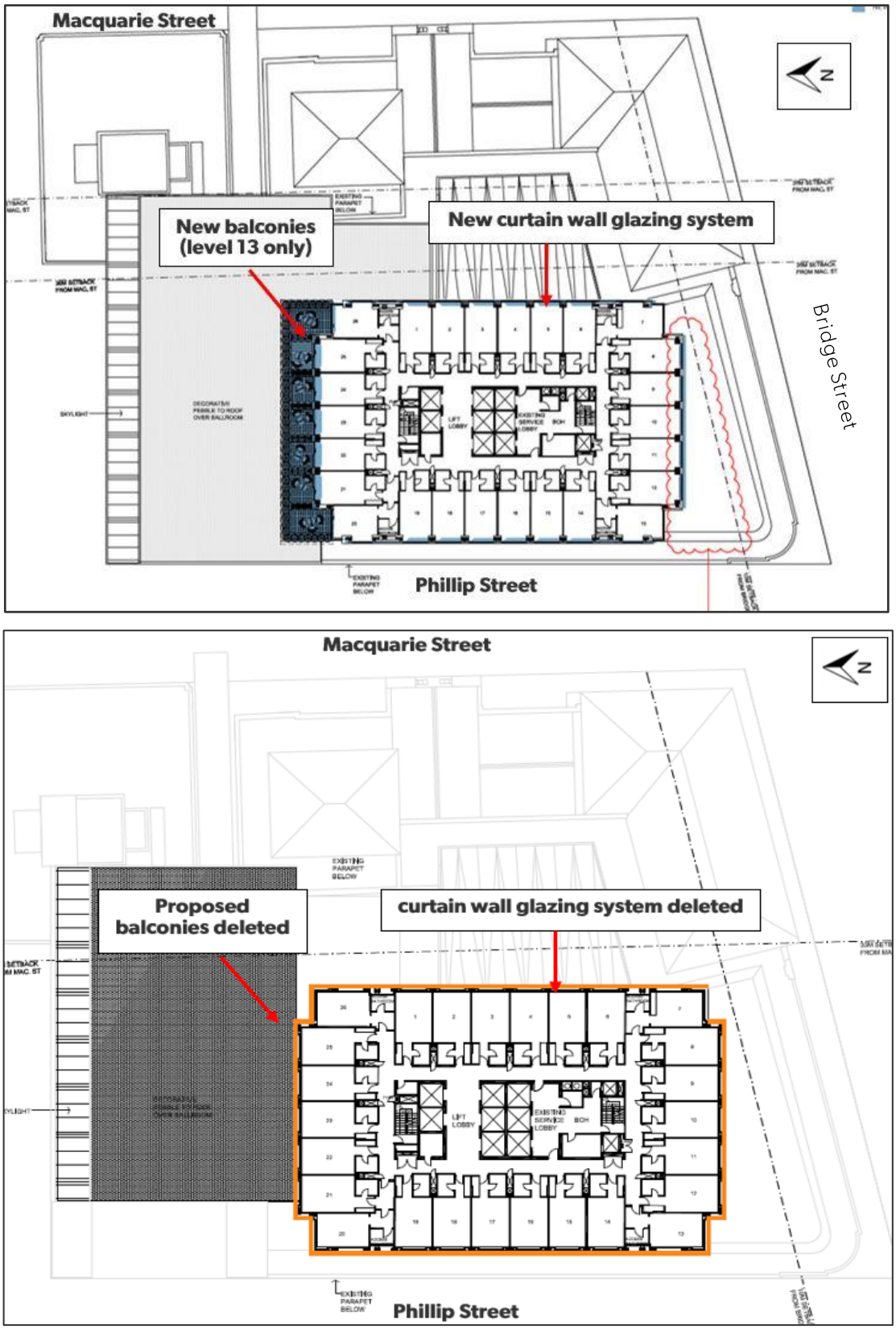


Figure 12: | Above - Level 13, balconies proposed in EIS (Base source: Applicant's RtS)

Below - Level 13, balconies removed as amended by further supplementary RtS (Base source: Applicant's Further Supplementary RtS)

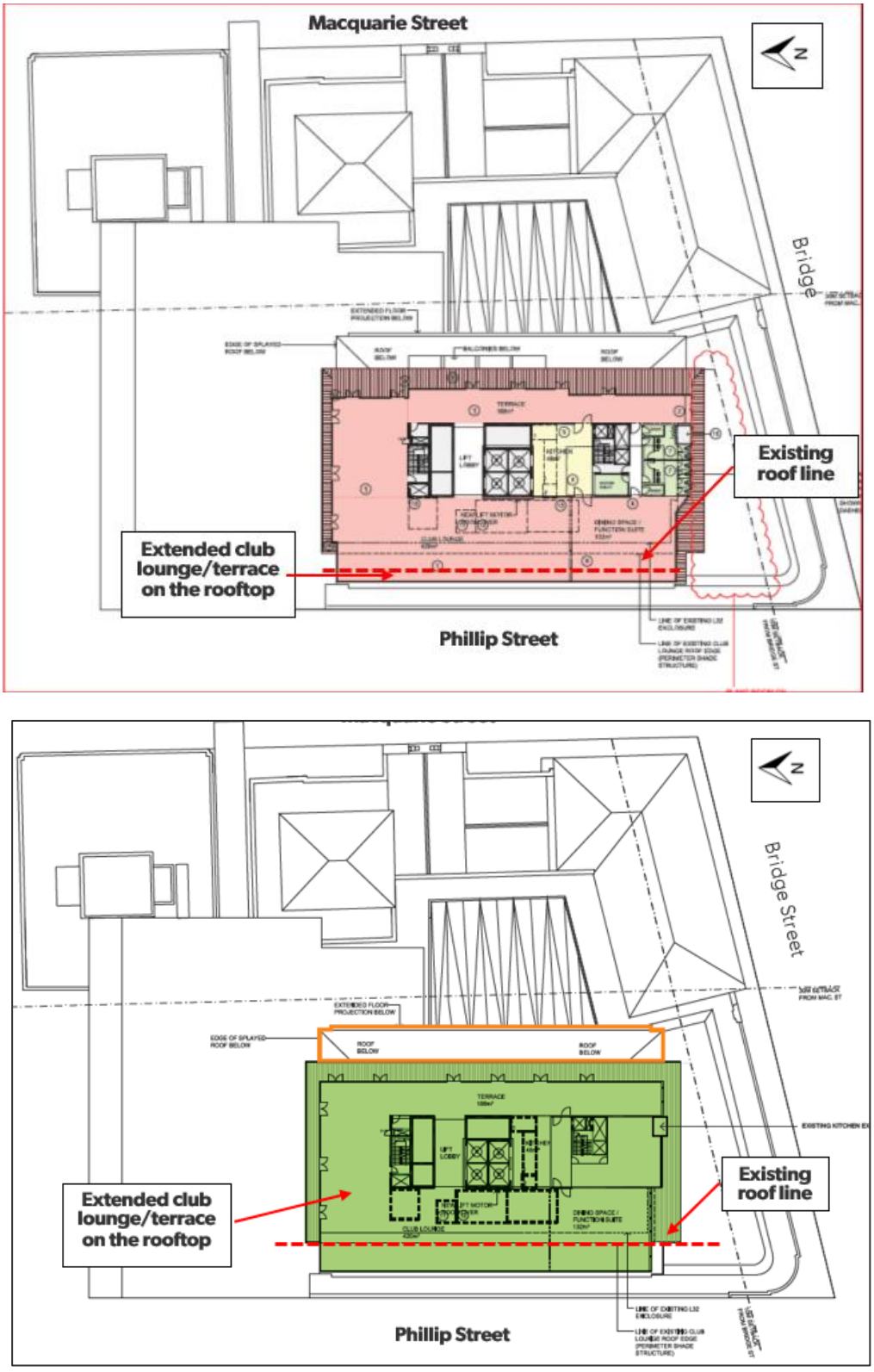


Figure 13: | Above - Level 32, extended lounge/terrace proposed in EIS (Base source: Applicant's RtS)

Below - Level 32, extended lounge/terrace as amended by further supplementary RtS (Base source: Applicant's Further Supplementary RtS)

2.2 Staging

The proposal would be staged as follows:

- Levels 31 and 32 structural alterations, new roof and associated façade changes, basement level changes and a glazed awning over the Philip Street footpath adjacent to the existing porte-cochere
- ballroom works, inclusive of access and wellness area, and works at street level including a new canopy over the laneway between Transport House and the IC Hotel
- internal fit out of cortile and Levels 31 and 32, alterations and upgrade works to entries and internal areas including rooms, corridors, lobbies, bars and restaurants (State Heritage Listed areas only) and relocation of the ground floor bar from the cortile space to the Macquarie Street frontage.

3. Strategic Context

3.1 Greater Sydney Region Plan and Eastern City District Plan

The Greater Sydney Commission's (GSC) role is to coordinate and align planning to shape the future of Metropolitan Sydney. In March 2018, the GSC published the Greater Sydney Region Plan (the Region Plan) and the associated District Plans.

The Region Plan outlines how Greater Sydney would manage growth and change and guide infrastructure delivery. It describes the Sydney metropolis (or Greater Sydney) as comprising three cities: an Eastern Harbour City in which the site is located, a Central River City, and a Western Parklands City. The proposal (as recommended to be modified) is consistent with the objectives of the Region Plan, in that it:

- facilitates upgrade works to an internationally rated hotel, including a new ballroom to attract major events and functions to Sydney (Objective 18)
- supports the global role of the Sydney CBD and contributes to the attractiveness of the city as a world-renowned tourist destination (Objective 24).

The Region Plan also sets the vision and strategy for Greater Sydney, to be implemented at a local level through District Plans. The proposal (as recommended to be modified) is consistent with the objectives of the Eastern City District Plan, in that it:

- supports growth in the tourism economy in the Harbour CBD (Planning Priority E7)
- improves the visitor experience by providing tourist accommodation close to high-profile tourist destinations with good access to the Circular Quay transport hub (Planning Priority 13).

3.2 Sustainable Sydney 2030

Sustainable Sydney 2030 sets out City of Sydney's vision to make Sydney a more Global, Green and Connected metropolis by 2030. The proposal (as recommended to be modified) would contribute to a strong international and domestic tourist base underpinned by tourist and accommodation facilities (Strategic Direction 1).

3.3 Visitor Economy Industry Action Plan

The Visitor Economy Industry Action Plan (VEIAP) seeks to double overnight visitor expenditure in NSW (to 36.6 billion) by 2020 and improve the standing of the NSW visitor economy in highly competitive market conditions in Australia and the Asia Pacific region. In addition, it confirms that Sydney is reaching its hotel occupancy capacity, which is resulting in more expensive and uncompetitive accommodation.

The proposal (as recommended to be modified) supports the strategic imperatives set out in the VEIAP, as it would facilitate a comprehensive upgrade to the existing hotel accommodation in the Sydney CBD and nearby high-profile tourist destinations, which would support the visitor economy, contribute to accommodation capacity and increase visitation (Strategic Imperatives 1 and 2).

3.4 Draft National Heritage Listing - Governors' Domain and Civic Precinct

Australia's National Heritage List comprises places of outstanding heritage significance to Australia. Places within Sydney already included on the National Heritage List include the Sydney Opera House, Bondi Beach, Hyde Park Barracks and the First Government House, Sydney.

The Australian Heritage Council (AHC) is seeking to recognise the outstanding national significance of a number of buildings and places, located within the place named Governors' Domain and Civic Precinct. The precinct extends from Hyde Park to the south, to government house and RBG to the north, and includes buildings along Macquarie Street and Bridge Street, including the former NSW Treasury Building (on the site) (**Figure 1, Appendix D**). The Draft National Heritage Listing was exhibited until 24 February 2017.

If included in the National Heritage List, the national heritage values of the former NSW Treasury building relating to its contribution towards Australia's cultural history would be protected under *the Environment Protection and Biodiversity Conservation Act 1999* and may require separate approval from the Commonwealth Government.

The Department has referred the application to Heritage Division and has carefully considered its response and any recommendations on suggested conditions (**Sections 5** and **6**).

4. Statutory Context

4.1 State Significant Development

The proposal is SSD under clause 13 of Schedule 1 of State Environmental Planning Policy (State and Regional Development) 2011 (SRD SEPP), as it is development for tourist related purposes with a CIV of more than $10 million and is located within an environmentally sensitive area of State significance. This includes land, places, buildings or structures listed on the SHR under the *Heritage Act 1977*. The site, which includes the former NSW Treasury Building, is defined under the SRD SEPP as an environmentally sensitive area of State significance as it is listed on the SHR.

4.2 Consent Authority

In accordance with clause 8A of the SRD SEPP and section 4.5 of the EP&A Act, the Commission is the declared consent authority if Council objects to the development within the mandatory community participation period specified in Schedule 1 of the EP&A Act. City of Sydney Council (Council) objected to the proposed development outside of the mandatory community participation period.

On 14 September 2011, the Minister for Planning delegated the functions to determine SSD applications to the Commission, where:

- the relevant Council has made an objection
- a political disclosure donation statement has been made
- there are more than 25 public submissions in the nature of objections.

Under the Ministerial delegation, the Commission must determine the application as Council has objected to the development.

4.3 Permissibility

The site is zoned B8 Metropolitan Centre under the SLEP 2012. The Department is satisfied the proposed upgrade works to the hotel, including the ancillary ballroom and wellness centre, are classified as tourist and visitor accommodation, which includes hotel or motel accommodation. As such, the proposed development is permissible with consent within the B8 Metropolitan Centre zone. Therefore, the Minister or Commission may determine the carrying out of the development.

The site is subject to the sun access plane provision under clause 6.17 of SLEP 2012. The intent of the provision is to protect sun access to the nearby RBG and states the consent authority must not grant consent if the development would result in any building on the land projecting higher than any part of the sun access plane.

The proposed extensions to the roof level of the hotel tower would extend outside the existing building envelope and above the sun access plane (see **Section 6.5.1**). However, the Department considers the proposed development is partially prohibited as only a portion of the development extends beyond the sun access plane. The proposal is therefore partly prohibited and partly permissible, subject to consideration of the merit/impact of the proposal. Development consent may therefore be granted as the development is not wholly prohibited, consistent with section 4.38(3) of the EP&A Act.

Subject to clause 7.2 of SLEP 2012, development consent must also not be granted to development on land in Central Sydney unless a development control plan (DCP) has been prepared, where the site for development is

greater than 1500 m^2 or if the development would result in a building higher than 55 m above ground level. However, section 83C of the EP&A Act allows for a concept development application to be carried out in lieu of the preparation of a DCP.

4.4 Mandatory Matters for Consideration

Section 4.15 of the EP&A Act outlines the matters that a consent authority must take into consideration when determining development applications. These matters could be summarised as:

- provisions of environmental planning instruments (including draft instruments), development control plans, planning agreements, and the *Environmental Planning and Assessment Regulation 2000* (EP&A Regulation)
- the environmental, social and economic impacts of the development
- the suitability of the site
- any submissions, and
- the public interest, including the objects of the EP&A Act and the encouragement of ecologically sustainable development (ESD).

The Department has considered all these matters in its assessment of the project, as well as the Applicant's consideration of environmental planning instruments in its EIS as summarised in **Section 6** of this report. The Department has also given consideration to the relevant provisions of the environmental planning instruments in **Appendix D**.

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5. Engagement

5.1 Department's Engagement

In accordance with Schedule 1 of the EP&A Act, the Department publicly exhibited the application from 14 September until 27 October 2017 (44 days). The application was exhibited on the Department's website, at the NSW Service Centre and at Council's office.

The Department placed a public exhibition notice in the Central Courier on 13 September 2017, and notified adjoining landholders and relevant State and local government authorities in writing.

The Department has considered the comments raised in the Government agency and public submissions during the assessment of the application (**Section 6**) and/or by way of recommended conditions in the instrument of consent at **Appendix E**.

5.2 Summary of Submissions

The Department received a total of 11 submissions, comprising a submission from Council, five submissions from Government agencies and five submissions from the general public. A summary of the submissions is provided at **Table 3** and a summary of the issues raised in the submissions is provided at **Tables 4** and **5** and **Section 5.4.1**. Copies of the submissions may be viewed at **Appendix B**.

Table 3| Summary of Council, Community and Special Interest Group Submissions

Submitters	Number		Position
Government Agencies	5		
• Heritage Division of the Department of Premier and Cabinet			Comment
• Transport for NSW			Comment
• Transport for NSW (Road and Maritime Services)			Comment
• Environment Protection Authority			Comment
• RBG and Domain Trust			Comment
City of Sydney Council	1		Object
Community	5	4	Object
		1	Comment
TOTAL	**11**		

5.3 Key Issues – Government Agencies

A total of five Government agency submissions were received in response to the exhibition of the application, all of which provided comments. The key issues raised in the submissions are summarised in **Table 4.**

Table 4 | Government Agency Submissions

Heritage Division of the Department of Premier and Cabinet (former Heritage Division of the Office of Environment and Heritage) (Heritage Division)

Heritage Division recommended amendments and conditions to minimise potential heritage and visual impacts. The key recommendations were:
• the draft CMP must be endorsed by the Heritage Council (HC) prior to finalisation of a Stage 2 DA
• the final detail design should be in accordance with the CMP policies and guidelines, including:
  o street activation strategies need to minimise physical and visual impacts
  o new balustrades within the cortile arcade spaces should be designed to be reversible
  o changes to the openings of the Strong Room should be minimized
  o final design of the canopy to the existing laneway should be recessive in scale
• the proposed form of the rooftop addition to Transport House should be reconsidered and setback from the building's façade along Phillip Street
• the proposed scale and from of the rooftop additions to the 1980s podium building should be reconsidered and reduced to minimise impacts on the former Treasury Building
• additional information is required confirming the roof top addition can be achieved without significant intervention into Transport House
• a schedule of conservation and restoration works to significant spaces and elements of the heritage buildings should be submitted as part of a Stage 2 application
• close consultation should be undertaken with Council to mitigate heritage and visual impacts.

Transport for NSW (TfNSW)
TfNSW provided comments for consideration in relation to traffic management and vehicular and pedestrian access.
Transport for NSW (Roads and Maritime Services) (Transport for NSW (RMS)
Transport for NSW (RMS) provided comments for consideration as part of any future development application in relation to vehicular access and management of traffic during construction.
Environment Protection Authority (EPA)
EPA advised that it is not the appropriate regulatory authority for this proposal, as the proposal does not constitute a Scheduled Activity and would therefore not require an Environment Protection Licence.
Royal Botanic Gardens and Domain Trust (RBGDT)
RBGDT considered the proposed building envelope would not be visually dominant against the city skyline but it is important for the future addition to have a high standard architectural design for successful integration into existing built form. Concerns were raised in relation to overshadowing of the RBG.

5.4 Key Issues – Council/Community

5.4.1 Council Key Issues

Council provided comments in a letter dated 26 October 2017. Council advised it supports the intention to upgrade the hotel, but it objects to:

- the design, scale and siting of the proposed additions to the former Treasury Building and Transport House and associated heritage impacts on surrounding National, State and local items
- visual impacts of the 5-storey addition comprising plant, recreational facilities and ballroom which will be highly visible above the former Treasury Buildings group and would detrimentally impact on the setting and views of Macquarie Street, Phillip Street and Bridge street heritage items and Royal Botanic Gardens and Domain
- the non-compliance with the 10 m Bridge and Phillip Street setbacks and 30 m Macquarie Street setback under Sydney Development Control Plan (SDCP) 2012
- lack of certainty and detail regarding structural intervention in the significant heritage interior of Transport House associated with the future addition.
- the proposed extension of the Club Lounge at the top of the hotel tower and replacement of tower facades by approximately 600 mm is above the Royal Botanic Gardens Sun Access Plan under clause 6.17 of SLEP 2012 and is therefore prohibited and should comply with setback controls. Additional bulk at Levels 8 to 13 of the hotel tower has the potential to adversely impact the former Treasury Atrium and restrict views of the sky and City Skyline
- inadequate draft CMPs to guide the future development of the buildings, which should be endorsed by Heritage Council and Council, prior to determination of the concept development application
- the Macquarie Street entry and awning
- the intention not to conduct a competitive design process in accordance with SLEP 2012.

5.4.2 Community Key Issues

Five public submissions were received in response to the exhibition (see **Table 5**), including:

- one objection received from the Sir Stamford Hotel at Circular Quay incorporating separate comments from planning and heritage consultants
- three objections received from two residents and the Owners Corporation at The Astor residential apartments
- one submission providing comments for consideration received from Sydney Living Museums.

Table 5 | Summary of key issues raised in the EIS exhibition

Public Submission	Number
Objections and Comments	
unacceptable impacts to the significance of heritage items on the site and their setting	4
non-compliance with the setback controls under SLEP 2012	3
lack of structural engineering detail and uncertainty regarding heritage impacts	2
adverse visual impact of future additions	2
view loss	2

inadequate draft CMPs	1
exceedance of the sun access plane control under SLEP 2012	1
adverse traffic, parking and access impacts on the surrounding area	1
adverse impact on the future redevelopment of the Sir Stamford Hotel site	1

5.5 Response to Submissions

Following the exhibition of the applications, the Department placed copies of all submissions received on its website and requested the Applicant provide a response to the issues raised in the submissions.

On 2 May 2018, the Applicant provided a Response to Submissions (RtS) (**Appendix A**), which included the following amendments:

- relocate the plant room above the podium tower on Bridge Street to Level 8 of the Macquarie Street frontage at the base of the tower not visible from Macquarie Street
- delete the northern-most part of the storeroom associated with the ballroom on Level 8 of Transport House
- delete the swimming pool from Level 9 to reduce structural loading on Transport House.

The Department made the RtS publicly available on its website and re-notified relevant public authorities. A total of four submissions to the RtS were received, comprising one submission from Council and three submissions from government agencies. A summary of the issues/comments raised in the government agency RtS submissions is provided at **Table 6** and copies of RtS submissions may be viewed at **Appendix A**.

Table 6 | Summary of RtS submissions

Council
Council maintained its objection to the proposal: • the lack of setbacks and height of the proposed addition over Transport House would have an adverse visual and heritage impact on the site and the surrounding area • re-iterated that there remains uncertainty and lack of detail in relation to the structural intervention of future addition above Transport House and therefore should not be supported • the Applicant's CAD modelling be provided to test the overshadowing impacts of the proposal.
Heritage Division of the Department of Premier and Cabinet (former Heritage Division of the Office of Environment and Heritage) (Heritage Division)
Heritage Division maintained its concerns with heritage and visual impact issues and noted: • the proposed scale and form of the rooftop additions remain unchanged and would have a major adverse impact on the views to the site from several State heritage items, including the Royal Botanic Gardens, Sydney Conservatorium of Music and First Government House site • the rooftop additions do not meet the 30 m Macquarie Street setback control in SDCP 2012 and would encroach onto the existing setback between the 1980s hotel tower and 1890s Treasury Building • the scale and bulk of the rooftop addition should be reconsidered and minimised and comply with the 30 m Macquarie Street setback controls in SDCP 2012

- additional information is required confirming the roof top addition can be achieved without significant intervention into Transport House
- the draft CMP should be approved by the Heritage Council before determination of the DA. If not possible, the proposal should be consistent with the CMP checklist so that the values of the Treasury Building and streetscapes of Macquarie and Bridge Streets are maintained
- issues raised by Council including inadequate setbacks, heights and treatments of the rooftop additions should be resolved and optimal outcomes negotiated.

Royal Botanic Gardens and Domain Trust

RBGDT considered the RtS does not respond to its concerns and reiterated the potential visual and shadow impacts are to be addressed in the assessment of the proposal.

Transport for NSW (Roads and Maritime Services) (Transport for NSW (RMS)

Transport for NSW (RMS) provided no further comment.

5.6 Supplementary information

Following notification of the RtS, the Department placed copies of all submissions (on the RtS) on its website and requested the Applicant provide a further response to the issues raised in the submissions.

In response, the Applicant provided supplementary information in October 2018 relating to view and privacy impacts, internal amenity and the draft CMPs (**Appendix A**). The supplementary information was made publicly available on the Department's website. No further submissions were received.

In November 2018, the Department finalised its assessment and provided draft conditions to the Applicant. To address built form, heritage and visual impacts, key recommended conditions included greater setbacks to Macquarie Street and Phillip Street, and prior to the lodgement of the first development application, a competitive design process be undertaken in accordance with the provisions of Sydney LEP 2012 and City of Sydney Competitive Design Policy. The competitive design process was also required to be undertaken in accordance with a Design Excellence Strategy prepared in consultation with the NSW Government Architect.

5.7 Response to Submissions Addendum

In response to the draft conditions, the Applicant took additional time to provide further supplementary information in March 2019 and May 2019 (RRtS) making the following changes to the proposal:

- increasing the Transport House envelope setback to Phillip Street from 0 m to part 8.5 m to align with the corner "tower" elements above Transport House, and to part 3 m to align with the IC Hotel tower. The area within the 3 m setback would connect with the existing fire stairwell in Transport House. The area within the 8.5 m setback is proposed to be used as an outdoor terrace
- reducing the height of the Transport House envelope in front of the IC Hotel tower (in part) from RL 51.1 to RL 45.5, reducing the setback (in part) to Macquarie Street to 12.3 m, to connect with the existing fire stairwell in Transport House
- removing the following from the scope of works:
    - re-cladding of the IC Hotel tower facades with a glass curtain wall and resultant increase in GFA, instead proposing the replacement of existing IC Hotel tower windows within existing window openings
    - internal works not within the State Heritage listed areas of the site

- balconies on the northern facade of Level 13.

The Applicant states the internal works and window replacement could potentially be undertaken as complying development.

The Applicant also outlined its proposed staging of future applications, and provided further justification for its preference to achieve design excellence for subsequent applications through the establishment of a Design Review Panel (DRP) rather than a competitive design process.

The supplementary information was made publicly available on the Department's website and referred to Council, Heritage Division, RBGDT and those who made a submission during exhibition of the EIS. Council maintained its objection, two submissions were received from government agencies, both commenting, and seven public objections were received.

A summary of issues raised to the further supplementary information is provided in **Sections 5.7.1**, **5.7.2** and **5.7.3** and a link to all submissions is provided at **Appendix A**.

5.7.1 Key issues – Government agencies

The Department received two submissions from Government agencies, both providing comments. The key issues raised are summarised in **Table 7**.

Table 7 | Government agency submissions to the Further Supplementary Information

Heritage Division of the Department of Premier and Cabinet (former Heritage Division of the Office of Environment and Heritage) (Heritage Division)
Heritage Division maintained its concerns with heritage and visual impact issues and noted: • the amendments result in minor reduction of the proposed bulk of the proposed addition over Transport House. However, the overall visual impacts of the proposal and impact on setting of the various heritage sites still remain • the amended proposal would have a major adverse impact on the views to the site from the Treasury Building, Transport House and Justice and Police Museum. The rooftop additions are out of scale and the proposed setbacks are inadequate in minimising their visibility. Along the east, these encroach into the curtilage of the Treasury Building and do not incorporate adequate separation • the footprint of the new additions cuts across multiple building lines and open setbacks/laneways, obscuring historic boundaries as well as impacting on the delineation and visual buffers between the buildings • the rooftop additions should be reduced to minimise visual impacts. The additions should be set further back along Macquarie Street to comply with the 30 m setback controls in SDCP 2012, as well as along Albert Street to reduce impact on Transport House and the Justice and Police Museum • the setback of the rooftop addition along its south shall be reconsidered to align with the Transport House building line and to avoid encroaching into the open setback • concerns still remain regarding structural intervention into Transport House to support the proposed addition • issues raised by Council including inadequate setbacks, heights and treatments of the rooftop additions should be resolved and optimal outcomes negotiated.

Royal Botanic Gardens and Domain Trust

RBGDT previously expressed concerns regarding overshadowing impact to the RBG. The RBGDT are now satisfied that the amendments would ensure no additional overshadowing to the RBG apart from minor portion of the open space between Macquarie Street and the Cahill Expressway.

5.7.2 Key issues – Council key issues

Council maintained its objection to the proposal on the grounds that many of the issues raised in its initial objection remain unaddressed, and provided the following additional comments:

- the lack of setbacks of the proposed addition over Transport House would have an adverse visual and heritage impact on the site and the surrounding area
- the addition of the new lift shaft at the northeast corner of the hotel tower and the ballroom above Transport House would have an adverse visual impact on the site
- there remains uncertainty and lack of detail in relation to the structural intervention of future addition above Transport House and therefore should not be supported.

5.7.3 Key issues – Community issues

Seven public submissions were received in response to the exhibition (see **Table 8**), including:

- one objection from the Sir Stamford Hotel at Circular Quay incorporating separate comments from planning and heritage consultants
- six objections from residents and the Owners Corporation at The Astor residential apartments.

Table 8 | Summary of key issues raised in the exhibition of further supplementary information

Public Submission	Number
Objections and Comments	
unacceptable impacts to the significance of heritage items on the site and their setting	2
non-compliance with the setback controls under SDCP 2012	6
lack of structural engineering detail and uncertainty regarding heritage impacts	1
privacy impact from rooftop deck	2
view loss	5
exceedance of the sun access plane control under SLEP 2012	1
adverse impact on the future redevelopment of the Sir Stamford Hotel site	1
the proposal does not achieve design excellence	1

6. Assessment

6.1 Key Assessment Issues

The Department has considered the application, the issues raised in submissions and the Applicant's RtS and supplementary information in its assessment of the proposal. The Department considers the key issues associated with the proposal are:

- design excellence
- built form
- heritage and visual impacts
- amenity impacts
- traffic and car parking.

Each of these issues is discussed in the following sections of this report. Other issues were taken into consideration during the assessment of the application and are discussed in **Section 6.7**.

6.2 Design Excellence

Council and Heritage Division raised concerns regarding the indicative design of future additions within the Transport House building envelope and the potential adverse impacts on the heritage significance of the site and its setting.

The Department acknowledges the site's heritage context and considers that the future built form must be sensitively and appropriately designed. The Department has assessed the consistency of the proposed Transport House building envelope with the design excellence provisions in clause 6.21 of SLEP 2012. The Applicant's proposal to provide a part 3 m, part 8.5 m setback to Phillip Street is supported, however the Department considers the Transport House building envelope should be reduced by increasing its setback to Macquarie Street by 30 m consistent with SDCP 2012. This is discussed further in **Section 6.3**.

The design of the future additions within the envelope would also be required to exhibit design excellence in accordance with the requirements of clause 6.21 of SLEP 2012. These provisions require the design to have regard to the proposed form and external appearance of the future additions and heritage and visual impact issues.

The Applicant has requested that design excellence for future applications be achieved by it establishing a DRP, rather than through a competitive design process. The Applicant proposes to have a panel of three members, to be agreed with the Government Architect NSW (GANSW), and to work with GANSW to agree on the panel brief, how design excellence would be achieved and critical elements for the DRP to review. The Applicant's reasons for seeking a DRP include the following:

- it has undertaken an extensive Expression of Interest process to appoint a design team with heritage and hotel experience
- it provides for a more considered approach rather than condensing the period of design into a short period that occurs in a design competition
- it would provide the regular rigor of review by a panel as opposed to periodic consideration following a design competition

- it would allow the existing design team to work continually on evolving matters, such as the structural capacity of Transport House to hold the proposed extension to its rooftop.

The Department has consulted with GANSW, which considers future applications must proceed through a competitive design process, as the requirements of the sub-clauses under Clause 6.21(6) of SLEP 2012 that would preclude this process cannot be met. Sub-clause 6.21(6) of the SLEP 2012 prescribes that a competitive design process is not required if the consent authority is satisfied that such a process would be unreasonable or unnecessary in the circumstances or that the development:

- involves only alterations or additions to an existing building, and
- does not significantly increase the height or gross floor area of the building, and
- does not have significant adverse impacts on adjoining buildings and the public domain, and
- does not significantly alter any aspect of the building when viewed from public places.

The Department agrees with this approach and therefore considers the Applicant should undertake a competitive design process in accordance with the City of Sydney Competitive Design Policy. The competitive design process would need to be undertaken prior to lodgement of the future application, with the Design Competition Jury typically retained as a Design Integrity Panel for the life of the project to ensure key design elements are retained and design excellence is delivered through the development.

The Department has recommended a condition requiring the detailed design of the subsequent stages to be subject to a competitive design process.

The concept development application provides for a broad overview of what is proposed, establishing the framework for assessment of the future detailed development application. The Department therefore considers that the detailed design of future additions (i.e. beyond massing and location) has been reserved for consideration under a subsequent future development application, and it would be premature to consider the acceptability or reasonableness of detailed design matters as part of the assessment of the concept development application.

Furthermore, the building envelopes establish a starting point for design refinement. The acceptability of any minor intrusion into the Macquarie Street setback would need to be informed by a design excellence process, that would be subject to review by the Department, GANSW, Heritage Division and Council. The Design Competition brief could require any minor intrusion into this setback to be justified by the architects as being a better design outcome (in terms of matters such as heritage, public domain and visual impacts) than that achieved by strict adherence to the 30 m setback.

The Department concludes the concept proposal exhibits design excellence as discussed in **Sections 6.3** to **6.5** and **Table 6** in **Appendix D**.

6.3 Built Form

6.3.1 Floor Space Ratio and Building Height

A maximum FSR of 14:1 applies to the site under SLEP 2012 (excluding the design excellence bonus of 10%). Whilst the Applicant has not sought approval for GFA within the proposed building envelope, the conceptual built form within the proposed envelope equates to a FSR of 7.852:1, which is below the maximum FSR allowed on the site.

The Department is therefore satisfied the GFA within the envelope can comfortably be accommodated within the permissible FSR for the site. The site is subject to two building height controls under SLEP 2012, including:

- maximum 55 m as shown on the Height Map (clause 4.3)
- the sun access plane for the RBG (clause 6.7).

The proposed building envelope extending above Transport House has a maximum height of 40.2 m at Phillip Street and 34 m at Macquarie Street and therefore is significantly below the maximum height limit of 55 m.

The hotel tower currently exceeds the maximum 55 m height control under clause 4.3 and the sun access plane under clause 6.7 of SLEP 2012. The proposed building envelope at the top of the hotel tower would be a maximum of RL 111.6, which is 2.95 m below the topmost point of the building (lift motor rooms) at RL 114.55.

Whilst the proposed extensions to the roof level of the hotel tower would extend above the sun access plane, the development is not wholly prohibited and development consent may be granted (see **Section 4.3**). A detailed assessment of the potential impacts of the proposed envelope has been undertaken as outlined in **Section 6.4** and **6.5**.

The Department is satisfied that the proposed building envelope above the hotel tower would not result in any significant adverse visual bulk or overshadowing to the surrounding area (**Section 6.4** and **6.5**).

6.3.2 Building Setbacks

The eastern part of the site fronting Macquarie Street is identified within the Macquarie Street SCA and the south-western corner of the site within the Bridge Street/Macquarie Place/Bulletin Place SCA. The site is also adjacent to the Circular Quay SCA to the north.

SDCP 2012 contains detailed controls applicable to SCAs to reinforce the existing character of these areas. The setback controls above the street frontage is 30 m along Macquarie Street. A 10 m front setback also applies to the future additions above Transport House at the Phillip Street frontage of the site (clause 5.1.2.1 of SDCP 2012 - Front setbacks above a heritage item).

The street frontage heights that apply to the site in accordance with clause 5.1.3 in the Macquarie Street SCA are shown in **Figure 14** and **Table 9**, and the footprint of the proposed building envelope relative to the setback requirements under SDCP 2012 is illustrated in **Figure 15**.

Table 9 | SDCP Setback Controls

Development Standard	SDCP Location	Control	Proposed	Complies
Transport House Addition				
Setback	Macquarie St	30 m	Part 12.3 m, part 19.7 m, part 20.4 m, part 24.1 m	No
	Bridge St	10 m	No change to existing setback	Yes
	Phillip St	10 m	Part 3 m, part 8.5 m	No
IC Hotel Works				
Setback	Macquarie St	30 m	Approx. 33.5 m	Yes
	Bridge St	10 m	No change to existing setback	Yes
	Phillip St	10 m	A setback of 3.5 m is proposed, which is consistent with the existing building envelope	No

The Department notes that Council has granted development consent to a three-storey rooftop addition to Transport House. A comparison of the built form of the Transport House addition approved by Council under DA/02/00739 and the proposed built form is provided in **Table 10** below.

As previously noted, key differences include the proposed Transport House building envelope being 3.7 m greater in height (RL 51.1 versus RL 47.4) and its setbacks are closer to Macquarie Street (mostly 19.7 m to 20. 4 m instead of 28 m). The proposed Phillip Street setback is greater than the approved addition for levels 1 and 2 (part 8.5 m against nil and 7 m), and part 8.5 m against part 8.8 m (level 3). The approved rooftop addition's northern facade sits 2 – 3 m behind the northern façade of Transport House while the proposed Transport House building envelope aligns with the northern façade of the building below. The proposed and approved setbacks from Macquarie Street and Phillip Street are illustrated in **Figures 15** to **17**.

Table 10 | Comparison of the built form of the Transport House approved rooftop addition and proposed building envelope

	Approved	Proposed
Setbacks • Macquarie Street • Philip Street	• Approx. 28m • Part nil, part 7 m, part 8.8 m	• Part 12.3 m, part 19.7 m, part 20.4 m, part 24.1, • Part 8.5 m, part 3.5 m
Height	3-storeys above Transport House with RL 47.4	2-storeys (ballroom triple height) above Transport House with RL 51.1

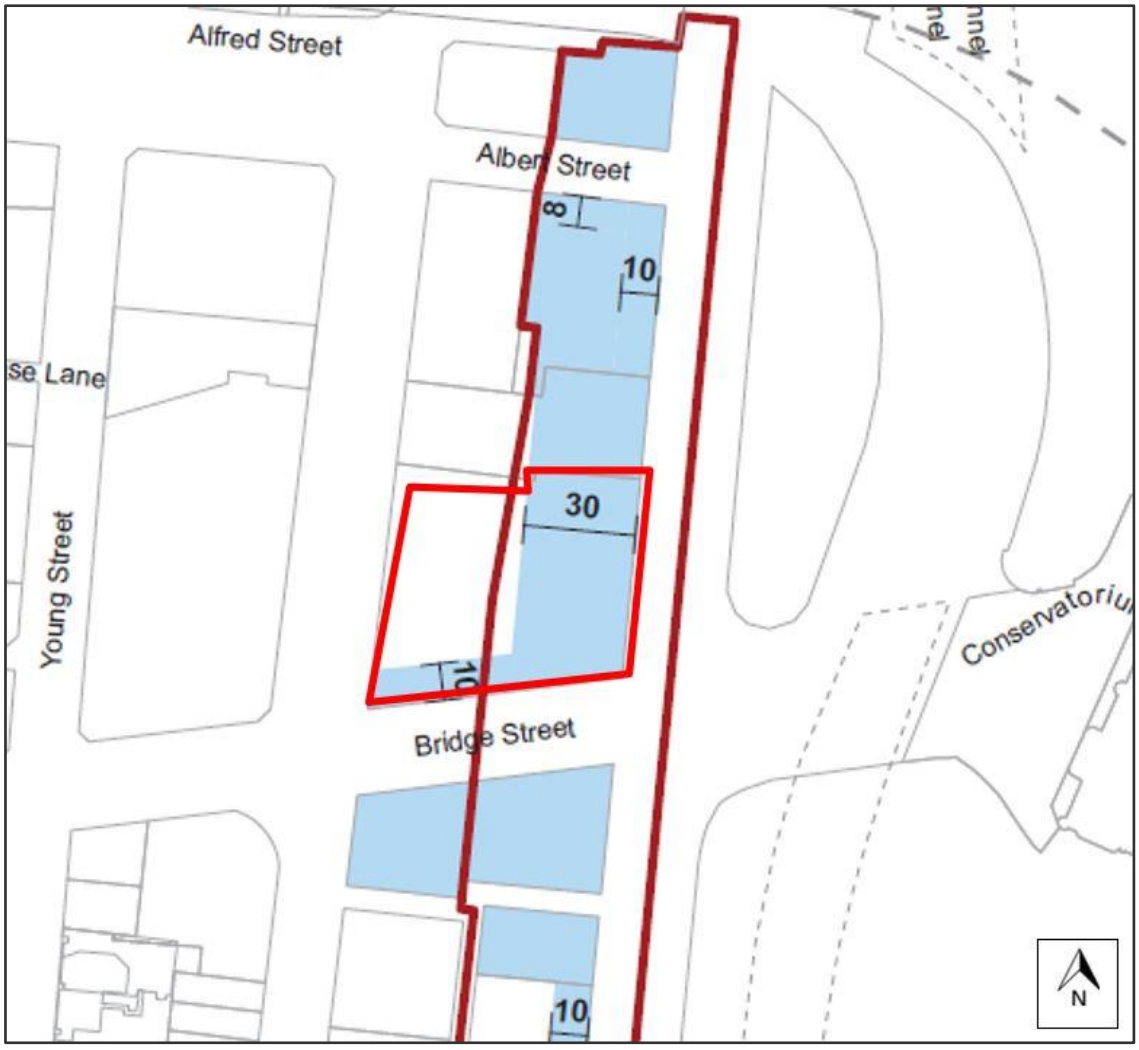

Figure 14: | SDCP 2012 Macquarie Street SCA setback control (source: SDCP 2012)

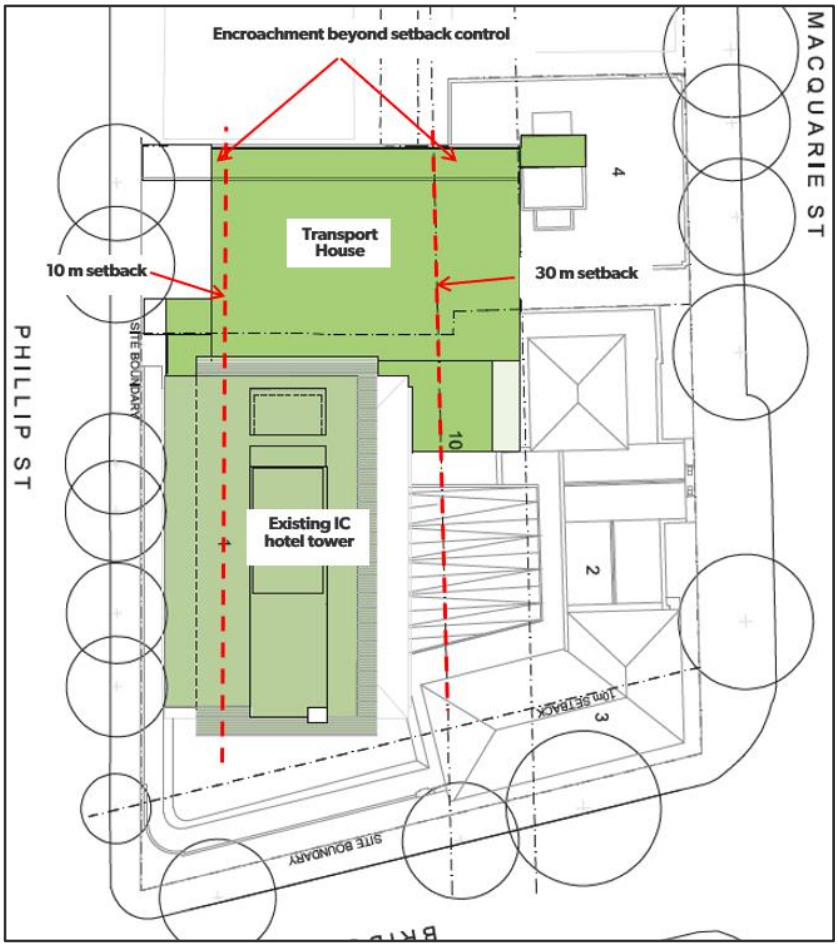

Figure 15: | Front setback control above street frontage at Level 10 (source: Applicant's Further Supplementary RtS)

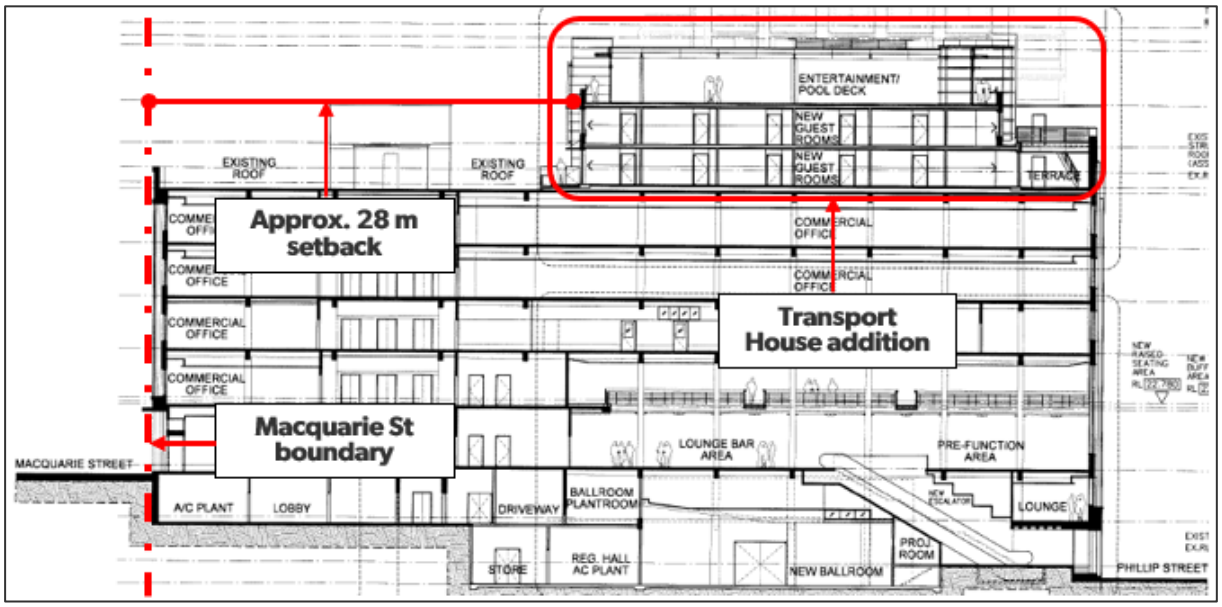

Figure 16: | Extract of detailed section of the approved Transport House addition showing setbacks to Macquarie Street (source: DA/02/00739)

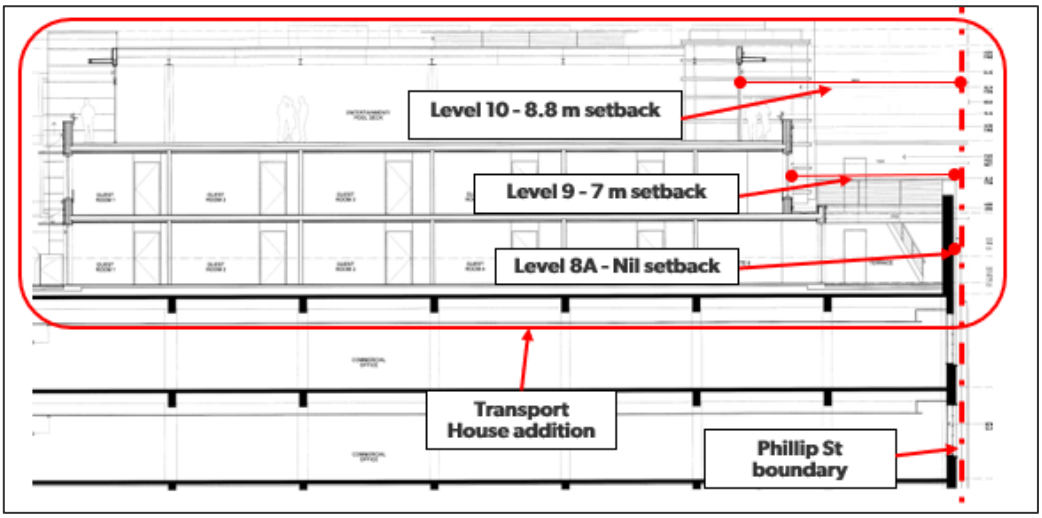

Figure 17: | Extract of detailed section of the approved Transport House addition showing setbacks to Phillip Street (source: DA/02/00739)

The proposed building envelope has a 8.5 m setback to the Phillip Street frontage of the site. There would be no change to the existing building setback at Bridge Street.

The Department notes the RtS included a reduction to the building envelope due to the removal of a plant room above the podium tower on Bridge Street and the northern most part of the storeroom associated with the ballroom on Level 8 of Transport House. The Department also notes the RtS increased the setback from Phillip Street from 0 m to 8.5 m for the majority of the elevation.

The Department considers that these amendments have a positive impact by reducing the heritage and visual impact of the proposed development from the north at Bridge Street and from the west along Phillip Street.

The Department acknowledges Council's and Heritage Division concerns and in the public submissions in relation to the non-compliance with the setback controls. The objective of the front setback control above the street frontage height in the Macquarie SCA is to maintain a consistent scale, form and character of buildings nearby.

The Department considers the key issue therefore relates to the siting, form and height of the proposed Transport House envelope and the visual impact of future additions on the heritage significance of the items on the site and the heritage setting when viewed from the surrounding area (see **Section 6.4**).

For reference, the Transport House envelope includes the rooftop addition above Transport House, extending over part of the western parapet of the former NSW Treasury Strong Room Building and rooftop addition on the podium of the hotel immediately east of the existing hotel tower between the Cortile roof and western façade of the Strong Room.

Given the clear interrelationship between the issues associated with non-compliance with the setback controls and heritage and visual impacts, these issues are discussed jointly in more detail below.

6.4 Heritage and Visual Impacts

The site contains two heritage listed items, the State listed former NSW Treasury Building and the locally listed Transport House, and is located adjacent to and near items, groups of items and streetscapes of local, State heritage and National significance (**Figure 6**). Immediately to the north of the western part of Transport House is the Justice and Police Museum which includes the former Traffic Courts and Phillip Street Police Station, both classified as State and locally listed heritage items. The Department has therefore carefully considered the potential heritage impacts of the proposed building envelopes and their relationship to the two items on the site, including

their setting and views, and the surrounding heritage context and streetscape character of the site. Consideration of the draft CMPs is provided in **Section 6.7**.

The key heritage issues relate to the external visual impact of future additions facilitated by the proposed Transport House envelope and the impacts on the interior of Transport House associated with the structural intervention required to support the future additions. The key aspects of the indicative built form are described in **Section 2.1**. The proposed building envelopes, including the hotel tower rooftop addition and Transport House envelope are illustrated in **Figures 18**to **20**. The approved rooftop additions are illustrated in **Figures 21** and **23**.

Council considers the proposal would have an adverse impact on the heritage significance of the buildings on the site and their setting due to the visual impact of future additions facilitated by the proposed Transport House envelope. Council also considers the bulk and scale afforded by the building envelope forward of the front setback controls would have an adverse impact on the heritage significance of the heritage items on the site.

Heritage Division also raise concerns with the visual impact of future additions on significant views to the site and recommends the envelope be modified to comply with the setback controls. The public submissions also raise concerns with the visual and heritage impact of the future additions and non-compliance with the setback controls.

The Applicant acknowledges the proposed Transport House envelope would alter the existing setting, however contends there would be no detrimental visual impact that adversely affects the setting of the heritage buildings on the site or the surrounding streetscapes as:

- it would be consistent with the CBD context, which is characterised by low scale heritage buildings at the interface with higher contemporary buildings
- it would read as relatively minor additions when viewed in the context of the lower scale heritage buildings interspersed with large scale contemporary development
- the 20 m setback to Macquarie Street frontage is sufficient to mitigate the visual impact within the Macquarie streetscape and further east from the RBG, and the low scale character of heritage buildings on the site would be retained
- it would be subject to detailed design in future applications providing the opportunity to further refine the design and minimise visual impacts and protect heritage significance of the area.

The Applicant's Visual Impact Study (VIS) compares the existing and proposed views to the site from the public domain, including the RBG and Macquarie Street to the east, and Circular Quay, Cahill Expressway and the Sydney Opera House to the north. The Department considers the vantage points in the Applicant's VIS provide a satisfactory representation of the key views to the site.

The view impacts in the VIS are categorised as low, moderate or high. Low impacts generally include an envelope that fits within the existing footprint and occupies less than 20% of the view. Moderate impacts match or extend the building footprint and occupies 20 to 40% of the view and high, which extends beyond the building footprint and occupies more than 40% of the view. The VIS concludes the view impacts of the proposed building envelope are low to moderate.

The Department considers the key vantage points of the site within the public domain are from the east along Macquarie Street and the RBG, including the Conservatorium of Music, and Phillip Street and Alfred Street to the west and north of the site. The visual impact of the proposed building envelopes at these locations is considered below.

Macquarie Street / RBG

The Department acknowledges the height of the Transport House envelope is below the maximum height control of 55 m under SLEP 2012 (40.2 m or RL 51.1) for the site and that the future additions within the envelope would be read against the backdrop of higher built form surrounding the site.

However, while the envelope sits behind the existing lift structure from Macquarie Street above Transport House, the aim of which is to be visually subservient to the existing heritage buildings on the site, the proposed building mass, established by the envelope, fails to suitably integrate with the varied roof forms and heritage building heights on site and surrounding the site and the streetscape (see **Figures 18, 19** and **22**).

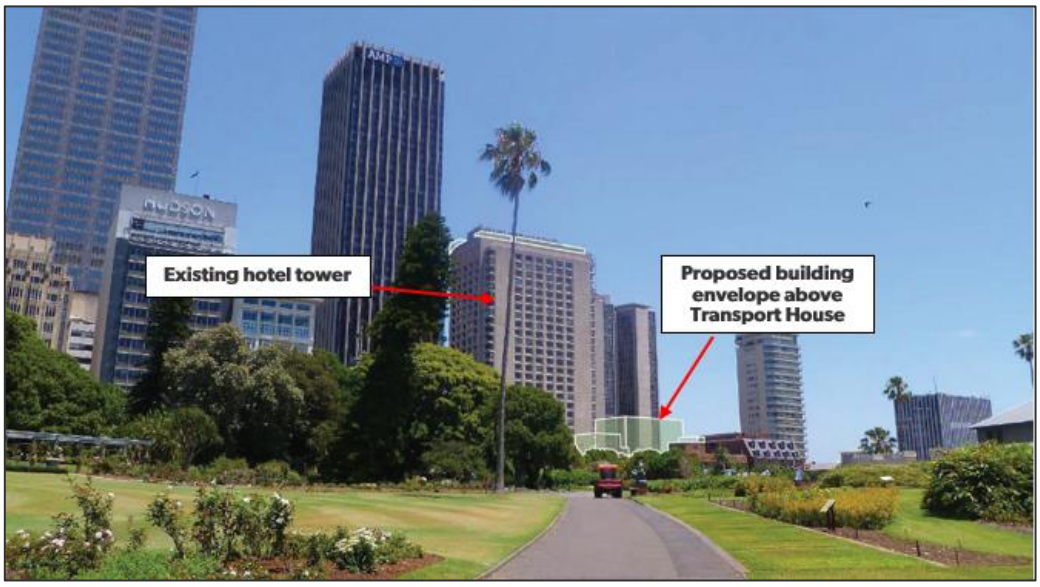

Figure 18: | Proposed view from inside the RBG looking north-west (Base source: Applicant's VIS)

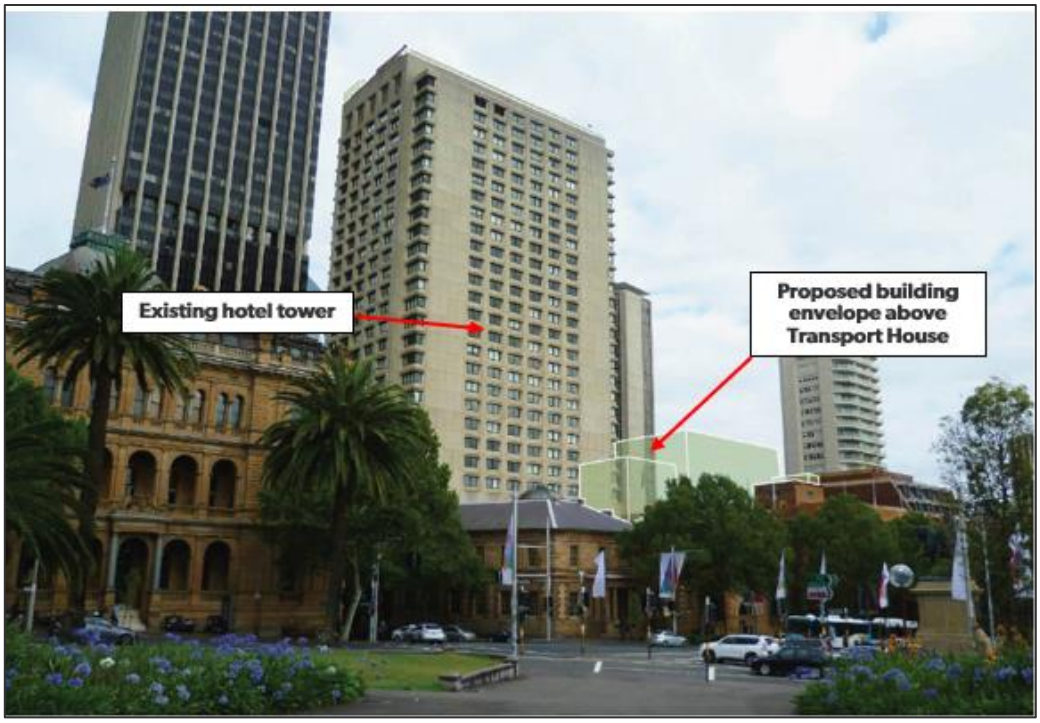

Figure 19: | Proposed view at Macquarie Street entry to RBG looking northwest (Base source: Applicant's VIS)

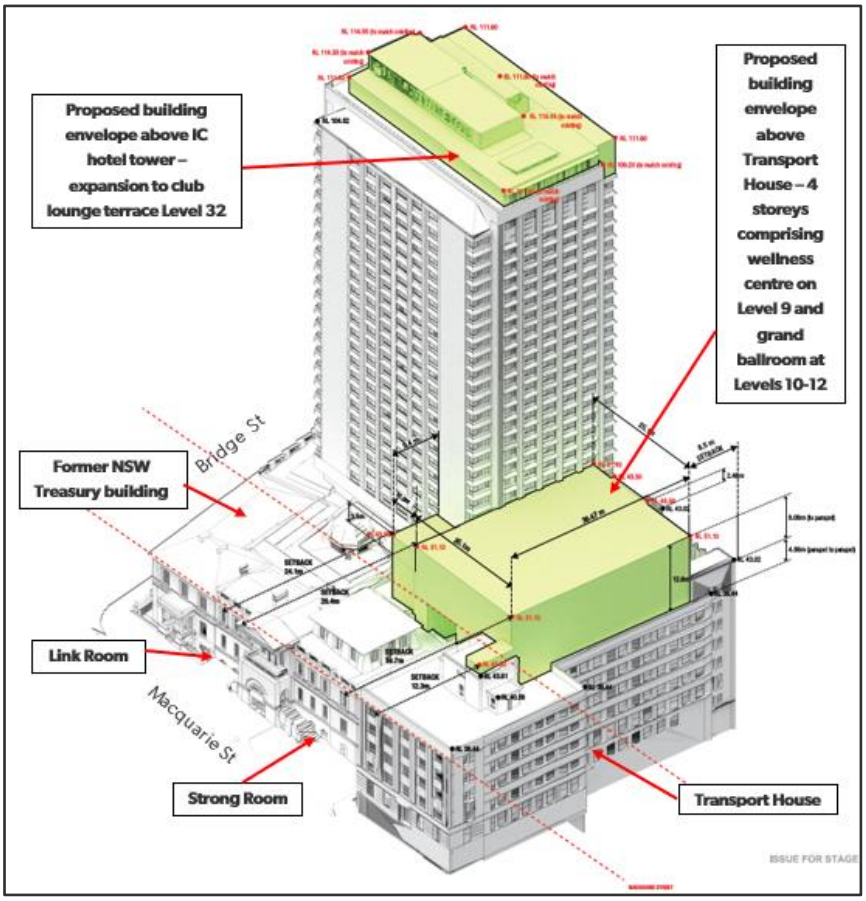

Figure 20: | Proposed building envelope – view from the north-east (Base source: Applicant's RRtS)

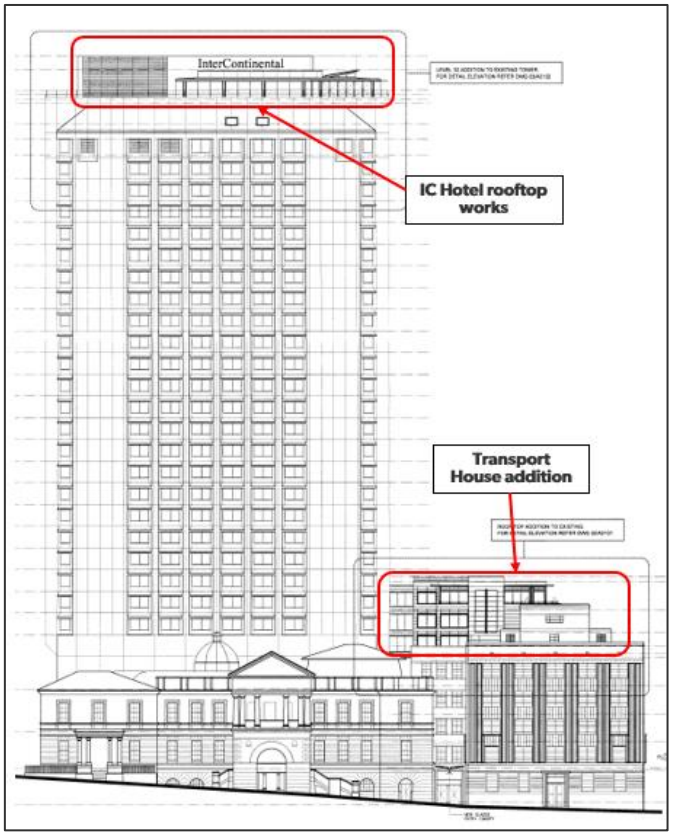

Figure 21: | Extract of the approved Macquarie Street/eastern elevation (Source: DA/02/00739)

The Department notes the alterations made to the Macquarie Street facade of the Transport House envelope, including a decrease to 12.3 m in part due to the location of the proposed fire egress. However, the Department agrees with Council and Heritage Division that the proposed setback (19.7 m for its majority) and the mass of the Transport House envelope when viewed from the east at Macquarie Street and the RBG is inadequate and overbearing in the context of the defined heritage streetscape and surrounding heritage buildings.

The Department also agrees that the impacts on the streetscape have not been satisfactorily substantiated and the setback of the building envelope from Macquarie Street should be reconsidered to minimise heritage and visual impacts. However, the Department supports the proposed envelope above the hotel tower given its modest scale and sensitive integration.

Figure 22: | View from the communal rooftop at the Astor apartments (Base source: Applicant's RtS)

The Department therefore considers a setback from Macquarie Street (30 m) should be applied to the proposed Transport House building envelope. The Department accepts that a minor intrusion into the setback would potentially be acceptable as part of a future detailed design development application, but this would need to be informed by a competitive design process, that would be subject to review by the Department, GANSW, Heritage Division and Council.

The Department is also of the view that a subsequent development application should be informed by the competitive design process which would regard to the visual and architectural design quality of the building and its relationship to the existing heritage fabric, surrounding heritage items and character of the streetscape.

Phillip Street/Alfred Street

The Department acknowledges the proposal has been amended to reduce the building envelope at this location by increasing the proposed setback from 0 m to mostly 8.5 m and part 3 m (**Figure 24**). The Department considers this a positive design response that has aimed to minimise heritage and visual impact streetscape issues.

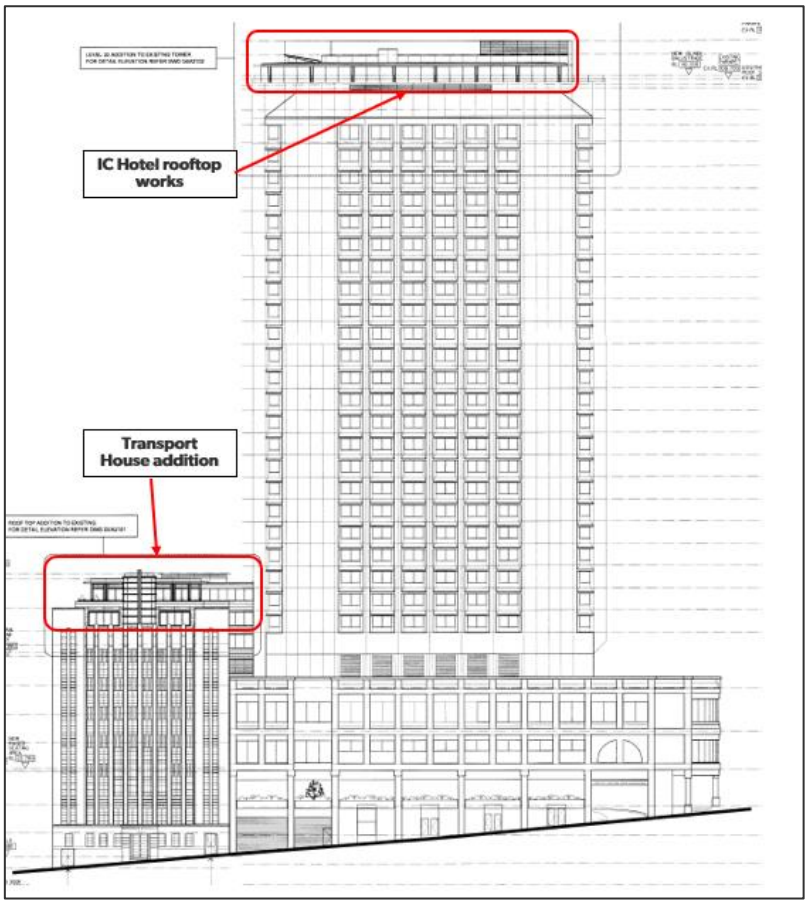

Figure 23: | Extract of the approved Phillip Street/western elevation (source: DA/02/00739)

Figure 24: | Proposed view eastern end of Alfred Street adjacent to Circular Quay (source: Applicant's VIS)

While Council and Heritage Division do not support the proposed setback of the Transport House envelope when viewed from the west and north at Phillip Street and Alfred Street, the Department considers the setback is sufficient and would ensure the built form is compatible with the Transport House building and streetscape character.

The Department further considers that while the northern elevation of Transport House envelope sits 2-3 m forward and 3.7 m higher than Council's approved Transport House rooftop addition, it would not be overbearing or have a detrimental heritage impact on the setting of the Justice and Police Museum.

Conclusion

The Department supports the rooftop addition to the hotel tower but acknowledges that the visual character and setting of heritage items and streetscape would be detrimentally affected by the Transport House building envelope due to inadequate setbacks from Macquarie Street. However, the Department is satisfied that an appropriate design can be achieved to minimise heritage and visual/streetscape impacts because:

- there is an existing approved three-storey rooftop addition which is setback 28 m from Macquarie Street
- the maximum height of the envelope is 40.2 m (RL 51.1) which is 14.8 m below the 55 m maximum height limit
- the key heritage features would retain visibility and continue to be read and appreciated separately, and its visual prominence within the streetscape would be conserved when viewed from the surrounding area and heritage items
- the detailed design would be subject to a subsequent development application and be required to comply with the heritage considerations informed as part of a competitive design process and endorsed CMPs (**Section 6.7**)
- the future development application(s) would also be subject to a further detailed assessment that would include consideration of visual and heritage impacts
- consultation would be required with Heritage Division, Council and GANSW
- a sensitive architectural design approach would be adopted under the competitive design process, which would include the use of suitable materials and finishes to complement existing heritage buildings.

The Department concludes that the building envelopes viewed from Macquarie, Phillip and Alfred Streets would not have an adverse visual impact on the heritage items on the site or the heritage setting and streetscapes, subject to the following key recommended conditions to ensure the proposal would exhibit design excellence and have a high quality architectural design of the future building within the approved envelopes (as modified):

- the Transport House envelope must be setback 30 m from Macquarie Street. The acceptability of any minor intrusion into with this setback would need to be informed by a design excellence process, that would be subject to review by the Department, GANSW, Heritage Division and Council.
- the detailed design within the Transport House envelope must provide adequate setbacks from Macquarie Street and Phillip Street to reduce the bulk and scale of the rooftop addition and minimise visual and heritage impacts
- the rooftop additions must maintain the visual prominence of the existing heritage buildings on the site and Macquarie Street streetscape, and the legibility of their composition, architectural style, form and features
- the architectural expression of the rooftop additions must present as a contemporary and complementary projection of the existing hotel building and be visually subservient to Transport House, the former Treasury Building, surrounding heritage buildings and the Macquarie Street streetscape
- the materials and composition of the facades are to respect and be submissive to the heritage sandstone facades

- the rooftop additions must not result in any additional overshadowing of the RBG (**Section 6.5.1**)
- prior to the lodgement of a future development application(s), a competitive design process must be undertaken (**Section 6.2**)
- future development applications must comply with the CMPs for the former NSW Treasury Building endorsed by the Heritage Council and Transport House endorsed by Council (**Section 6.7** and **Appendix D**).

Structural works

Council, Heritage Division and the public submissions have raised concerns with the lack of detail and certainty to ensure the structural intervention to support a future addition above Transport House would adequately conserve its heritage significance.

Whilst the concept proposal does not seek approval for building works, the Department considers it is appropriate to assess the structural aspects of the future design at the concept stage.

The proposed Transport House envelope would facilitate a new addition extending from the northern elevation of the IC Hotel tower above Transport House, between the Phillip Street façade and the Macquarie Street lift over-run. Transport House is constructed with a steel frame encased in concrete.

The external walls are clad and infilled with masonry (stone to the front façade and brickwork elsewhere) and the lift cores are concrete shafts. Transport House has both significant internal spaces such as Registration Hall and the mezzanine and there are several areas where walls, floors and columns have significant heritage cladding and finishes.

The Applicant's structural engineer has undertaken a review and analysis of the existing building to determine the feasibility of the proposed addition above the roof of Transport House. The Applicant's structural analysis recommends full compliance with Australian Standard 1170.4 Earthquake Actions in Australia to satisfy the current requirements for seismic design, which involves several options for seismic strengthening.

The preferred structural solution would be validated by further preliminary investigation involving inspection and testing of the existing wall structure in accessible locations. The results from the preliminary investigation would inform the scope and extent of the detailed structural investigation.

The Applicant considers the structural analysis provided with the application is sufficient to demonstrate feasibility with further development of a detailed solution required as part of detailed future DAs.

The Department considers that it is appropriate for the detailed structural investigations to be undertaken in detailed future DAs for the following reasons:

- the RtS included amendments involving removal of the proposed swimming pool above Transport House to reduce the structural load of the future additions
- there would be no internal changes to the interior of Transport House as part of this application, which only seeks approval for a building envelope
- the development concept demonstrates the future additions can sit above the rooftop of Transport House providing an area of separation between the existing roof surface and the underside of the proposed addition
- the range of structural engineering solutions identified in the concept development application would provide flexibility and minimise intervention into significant spaces, fabric and finishes to the interior of Transport House

- structural issues would also be considered as part of the competitive design process prior to the lodgement of future DAs.

The Department acknowledges the concerns raised in relation to the structural intervention and the impacts on the heritage significance associated with interior of Transport House. Therefore, the Department recommends the following conditions, prior to competitive design process and lodgement of detailed future DAs to minimise the impacts of any structural intervention required to support the future addition:

- the competitive design process and Design Excellence Strategy must have regard to the endorsed CMPs
- documentary evidence shall be provided by a Structural Engineer with experience in heritage buildings confirming the existing building is capable of withstanding the future addition
- a detailed strategy for structural, fire safety and building services upgrades must be prepared
- the structural design report shall be accompanied by a detailed heritage impact statement prepared in consultation with Heritage Division and Council.

6.5 Amenity Impacts

6.5.1 Solar Access

Concerns were raised by Council, RBGDT and in public submissions in relation to overshadowing to the RBG and Domain. SLEP 2012 requires buildings to maximise sunlight access to public places by establishing sun access planes to major public areas, including the RBG. The proposal includes works above the RBG sun access plane due to the extension of the Club lounge at Level 32.

The Applicant's RtS is accompanied by updated shadow diagrams comparing the existing and additional shadow cast by the proposed building envelope at the winter solstice. The Department's assessment of the shadow diagrams notes the additional shadow cast by the proposal affects:

- Phillip Street for approximately 1 hour and 30 minutes between 9.45 am and 11.15 am (**Figures 25** and **26**)
- Macquarie Street and a minor portion of the open space of The Domain between Macquarie Street and the Cahill Expressway for approximately 1 hour and 45 minutes between 1.45 pm and 3.30 pm (**Figures 27** and **28**).

There would be no additional overshadowing to the RBG or Domain caused by the extension of the Club lounge at Level 32, in accordance with the sun access plane controls under clause 6.17 of SLEP. The additional shadow cast by the proposal on The Domain would be generated by the future addition above Transport House, which the Department considers would not result in any unreasonable overshadowing impacts because:

- this addition is well below the maximum height control of 55 m that the sun access plane applies to
- the shadow would be cast for a relatively short period of time (approximately one hour)
- the shadow would fall on a small, isolated area of relatively poor quality public open space, forming an island surrounded on three sites by busy roads (Macquarie Street and the Cahill Expressway link road) - see **Figure 29** The area therefore benefits from low levels of amenity and is essentially a thoroughfare between Macquarie Street and the more open parklands of the RBG and Domain beyond, which provide an alternate area of public open space of higher amenity
- the greatest extent of overshadowing to The Domain occurs at 2.40pm (**Figure 27**), with 220m^2 of The Domain overshadowed. However, the overshadowing only occurs to 41m^2 of the island, with 179m^2 falling on the footpath and road
- the RBGDT did not raise any concerns with the additional overshadowing to the RBG and The Domain.

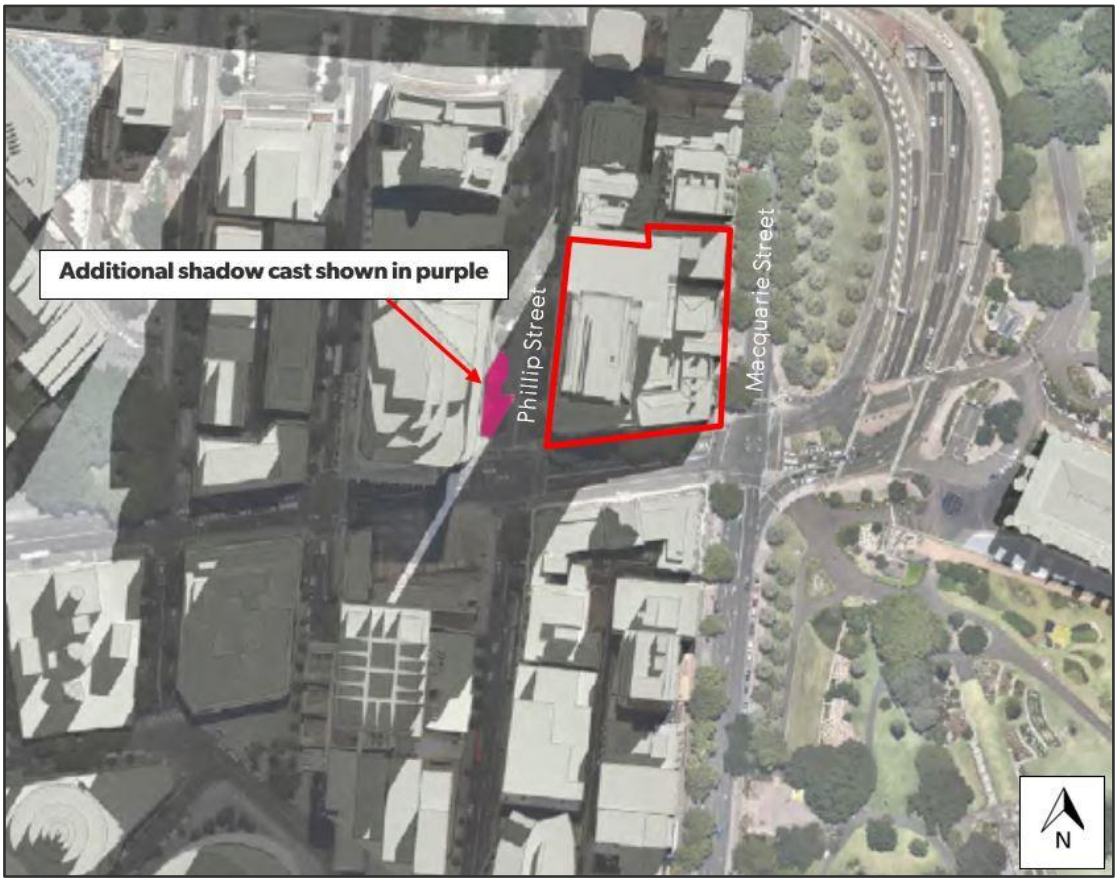

Figure 25: | Proposed shadow 10 am winter solstice (Base source: Applicant's RtS)

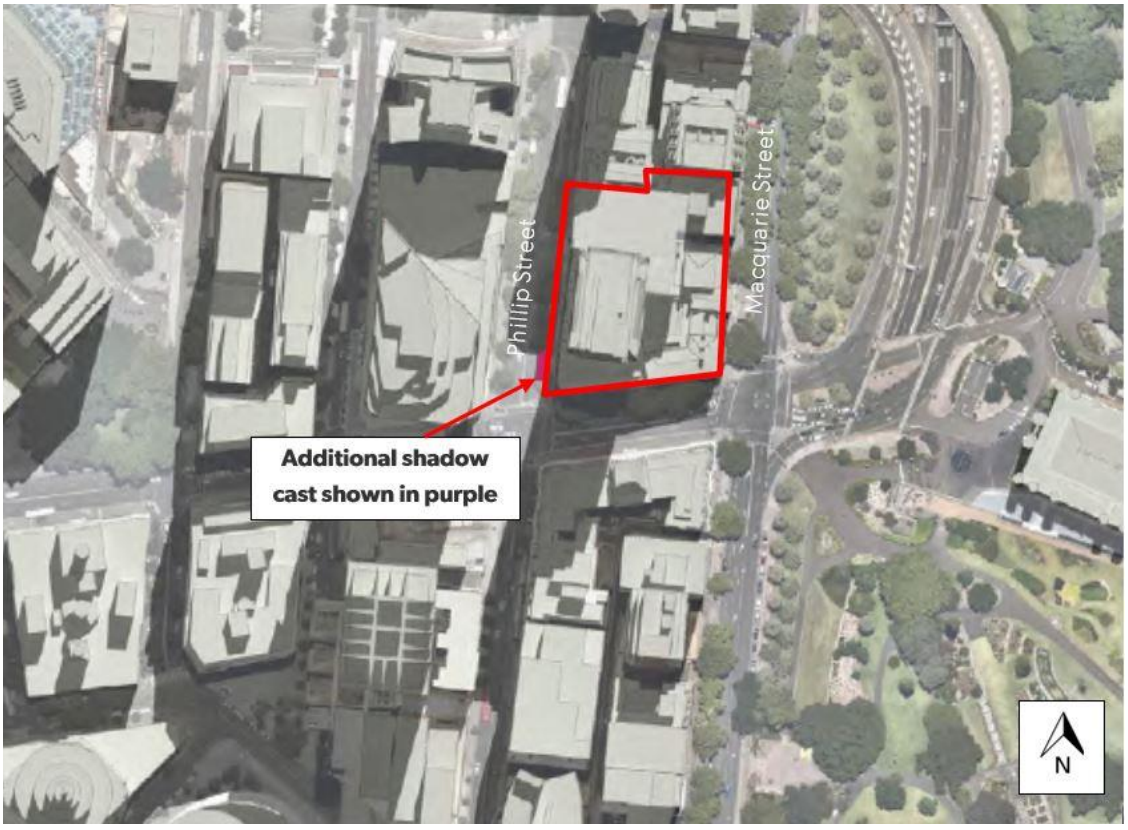

Figure 26: | Proposed shadow 11 am winter solstice (Base source: Applicant's RtS)

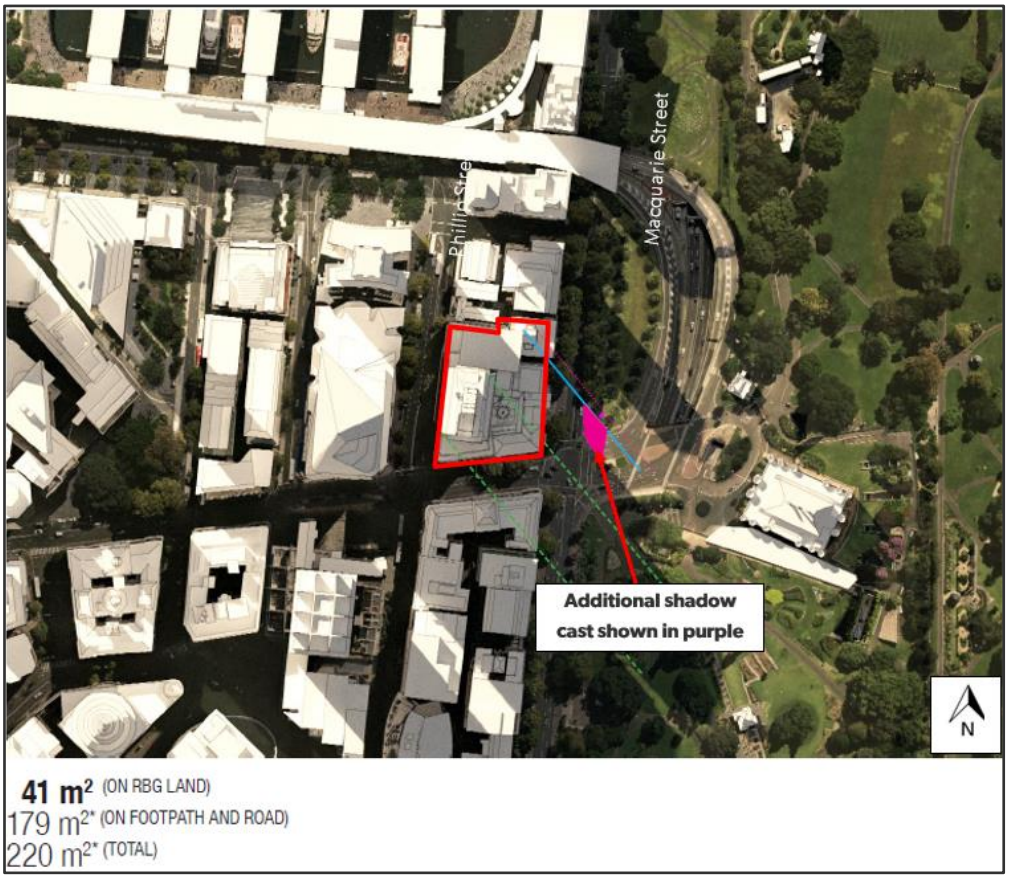

Figure 27: | Proposed shadow 2.40 pm winter solstice (Base source: Applicant's Further Supplementary RtS)

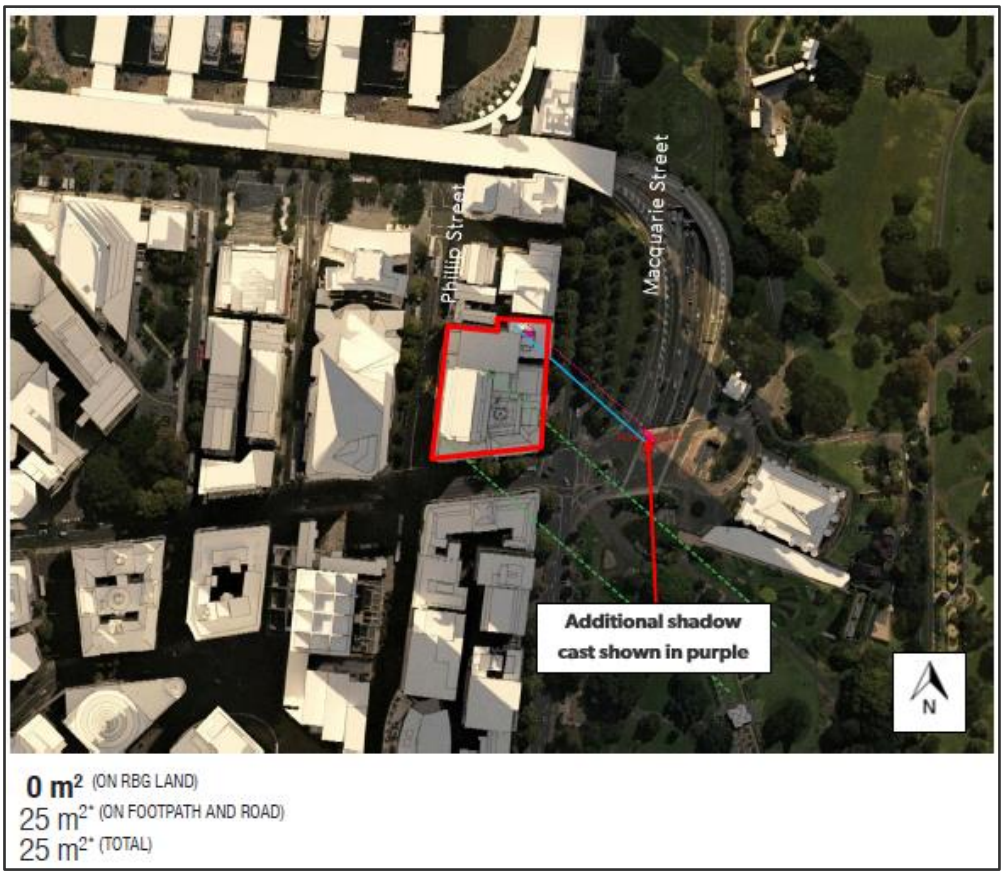

Figure 28: | Proposed shadow 3.30 pm winter solstice (Base source: Applicant's Further Supplementary RtS)

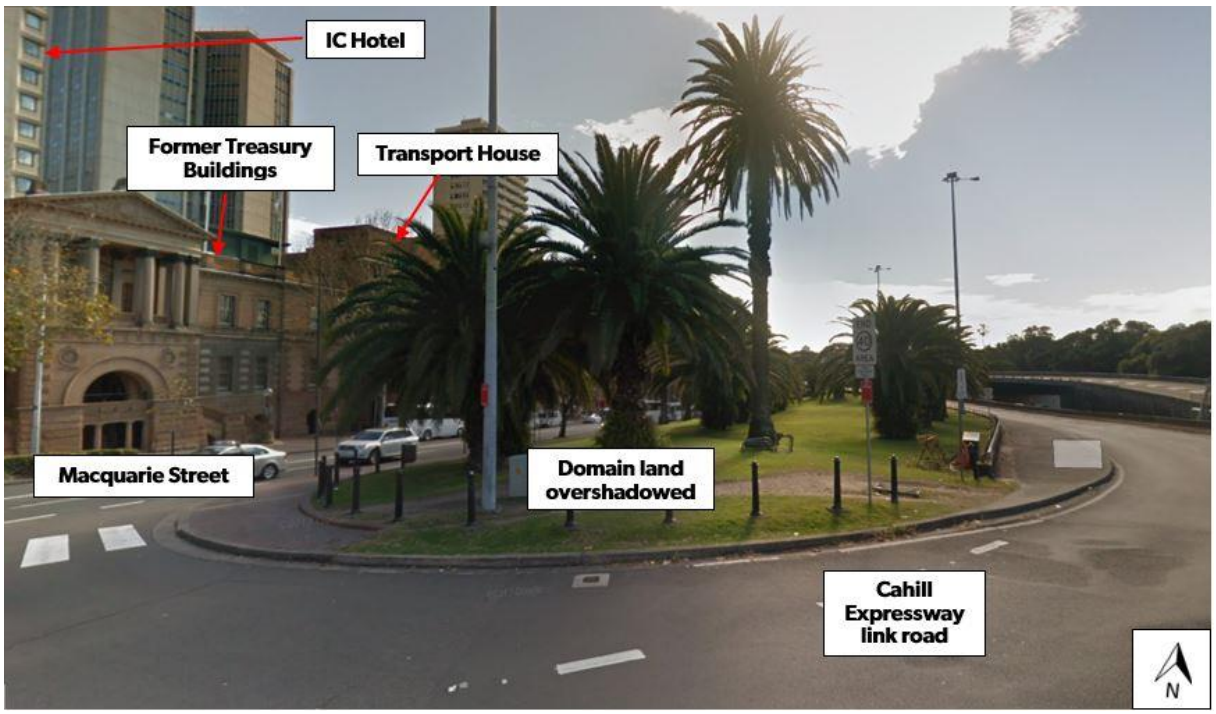

Figure 29: | View of island -Macquarie Street and the Cahill Expressway link road (Base source: Nearmap)

The Department also notes the proposed extension is based on a non-compliant envelope, and therefore a compliant or reduced envelope could result in a reduction of overshadowing. The Department recommends a condition that consideration be given to overshadowing impacts in the detailed design of a future DA(s).

The Applicant's shadow analysis shows the proposed envelope above Transport House would increase the shadow cast over the Cortile space at midday during the winter solstice from 15% to 100%. Despite the additional overshadowing of the Cortile space, the Department considers the future additions within the proposed building envelope would not generate any unreasonable shadow impacts or loss of internal amenity within the site because:

- the Cortile roof would be replaced with a transparent glazed roof allowing a greater level of natural daylight penetration compared to the existing cortile roof
- the glazed roof above the cortile lounge space would continue to receive adequate levels of daylight and good internal amenity for the hotel users.

6.5.2 View Impacts

Concerns were raised by residents in the Astor Apartments (see **Table 5**) in relation to the impact on views from the north-facing apartments on Levels 8 to 10 and the communal open space on the rooftop. The Applicant submitted a View Impact Assessment (VIA) with the RtS.

The Applicant advises that no access was granted to the apartments on Levels 8 and 9 of the building. However, access was granted to Level 10 and the communal rooftop (**Figures 30** and **31**).

The Applicant's VIA has followed a four-step assessment in accordance with the principles established by Tenacity Consulting Vs Warringah [2004] NSWLEC 140. The steps/principles adopted in the decision are:

1. assess what views are affected and the qualitative value of those views
2. consider from what part of the property the views are obtained
3. assess the extent of the impact (from 'negligible' to 'devastating')

4. assess the reasonableness of the proposal that is causing the impact.

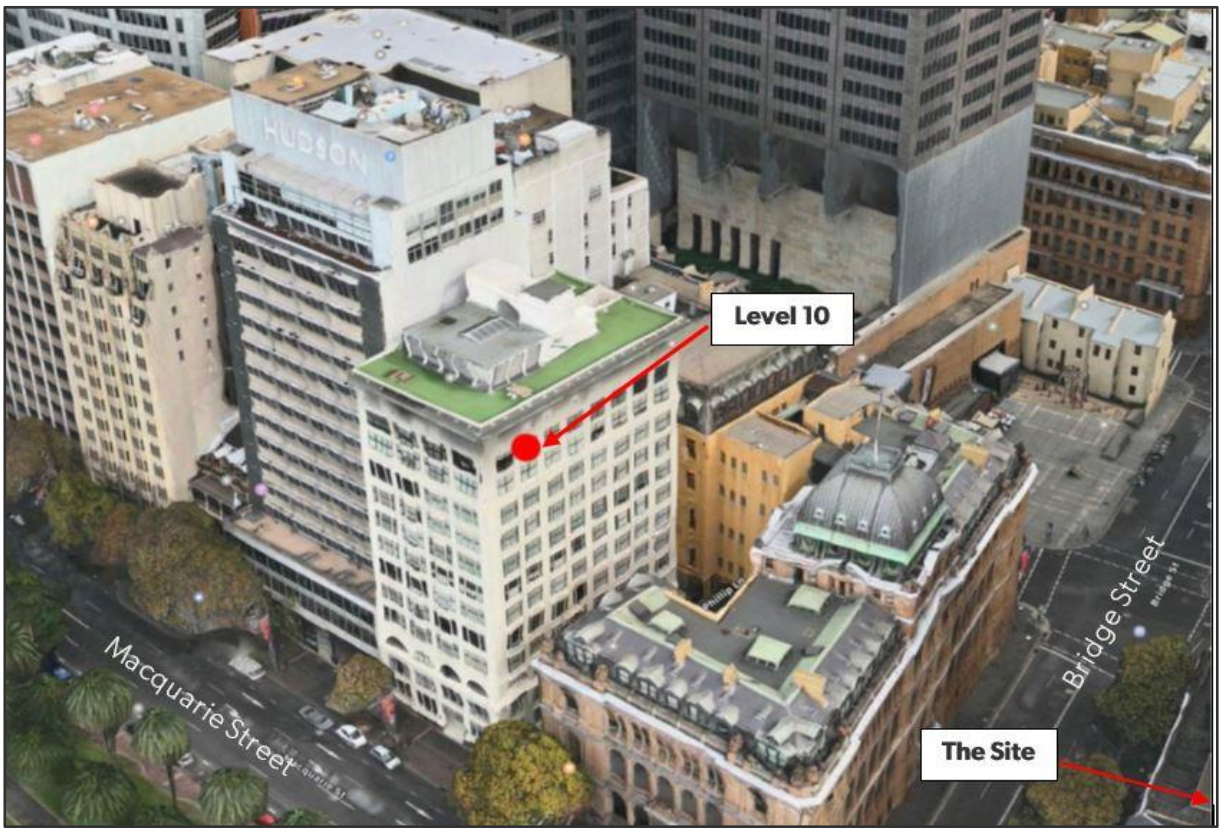

Figure 30: | Viewing location at The Astor apartments - Level 10 (Base source: Applicant's RtS)

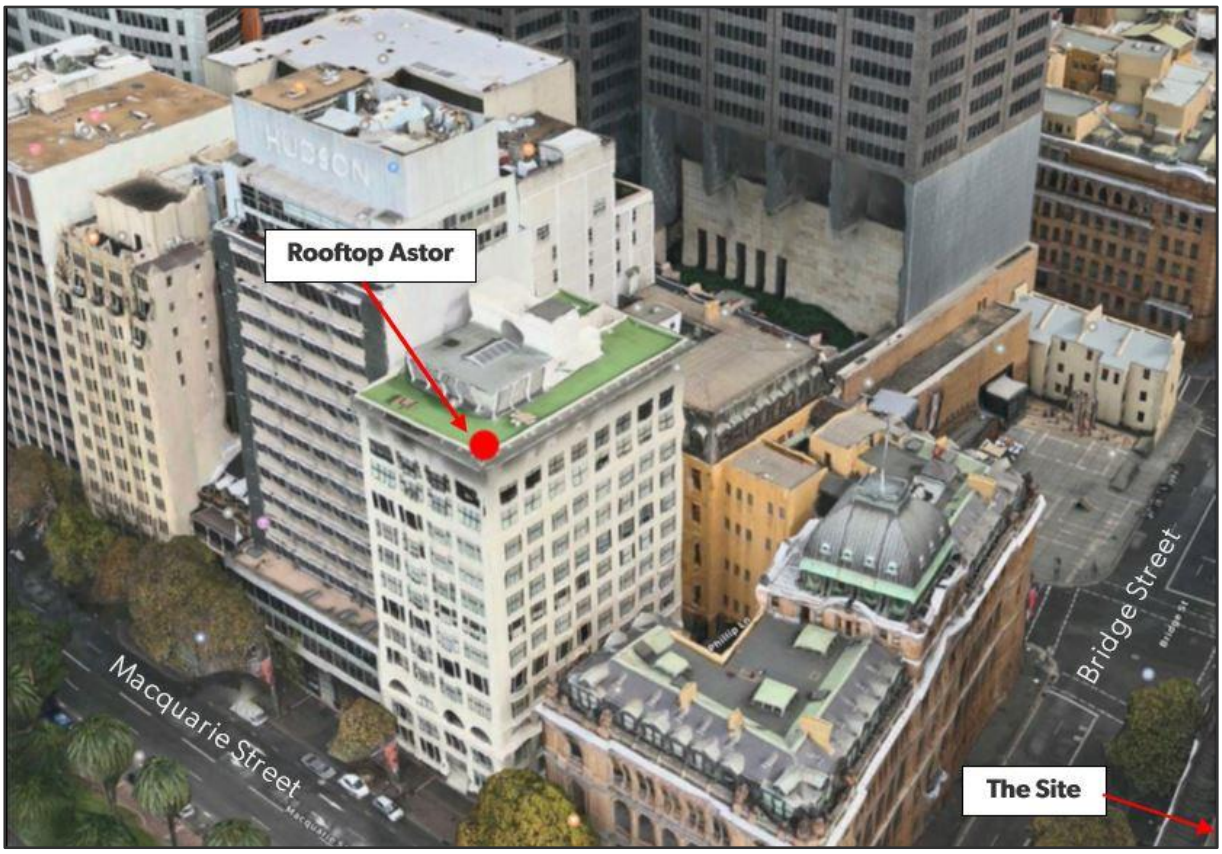

Figure 31: | Viewing location at The Astor apartments - Rooftop (Base source: Applicant's RtS)

Steps 1 to 3

The proposed envelope would obstruct partial water views to Sydney Harbour adjacent to The Quay apartment building in a standing position from the living area at Level 10 and the common rooftop. The portion of view impact is minimal in the context of the broader vista retained from Circular Quay to Sydney Heads. Whilst the view impact from the lower Levels 8 and 9 is expected to be greater due to the loss of additional water view, the overall extent of obstruction of water views would be minor and would not affect existing views to the Opera House (**Figure 32**).

Step 4

The Applicant contended that despite the variation to the 30 m setback requirement to Macquarie Street in the SDCP 2012, the existing roof structures on the former Treasury Building and Transport House are retained and the view impact is minimal.

The Department considers the view impact because of the non-compliant setback to Macquarie Street is minor and would not adversely affect the amenity of the apartments or the communal rooftop given the broader vista that would be retained, including views to the Opera House.

Furthermore, this part of the proposed building envelope is well below the maximum 55 m height limit under SLEP 2012 and would not result in any unreasonable view impacts.

The Department concludes that the view impacts from the Astor apartments are acceptable, noting that there would be further opportunity to refine the design of the future addition within the proposed envelope in a detailed future DA(s) and the increase in setbacks from Macquarie Street would provide additional opportunities for water views being further retained.

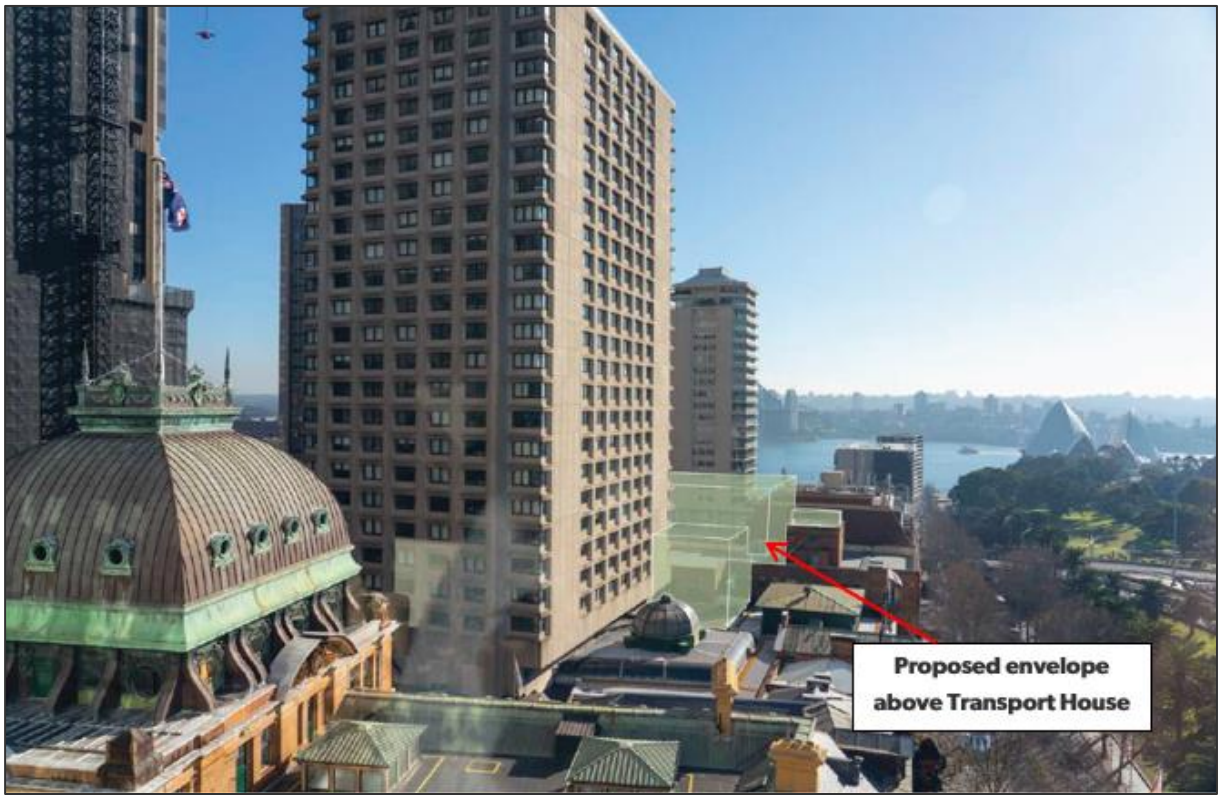

Figure 32: | View from Level 10 at the Astor apartments (Base source: Applicant's RtS)

6.5.3 Visual Privacy

Concerns were raised in the public submissions in relation to the potential impact on the proposed residential use of the Sir Stamford hotel site (**Table 5**), which is subject to a concept development application (DA1609/2017) involving demolition of the existing hotel building and construction of a 16 storey residential apartment building with retail at the lower levels.

The Department notes that the Land and Environment Court issued an Order to restrain Council from making a determination in relation to the current DA. Notwithstanding, the following analysis has been undertaken in relation to building separation and visual privacy.

In relation to the Stamford site, the west facing window and balcony orientation of the proposed apartments result in only oblique views to windows on the northern facade of Transport House. The proposal incorporates a blank wall to the common boundary with Transport House and a 3 m separation is maintained between the buildings without impacting the privacy of either building (**Figure 33**).

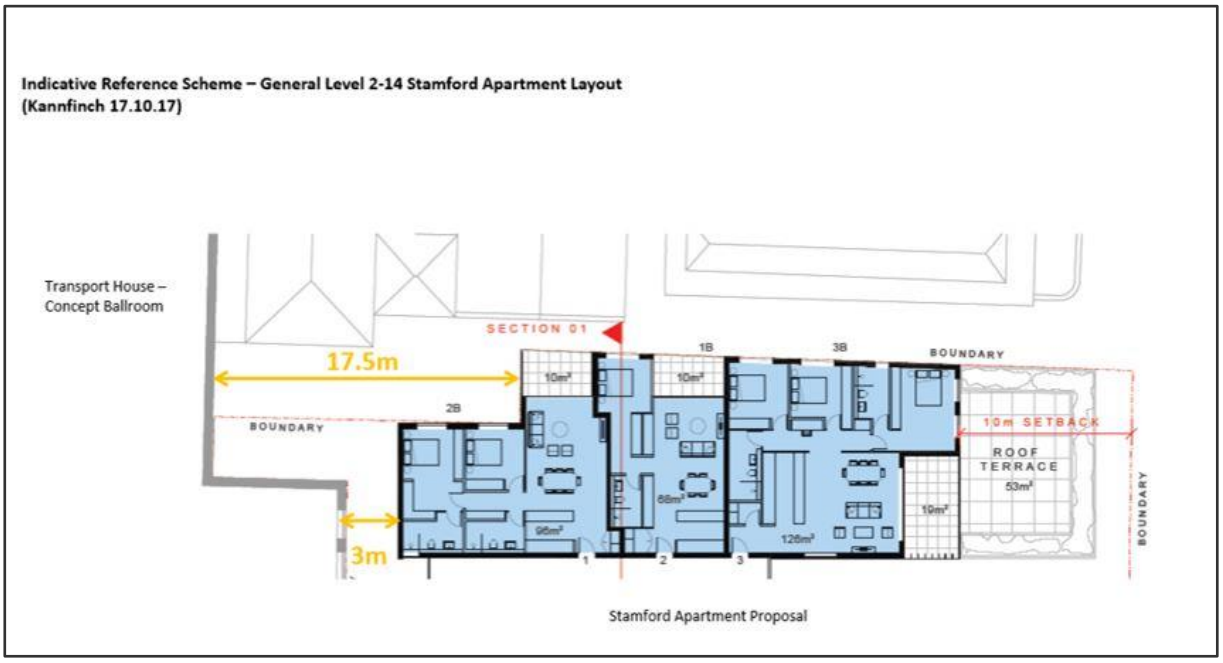

Figure 33: | Proposed building layout – Sir Stamford Hotel site (Base source: Applicant's RtS)

The Department is satisfied there would be no significant privacy impacts from the northern façade of the future building within the envelope above Transport House given the separation and orientation of the proposed apartments on the Stamford site. The nearest residential development to the site is the Quay Apartments located 65 m to the north of Transport House. No concerns were raised from the residents in the Quay Apartments.

The Department considers the proposed ballroom addition would not result in any unreasonable privacy impacts to the surrounding area because the site is predominately surrounded by commercial non-residential uses and further consideration of privacy impacts would occur as part of the future DA(s).

6.6 Traffic and Car Parking

There are no proposed changes to access arrangements in relation to traffic movements, vehicle parking and the use of the loading dock. The number of hotel rooms would decrease from 509 to 507 and therefore the proposed new ballroom would be the primary generator of additional traffic.

The proposed concept development includes an indicative design and layout of future additions within the proposed building envelope, resulting in an increase in floorspace equating to 3,456 m^2. The proposed ballroom

addition is 916 m^2 with a 610 person capacity for sit down dinner and 900 person capacity for a standing function to complement the existing hotel. The range of events includes work conferences during the day, dinner events in the evening and weddings at the weekend. The traffic and car parking issues relate to the use of the new grand ballroom for events and functions during peak periods.

6.6.1 Traffic Generation

The application included a Traffic and Transport Assessment (TTA) to analyse the traffic effects of the proposal on the nearby intersections and traffic network. Bridge Street carries the majority of traffic in the precinct, with approximately 800 vehicles travelling eastbound out of the city in the PM peak hour.

The proposal would generate up to 45 additional vehicle movements on a weekday and 91-137 additional vehicle movements in the evening and weekends. The TTA concludes that in the evening, the road network in the northern part of the Sydney CBD is not as busy as other times and would be able to accommodate the additional traffic movements generated by events and functions.

Council did not raise any concerns with the additional traffic generated by the proposal or local traffic impacts. TfNSW provided comments for consideration in relation to traffic management and vehicular and pedestrian access. TfNSW (RMS) provided comments in relation to vehicular access and management of traffic during construction.

The Department is satisfied the additional traffic generated by the development is relatively minor and the traffic impacts arising from the proposed development are acceptable and can be appropriately managed.

6.6.2 Car Parking

Under SLEP 2012, a maximum number of car spaces for a hotel equates to:

- 1 space/4 bedrooms up to 100 bedrooms
- 1 space /5 bedrooms more than 100 bedrooms.

The proposal would reduce the total number of hotel rooms by 2, from 509 to a total of 507 requiring a maximum 105 car spaces on the site. The proposal includes no change to car parking and the site would continue to provide 121 car spaces in the basement, which exceeds the maximum parking requirement. The non-compliance is acceptable given the number of car spaces provided on the site is existing and there would be no change as a result of the proposal.

Concerns were raised in the public submissions in relation to cumulative impacts on parking congestion in the area and the lack of suitable parking to cater for the demand generated by events, particularly from evening events.

There are a number of public parking facilities in the area which have spare capacity during the evenings when the parking demand is highest at the IC Hotel. The car parks in the vicinity of the site have a combined capacity of over 1500 car parking spaces. The Applicant's Traffic Engineer undertook a survey of off-street parking areas in the Sydney CBD on a typical Friday and Saturday night. The results of the survey show between 779 and 996 parking spaces remained unoccupied within these parking areas.

The Department is satisfied that the proposal would not result in any unreasonable parking impacts on local residents and visitors during major events because:

- during busy periods and for major events, nearby off-street car parking areas are available to accommodate any additional parking demand
- there would be opportunities for shared parking arrangements in nearby commercial buildings as the off-peak periods coincide with the peak parking demand for major events

- the maximum additional demand generated by the proposal represents 13% of the capacity of the surrounding car parks
- the site is located in close proximity to high frequency, high capacity public transport infrastructure, including the future light rail route, which terminates at Circular Quay.

The Department is satisfied that sufficient parking exists on the site and in the surrounding parking stations to satisfy the demand generated by major events within the proposed ballroom in the evening and at the weekend.

6.7 Other Issues

Other issues for consideration are addressed in **Table 11**.

Table 11 | Summary of other issues raised

Issue	Consideration	Recommended Condition
External and Internal works	• The key proposed external works (except rooftop addition to the hotel tower and Transport House envelope – **Section 6.4**) include replacing the roof and street level works including a glazed awning and new canopy over the laneway between Transport House and IC Hotel. • The key internal works (except structural works to Transport House – **Section 6.4.1**) include relocation of the day spa and gym from Level 31 to Level 9, relocation of ground floor bar, and alterations and upgrade works to entries and internal areas, including rooms, lobbies, bars and restaurants. • Council did not raise concerns about these works (except the canopy over the laneway which it did not support) and Heritage Division made a number of recommendations which the Department supports as recommended conditions. • The Department notes while the application outlines internal and external works no consent is sought for these physical works as they are concept only. • The Department is satisfied recommended conditions and potential impacts associated with these works can be considered as part of a subsequent DA(s).	• Materials and composition of facades to respect and be submissive to the heritage sandstone facades. • Street activation strategies need to minimise physical and visual impacts. • New balustrades within the Cortile arcade spaces should be reversible. • Changes to the Strong Room should be minimised. • Final design of the canopy to the existing laneway should be recessive in scale.
Draft Conservation Management Plan (CMPs)	• The Applicant submitted a draft CMP for both heritage buildings on the site (former Treasury Building and Transport House), which provides a detailed grading of the significance of the existing heritage fabric. Further detail is included at **Appendix D**.	• Competitive design process (Design Excellence Strategy) and future DA(s) must have regard to the endorsed CMPs.

- Council has advised the CMPs should be finalised before determination of the proposed concept application as the conservation policies are deficient and support a pre-determined outcome.
- The draft CMP for the former NSW Treasury building must be endorsed by Heritage Council as it is a State listed heritage item. As Transport House is a locally listed item the CMP must be endorsed by Council.
- Heritage Division's comments on the EIS stated the CMP for the former Treasury Building should be endorsed prior to the finalisation of future DAs. Heritage Division subsequently advised in response to the RtS, that it would be preferable for the CMP to be endorsed but if it is not possible due to the timeframe, the concept application should be made in accordance with the draft CMP as amended by the CMP checklist.
- The Department notes that Urbis, who prepared the HIS and heritage response in the RtS and supplementary information, is preparing the CMPs for the former Treasury Building and Transport House.
- Urbis has advised, the revised HIS while not incorporating amended policies does consider amendments to the proposal as a result of submissions and the Heritage Division checklist would not preclude the subject proposal.
- Urbis has further advised that it and Heritage Division will continue to develop the former Treasury Building CMP through discussions and consultation.
- The Department considers the CMPs would provide an important basis to inform the competitive design process and detailed design for future DAs, including preferred structural engineering solutions for the site.
- The Department notes a key guideline in both CMPs is for unsympathetic alterations and additions or alterations that dominate the heritage character of the building are strongly discouraged.
- For interior elements and spaces, the draft CMPs state where new works are proposed, the character of the significant interiors should be retained and remnant significant elements conserved and interpreted.
- The Department is satisfied these key guidelines would remain in the endorsed CMPs and would be considered carefully as part of the competitive design process and future DAs.
- Draft CMP for the former NSW Treasury building must be endorsed by the Heritage Council and the draft CMP for Transport House must be endorsed by Council, prior to lodgement of a detailed future DA(s).

	• Given the long-term nature of the endorsement process, the Department considers it is appropriate for the draft CMPs to be finalised prior to the competitive design process and lodgement of future detailed design DAs.	
Vehicular Access	• Concerns were raised by TfNSW in relation to the increase demand on the porte cochere and vehicle queuing during functions associated with the new ballroom. • The porte-cochere currently accommodates a total of 8 vehicles along the kerb and in the aisle. The entry ramp from Phillip Street has space for an additional 4 vehicles to queue. • Based on surveys for hotel and functions centres with similar levels of parking in the CBD, a full sit-down function at the hotel would generate a maximum vehicle arrival of 150 visitors over a 40-minute period with 30 vehicles arriving in the busiest five minutes. With each vehicle taking on average 1.5 minutes to drop off, nine vehicles could be in the porte-cochere at one time, which is less than the capacity of the porte-cochere, including queuing area. • The Department is satisfied that the existing porte-cochere would manage vehicle access during functions because its peak use by hotel guests at check-in and check-out times does not coincide with the function times, which occur early in the morning, lunch and evening.	• A Porte-Cochere Management Plan as part of the detailed future DA(s).
Loading Dock	• TfNSW requested justification as to whether the existing loading dock would be able to cater for the demand generated by functions associated with the new ballroom. • The Applicant's RtS confirms the goods for functions are already delivered to the existing function space in the hotel, resulting in no additional servicing traffic. • The existing hotel is already accustomed to bump-in and bump-out activities for functions, including the scheduling of food and beverage for additional catering. • The Department is satisfied there would be minimal change to the level of truck activity in the loading dock activities.	• A Loading Dock Management Plan addressing servicing traffic volumes and how the competing demands between the function space and the hotel prepared as part of a detailed future DA(s).

	• TfNSW recommends a Loading Dock Management Plan as part of future development applications addressing servicing traffic volumes and how the competing demands between the function space and hotel would be managed.	
Construction Traffic and Access	• Concerns were raised in the public submissions in relation to the cumulative traffic impacts associated with other development sites in the area. • The Applicant's TTA states that construction traffic could be managed through measures such as scheduling of vehicle movement, enforcement of designated transport routes and designated delivery vehicle waiting areas. • The Department considers that construction traffic impacts that would derive from this concept application can be managed and are acceptable. • The Department agrees that consideration would need to be given to cumulative construction impacts in the surrounding area, given that several other developments are expected to occur at the same time.	• A Construction Pedestrian, Traffic and Access Management Plan (CPTMP) addressing the cumulative construction traffic impacts associated with other nearby developments be prepared as part of a detailed future DA(s).
Operational Traffic, Parking and Access	• TfNSW (RMS) requested the detailed future DAs to consider the following traffic and parking aspects: - layout and design to comply with relevant Australian Standards - car parking to comply with Council's parking requirements - all service vehicles to be accommodated within the site - assessment of service vehicle demands and adequacy of proposed loading areas and taxi-pick-up/set-down areas - Construction Traffic Management Plan.	• A Traffic Impact Assessment, addressing the detailed design and operation of traffic and parking be prepared as part of a future detailed DA(s).
Construction and Operational Noise	• A public submission raised concerns in relation to construction noise associated with the future building works. • The Applicant's Noise Impact Assessment (NIA) states the traffic noise impacts on the hotel would comply with relevant criteria, subject to the recommended acoustic treatments.	• A NIA be prepared as part of a detailed future DA(s).

	• The Department is satisfied the construction noise and vibration impacts can be managed and operational noise can be addressed, subject to construction methods and acoustic treatment to be determined in future DAs.	
Waste Management	• A Waste Management Plan submitted with the application includes the likely additional waste generated by the proposed ballroom addition. • The Department is satisfied the additional waste generated can be managed as part of the hotel's existing operations.	• A Waste Management Plan be prepared as part of a detailed future DA(s).
Reflectivity	• The Solar Light Reflectivity Analysis submitted with the application recommends all glazing on the external façade to have a maximum normal specular reflectance of visible light of 20%. • The Department notes that the future built form would be required to comply with the relevant controls in SDCP 2012, and not cause adverse solar glare to pedestrians or motorists in the surrounding area, or to occupants of neighbouring buildings.	• A detailed reflectivity analysis be prepared once the new façade materiality is determined as part of a detailed future DA(s).
Wind	• The Applicant's Pedestrian Wind Environmental Statement concludes the development would have a negligible impact on the ground level wind environment conditions, subject to a number of recommendations, including the use of landscaping and impermeable screens and balustrades.	• A condition requiring a detailed Pedestrian Wind Environmental Statement be prepared as part of a detailed future DA(s).
Acoustic Impact	• The primary noise emission sources generated by the proposed development include mechanical plant and the use of the ballroom for events and functions. • The NIA concludes the mechanical plant can be acoustically treated to comply with noise emission levels and also external glazing and upgraded roof ceiling construction at the detailed design stage. • The Department notes the surrounding properties are currently used for commercial purposes and considers that these are matters of detailed design to be addressed as part of the assessment of detailed future development applications.	• A detailed NIA be prepared for a future detailed DA(s).
Stamford Hotel site	• The public submission received from the adjoining Stamford hotel site requested the proposed concept application be considered in relation to the current Stamford hotel site DA.	• No additional conditions or amendments are required.

- The Department notes the Land and Environment Court has issued an Order to restrain Council from making a determination in relation to the current DA.
- Notwithstanding, the Department has considered the impact of the proposed building envelope in terms of privacy and building separation in **Section 6.4**.
- The proposed envelope is located to the south of the Stamford site and would not result in any overshadowing impacts or loss of view to Sydney Harbour.

7. Evaluation

The Department has assessed the merits of the proposal, taking into consideration advice from the government agencies and Council. Issues raised in public submissions have been considered and all environmental issues associated with the proposal have been thoroughly addressed.

The Department supports the proposed internal and external works and rooftop addition to the hotel tower. However, the Department agrees with Council, Heritage Division and public submissions that the proposed setbacks of the rooftop addition above Transport House and hotel podium from Macquarie Street are inadequate and result in adverse heritage, visual and streetscape impacts.

The Department has therefore recommended a 30 m setback from Macquarie Street. Minor intrusions into the 30 m setback could potentially be supported, but only if the built form within the envelope would not visually dominate the setting of heritage buildings on the site and surrounding streetscape. Any reduced setback would also need to be informed by a competitive design process, that would be subject to review by the Department, GANSW, Heritage Division and Council. The competitive design process would also ensure that the future development application for the detailed design would achieve design excellence.

To further address the heritage and visual/streetscape impact concerns, the Department has recommended detailed conditions to ensure the built form within the building envelope maintains the visual prominence of the existing heritage buildings on the site. The architectural expression of the rooftop addition must also present as a contemporary and complementary projection of the existing building and be visually subservient to the existing heritage buildings and streetscape. Materials and composition of the facades are also to respect and be submissive to the heritage sandstone facades.

In respect of the draft CMPs, the Department has recommended the competitive design process and future development application(s), have regard to, and comply with, the endorsed CMPs for the former NSW Treasury Building and Transport House.

The proposal would not have an adverse impact on amenity to the surrounding area in terms of overshadowing, views and privacy. The proposal would not result in adverse access or car parking impacts and would not generate any significant additional traffic to the surrounding road network.

Noting the proposal is only for a concept development application, the Department recommends the structural engineering solutions to be finalised in the detailed future development application(s).

The proposal would facilitate a comprehensive upgrade to the hotel's facilities, which are close to high profile tourist destinations and allow it to contribute to a competitive visitor economy in the Sydney CBD.

The Department is satisfied the proposal is consistent with the objectives of the Eastern City District Plan, in that it facilitates upgrade works to an internationally rated hotel and supports the global role of the Sydney CBD as a world-renowned tourist destination.

The Department concludes the application is approvable, subject to the recommended conditions. This assessment report is hereby presented to the Commission for determination.

Endorsed by:

David McNamara
Director
Key Sites Assessments

Endorsed by:

Anthea Sargeant
Executive Director
Compliance, Industry and Key Sites

Appendices

Appendix A – List of Documents

List of all the key documents relied on by the Department in its assessment:

- InterContinental Hotel and Transport House, Environmental Impact Statement, BBC Consulting Planners, August 2017.
- InterContinental Hotel and Transport House Response to Submissions, BBC Consulting Planners, May 2018.
- Response to request for additional information, BBC Consulting Planners, October 2018.
- Response to request for additional information, BBC Consulting Planners, March 2019.
- Response to request for additional information, BBC Consulting Planners, May 2019.

Appendix B – Relevant Supporting Information

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

1. Environmental Impact Statement
   https://www.planningportal.nsw.gov.au/major-projects/project/9446

2. Submissions
   https://www.planningportal.nsw.gov.au/major-projects/project/9446

3. Response to Submissions Report
   https://www.planningportal.nsw.gov.au/major-projects/project/9446

4. Supplementary information and amendments
   https://www.planningportal.nsw.gov.au/major-projects/project/9446

Appendix C – Community Views for Draft Notice of Decision

Issue	Consideration
• Visual Impact - building envelopes should be reduced to comply with the setback requirements under SDCP 2012	• The proposed future built form within the envelope would not visually dominate the heritage items on the site, subject to reduced setbacks and careful design in detailed future DAs. Recommended Conditions • The approved envelopes above Transport House shall adhere to a 30 m setback from Macquarie Street with minor reduction in the setbacks be permitted only if the proposal exhibits design excellence in accordance with SLEP 2012. • Adherence to a design competition process.
• Heritage - heritage impacts associated with the structural intervention of Transport House	• The range of structural engineering solutions identified in the concept development application would provide flexibility and minimise intervention into significant spaces, fabric and finishes to the interior of Transport House. *Recommended Conditions* • Documentary evidence shall be provided by a Structural Engineer with experience in heritage buildings confirming the existing building is capable of withstanding the future addition • A detailed strategy for structural, fire safety and building services upgrades must be submitted and agreed to by Council and HC prior to determination of detailed future DAs.
• View Impacts from the Astor apartments	• The view impacts to the occupants of the Astor residential apartments are acceptable. The increase in setbacks from Macquarie Street would provide additional opportunities for water views being retained. *Response* • No conditions are required as the proposed envelope would not result in any unreasonable view impacts from the Astor residential apartments.
• Draft CMPs – the Draft CMPs should be finalised before the concept development application is determined	• Given the long-term nature of the endorsement process, it is appropriate for the draft CMP to be finalised prior to the determination of the application and to inform the preferred structural design solution. *Recommended Condition* • Competitive design process must have regard to the endorsed CMPs • Draft CMP for the former NSW Treasury building to be endorsed by HC and the draft CMP for Transport House to be endorsed by Council, prior to lodgement of detailed future DAs.
• Adverse impacts to the Sir Stamford Hotel site	• There would be no significant privacy impacts given the separation and orientation of the proposed apartments on the Sir Stamford Hotel site

	Furthermore, the subject site is located to the south of the Sir Stamford site and would not result in any overshadowing or view loss to Sydney Harbour. *Response* • No conditions are required as the potential privacy impacts are considered to be within acceptable limits.
• Overshadowing – breaches of the sun access plane and no increase in overshadowing to the RBG	• The proposal would not result in any unreasonable overshadowing impacts because there would be no additional overshadowing to the RBG in accordance with the sun access plane controls under SLEP 2012. *Response* • There would be no adverse additional overshadowing impact on the RBG or Domain.
• Reflectivity/facade treatment	• The future built form would have regard to with the relevant controls in SDCP 2012, and not cause adverse solar glare to neighbouring buildings. *Recommended Condition* • A detailed reflectivity analysis is to be prepared once the new façade materiality is determined as part of detailed future DAs.
• Construction Impacts - cumulative traffic impacts associated with other development sites in the area.	• The Department considers that construction traffic impacts that would derive from this concept application can be managed and are acceptable. *Recommended Condition* • A CPTMP addressing the cumulative construction traffic impacts associated with other nearby developments is to be prepared as part of the detailed future DAs.
• Car parking – cumulative impacts on parking congestion in the area, particularly from evening events.	• The proposal would not result in any unreasonable parking impacts on local residents and visitors during events due to the availability of nearby off-street car parking and public transport infrastructure. *Response* • No conditions are required as the use of the event and function space would not result in any significant adverse parking congestion to the surrounding area.
• Consultation requested by Sydney Living Museums in relation to the final design of Transport House	• The adjoining properties will be able to have input into the final design as part of detailed future DAs. *Recommended Condition* • No conditions are required as adjoining property owners will have an opportunity to comment on the final design as part the detailed future DAs.

Appendix D – Statutory Considerations

Section 4.15 (1) Matters for Consideration

The matters for consideration under section 4.15(1) that apply to SSD in accordance with section 4.40 of the EP&A Act have been considered in **Table 1** below. The table represents a summary for which additional information and consideration is provided for in **Section 6** of this report and relevant appendices or other sections of this report, referenced in this table.

Table 1| Section 4.15(1) Matters for Consideration

Section 4.15(1) Matters for consideration	Department's consideration
(a)(i) any environmental planning instrument	Satisfactorily complies. The Department's consideration of the relevant EPIs is provided in **Appendix D** of this report.
(a)(ii) any proposed instrument	Not applicable.
(a)(iii) any development control plan	Under clause 11 of the SRD SEPP, DCPs do not apply to SSD. Notwithstanding, consideration has been given to relevant DCPs at **Appendix D** of this report.
(a)(iiia) any planning agreement	Not applicable.
(a)(iv) the regulations Refer Division 8 of the EP&A Regulation	The application satisfactorily meets the relevant requirements of the EP&A Regulation, including the procedures relating to applications (Part 6), public participation procedures for SSD and Schedule 2 of the EP&A Regulation relating to EIS.
(a)(v) any coastal zone management plan	Not applicable.
(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,	The Department has assessed the likely impacts of the development, including visual and heritage impacts, and considers they have been appropriately managed by recommended conditions (see **Section 6**).
(c) the suitability of the site for the development	The site is suitable for the development as addressed in **Sections 4** and **6** of this report.
(d) any submissions	Consideration has been given to the submissions received during the exhibition period. See **Sections 5** and **6** of this report.
(e) the public interest	Refer to **Sections 5** and **6** of this report.

The likely impact of the proposed development on biodiversity development assessment report (Section 7.14 of the *Biodiversity Conservation Act 2016*).	Not applicable.

Objects of the EP&A Act

The objects of the EP&A Act are the underpinning principles upon which the assessment is conducted. The statutory powers in the EP&A Act (such as the power to grant consent/ approval) are to be understood as powers to advance the objects of the legislation, and limits on those powers are set by reference to those objects. Therefore in making an assessment the objects should be considered to the extent they are relevant. A response to the Objects of the EP&A Act is provided at **Table 2**.

Table 2 | Response to the objects of section 1.3 of the EP&A Act

Objects of the EP&A Act		Department's Consideration
(a)	to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources	The proposal would facilitate upgrade works to the existing hotel close to high profile tourist destinations and a transport hub in the Sydney CBD. The proposed building envelope is appropriately sited to minimise visual and heritage impacts on the surrounding area, subject to careful design of the new built form in future DAs.
(b)	to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment	The proposal includes measures to deliver ecologically sustainable development (ESD).
(c)	to promote the orderly and economic use and development of land	The proposal maximises the efficient use of the site by appropriately siting the proposed envelope at the lower level above the existing hotel podium, and therefore represents the orderly and economic use of the land.
(d)	to promote the delivery and maintenance of affordable housing	The proposal is for hotel accommodation and ancillary uses and is not required to provide or maintain affordable housing.
(e)	to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats	The project involves the addition to an existing hotel and would not adversely impact any native animals and plants, including threatened species, populations and ecological communities, and their habitats.

(f)	to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage)	The Department's assessment carefully considers any impacts of the proposal on the built and cultural heritage (**Section 6**). Relevant State and local authorities have also been consulted in relation to heritage matters.
(g)	to promote good design and amenity of the built environment	The Department notes the proposal seeks only to establish building envelopes to facilitate the future upgrade of the building. The design quality of the proposal is addressed in **Section 6**.
(h)	to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants	The proposal is conceptual and future applications for detailed design of new built form would be required to comply with the relevant standards in the National Construction Code, including in relation to the health and safety of the occupants.
(i)	to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State	The Department publicly exhibited the application, which included consultation with Council and other public authorities and consideration of their responses (**Section 5**). In particular, the Department consulted closely with Council and the Heritage Council NSW in relation to the heritage issues.
(j)	to provide increased opportunity for community participation in environmental planning and assessment.	The Department publicly exhibited the application as outlined in **Section 5**, which included notifying adjoining landowners, placing a notice in the press and displaying the application on the Department's website and at Council's office.

Ecologically Sustainable Development

The EP&A Act adopts the definition of 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 and that ESD can be achieved through the implementation of:

- the precautionary principle
- inter-generational equity
- conservation of biological diversity and ecological integrity
- improved valuation, pricing and incentive mechanisms.

Whilst the proposal is only for a concept development application, the ESD report provided by the Applicant proposes ESD initiatives and sustainability measures that could be included in detailed future DAs, including:

- on-site energy generation
- improve infiltration performance of the tower facade
- adopt efficient heating, ventilation and air conditioning systems
- use of shaded glazing to the tower facade
- upgrades of mechanical, electrical and hydraulic services
- use of LED lighting and lighting occupancy sensors
- new water fixtures and fittings rated 5-star or better

- gas and water metering
- rooftop solar panels
- achievement of Green Star Design and As Built Rating of not less than 5 stars.

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 by a thorough assessment of the environmental impacts of the project. Overall, the proposal is consistent with ESD principles and the Department is satisfied the proposed sustainability initiatives would encourage ESD, in accordance with the objects of the EP&A Act. The Department recommends a condition requiring future applications for new built form to explore the potential for reaching a minimum of a 5 Star Green Star rating.

Environmental Planning and Assessment Regulation 2000

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

Environmental Planning Instruments (EPIs)

In line with the requirements of section 4.15(a)(i) of the EP&A Act, this report includes references to the provisions of the EPIs that govern the carrying out of the project and have been taken into consideration in the Department's environmental assessment.

The Department has undertaken a detailed assessment of these EPIs and is satisfied the application is consistent with the requirements of the EPIs.

- State Environmental Planning Policy (State & Regional Development) 2011 (SRD SEPP)
- State Environmental Planning Policy (Infrastructure) 2007 (ISEPP)
- State Environmental Planning Policy No. 55 – Remediation of Land (SEPP 55)
- Draft Remediation of Land State Environmental Planning Policy
- State Environmental Planning Policy (Coastal Management) 2018 (Coastal SEPP)
- Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005 (SREP SHC).
- Other Plans and Policies:
    - Sydney Development Control Plan 2012 (SDCP 2012)

State Environmental Planning Policy (State and Regional Development) 2011

The aims of the SRD SEPP are to identify SSD, State significant infrastructure (SSI), critical SSI and to confer functions on regional planning panels to determine development applications.

The proposal is SSD as summarised at **Table 3**.

Table 3 | SRD SEPP compliance table

Relevant Sections	Department's Consideration	Compliance
3 Aims of Policy The aims of this Policy are as follows: (a) to identify development that is State significant development,	The proposed development is identified as SSD.	Yes
8 Declaration of State significant development: section 4.36 (1) Development is declared to be State significant development for the purposes of the Act if: (a) the development on the land concerned is, by the operation of an environmental planning instrument, not permissible without development consent under Part 4 of the Act, and (b) the development is specified in Schedule 1 or 2.	The proposed development is permissible with development consent. The site is specified in Schedule 1.	Yes
Schedule 1 State significant development — general **Clause 13 Cultural recreation and tourist facilities** (2) Development for other tourist related purposes (but not including any commercial premises, residential accommodation and serviced apartments whether separate or ancillary to the tourist related component) that: (a) has a capital investment value of more than $100 million, or (b) has a capital investment value of more than $10 million and is located in an environmentally sensitive area of State significance or a sensitive coastal location.	The proposal is SSD under clause 13 of Schedule 1 of SRD SEPP, as it is development for tourist related purposes with a CIV of more than $10 million and is located within an environmentally sensitive area of State significance, which includes 'land, places, buildings or structures listed on the State Heritage Register under the Heritage Act 1977'. The site, which includes the Former NSW Treasury Building, is defined under the SRD SEPP as an environmentally area of State significance as it is listed on the State Heritage Register.	Yes

State Environmental Planning Policy (Infrastructure) 2007

The ISEPP aims to facilitate the effective delivery of infrastructure across the State by improving regulatory certainty and efficiency, identifying matters to be considered in the assessment of development adjacent to particular types of infrastructure development, and providing for consultation with relevant public authorities about certain development during the assessment process.

Clause 104 of the ISEPP requires traffic generating development to be referred to TfNSW (RMS) for comment. Although the development does not constitute traffic generating development in accordance with clause 104 of the ISEPP, the Department considered it appropriate to refer the proposal to TfNSW (RMS) for its consideration.

As summarised at **Section 5,** TfNSW (RMS) confirmed it had no objection to the proposal.

State Environmental Planning Policy No. 55 - Remediation of Land

SEPP 55 aims to ensure that potential contamination issues are considered in the determination of a development application. SEPP 55 prevents a consent authority from issuing development consent unless it has considered whether the subject site is contaminated and whether a contaminated site is suitable for its proposed use in its current state, or would be suitable following remediation.

As the proposal does not involve any excavation, the issue of land contamination is not applicable and the site is considered suitable for proposed development.

Draft Remediation of Land State Environmental Planning Policy

The Department is reviewing all State Environmental Planning Policies to ensure they remain effective and relevant and SEPP 55 has been reviewed as part of that program. The Department recently published the draft Remediation of Land State Environmental Planning Policy, which was exhibited until April 2018.

The key operational framework of SEPP 55 is to be maintained in the new SEPP and new provisions are unlikely to significantly affect the application. As such, the Department is satisfied the proposed development would be consistent with the intent of the Draft SEPP.

Draft Environment State Environmental Planning Policy

The Statement of Intended Effect for the Draft Environment SEPP is currently on exhibition which proposes to update and consolidate seven existing EPIs, including the Sydney Harbour Catchment SREP.

The provisions of the Sydney Harbour Catchment SREP relevant to the proposals are proposed to remain largely unchanged and therefore, Department is satisfied the proposed developments would be consistent with the intended effect of the Draft Environmental SEPP.

State Environmental Planning Policy (Coastal Management) 2018

The Coastal SEPP seeks to balance social, economic and environmental interests by promoting a coordinated approach to coastal management, consistent with the objectives of the *Coastal Management Act 2016.*

The "coastal zone" is defined by four (4) coastal management areas being coastal wetlands and littoral rainforest, coastal environment area, coastal use area and coastal vulnerability area.

The site is in proximity to the coastal environment. Although no map has been developed at present, the proposal is not likely to be located in proximity to the coastal vulnerability area given it pertains to existing built form within the CBD context. As such, the Department is satisfied the proposed development would be consistent with the intent of the Draft SEPP.

Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005

Consideration of the key relevant clauses of Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005 are addressed in **Table 4** below.

Table 4 | Consideration of Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005

SREP (SHC) 2005	Criteria	Department's Consideration	Compliance
Part 1, clause 3 (2) Land to which the plan applies	The site is located within an area to which the plan applies as shown on the City Foreshores Area Map	The Department has considered the proposal against the relevant provisions of SREP 2005.	Yes
Part 3, clause 20 Matters for Consideration	The matters referred to in Division 3 must be considered by the consent authority.	The Department has considered the relevant matters below.	Yes
Part 3, clause 21 Biodiversity, ecology & environmental protection	The consent authority must take into consideration the matters listed in the clause in relation to biodiversity, ecology and environmental protection.	The proposal involves establishment of a building envelope above an existing building. The site does not have any biodiversity or ecological features.	Yes
Part 3, Clause 22 Public access to, and use of, foreshores and waterways	The consent authority must take into consideration the matters listed in this clause in relation to public access to, and use of, the foreshores and waterways.	The proposal would not impact access to the foreshore and waterways due to distance separation and intervening development.	Yes
Part 3, Clause 23 Maintenance of a working harbour	The consent authority must take into consideration the matters listed in relation to the maintenance of a working harbour.	The proposal would not impact on the ability to maintain a working harbour.	N/A

SREP (SHC) 2005	Criteria	Department's Consideration	Compliance
Part 3, Clause 24 Interrelationship of waterway and foreshore uses	The consent authority must take into consideration the matters listed in this clause in relation to the interrelationship of waterway and foreshore uses.	The proposal would not adversely impact on the waterway or waterway uses.	N/A
Part 3, Clause 25 Foreshore and waterways scenic quality	The consent authority must take into consideration the matters listed in relation to the maintenance, protection and enhancement of the scenic quality of foreshores and waterway.	The form, siting and height of the proposed building envelope is appropriate for the site and sits against the backdrop of existing buildings to maintain the scenic quality of the foreshores and waterways of Sydney Harbour.	Yes
Part 3, Clause 26 Maintenance, protection and enhancement of views	The consent authority must take into consideration the matters listed in relation to the maintenance, protection and enhancement of views.	Views to and from Sydney Harbour would be maintained. The proposal would result in no significant view loss from private residences or the public domain.	Yes
Part 3, clause 29 Foreshores & Waterways Development Advisory Committee	A consent authority must not grant consent to a DA unless it has referred and considered the views of the Advisory Committee.	The proposal is not a type referred to in Schedule 2 of the SREP.	Yes
Part 4, clause 40 Strategic Foreshores Areas	Division 1- Requirements for Masterplans This Division applies to development that is carried out on a strategic foreshore site.	The site is not located within a strategic foreshore site as identified in the SREP.	N/A
Part 4, clause 41 Requirement for Master Plans	Sub-clause 4 identifies that a Master Plan does not have to be prepared for the City Foreshores Areas, as shown on the Strategic Foreshores Sites Map, unless the Minister so directs.	The Minister has not directed that a new Master Plan be prepared. Therefore, the provisions of Part 4 are not applicable to the development.	N/A

SREP (SHC) 2005	Criteria	Department's Consideration	Compliance
Part 5, clause 59 Development in vicinity of heritage items	Before granting development consent to development in the vicinity of a heritage item, the consent authority must assess the impact of proposed development on the heritage significance of the heritage item.	The Department is satisfied the future development within the proposed building envelope would not have an adverse heritage impact, subject to careful design in detailed future DAs.	Yes

Sydney Local Environmental Plan 2012

The Department has consulted with Council throughout the assessment process and has considered all relevant provisions of the SLEP 2012 and those matters raised by Council in its assessment of the development (refer to **Section 5**). The Department concludes the development is consistent with the relevant provisions of the SLEP 2012. Consideration of the key relevant clauses SLEP 2012 are addressed in **Table 5** below.

Table 5| Sydney Local Environmental Plan 2012

SLEP 2012	Criteria	Department's Consideration	Compliance
clause 2.2 Zoning of Land to which Plan applies	The site is zoned 'B8 Metropolitan Centre' under the SLEP 2012.	The proposal is permissible with consent (refer **to Section 4.3** of this report)	Yes
clause 4.3 Height of Buildings	• The site is subject to a maximum height of building above ground of 55m. The maximum height of buildings on this site is also affected by the sun access plane that are taken to extend of the land in Clause 6.17.	• The proposed building envelope above Transport House has a maximum height above ground of 40m at the Phillip Street frontage and 34m on the Macquarie Street. • The expansion of the existing building envelope to accommodate changes to the club lounge on rooftop of the hotel tower would not increase any overshadowing of the RBG.	Yes
clause 4.4 Floor space ratio	• A maximum FSR of 14:1 applies to the site comprising a base of 8:1 and 6:1 of accommodation floor space in the form of hotel or motel accommodation.	• The proposed building envelope establishes an indicative additional GFA of 2,601m^2 equating to a total GFA of 43,265m^2 and an FSR of 7.85:1.	Yes
clause 5.10	• The site comprises two heritage items listed in the LEP including	• Draft Conservation Management Plans for both	Yes

SLEP 2012	Criteria	Department's Consideration	Compliance
Heritage Conservation	the Former NSW Treasury Building and Transport House.	heritage items have been submitted with the application and comments obtained from the HC. • The siting, form and height of the proposed building envelope would not result in any adverse heritage impacts to the items on the site or in the surrounding area, subject to careful design of future additions in subsequent detailed DAs.	
Clause 6.17 Sun access planes	• The consent authority must not grant development consent on land if the development will result in any building on land projecting higher than any part of a sun access plane taken to extend over the land under this clause.	• The proposed extensions to the roof level of the hotel tower would extend outside the existing building envelope and above the sun access plane. The proposal is partly prohibited and partly permissible. Development consent may therefore be granted as the development is not wholly prohibited.	Yes
clause 6.21 Design excellence	• Development must not be granted to which this clause applies unless the proposed development exhibits design excellence including a building greater than 55m on land in Central Sydney, development with a CIV more than $100m and development in respect of which a development control plan is required to be prepared under clause 7.20 and development for which the applicant has chosen such a process.	• The Department considers a competitive design process is not required under subclause (5) as such a process would be unreasonable or unnecessary in the circumstances – it would be unreasonable as it is premature at this stage due to it being concept and the competitive design process should be used to provide further design refinements and examine the acceptability of proposed materials etc. . • The Applicant considers design excellence could be achieved through a DRP, however the Department considers a competitive design process	Yes

SLEP 2012	Criteria	Department's Consideration	Compliance
		should be undertaken prior to future detailed DAs, as discussed in **Section 6.2** • The Department considers this concept proposal exhibits design excellence, as discussed in **Section 6**, however notes future applications will also be required to exhibit design excellence, and proposes this is subject to a competitive design process • Further assessment of design excellence under Clause 6.21(4) is provided below in **Table 6**.	
clause 7.3 Car parking spaces not to exceed maximum set out in this Division	• The maximum number of car parking spaces for a building used for the purposes of serviced apartments or hotel or motel accommodation is: - 1 space for every 4 bedrooms up to 100 bedrooms, and • 1 space for every 5 bedrooms more than 100 bedrooms.	• The site would continue to provide 121 car spaces in the basement, which exceeds the maximum parking requirement. The non-compliance is acceptable given the number of car spaces is existing and there would be no change as a result of the proposal.	No
clause 7.20 Development requiring or authorising preparation of a development control plan	• Development consent must not be granted to development on land in Central Sydney unless a Development Control Plan has been prepared where the site for development is greater than 1,500m^2 or if the development will result in a building higher than 55 m above ground level.	• Section 83C of the EP&A Act provides that this obligation may be satisfied by the making and approval of a staged development application in respect of the subject land.	Yes

Table 6 | Sydney Local Environmental Plan 2012, Section 6.21 (4) – Design Excellence

Criteria	Department's Consideration
(a) whether a high standard of architectural design, materials and detailing appropriate to the	The Department is satisfied future built forms within the proposed building envelope will achieve a high standard of architectural design, materials

Criteria	Department's Consideration
building type and location will be achieved	and detailing subject to a competitive design process (see **Section 6.2**) to support the detailed design of future built form.
(b) whether the form and external appearance of the proposed development will improve the quality and amenity of the public domain	The proposal is a concept DA only. The form and external appearance of the proposed development will be determined through future detailed design applications.
(c) whether the proposed development detrimentally impacts on view corridors	The Department's assessment concludes the proposal will have acceptable view impacts (see **Section 6.5.2**).
(d) how the proposed development addresses the following matters:	
the suitability of the land for development,	The site is suitable for the development as addressed in **Sections 4** and **6** of this report.
the existing and proposed uses and use mix	The proposed upgrade works to the hotel, including the ancillary ballroom and wellness centre, are classified as tourist and visitor accommodation, which includes hotel or motel accommodation. This is consistent with the existing use of the building.
any heritage issues and streetscape constraints,	The Department's assessment concludes that the proposed 20 m setback (varied) from Macquarie Street would have an adverse impact on the heritage items on the site and streetscape, and therefore has recommended a 30 m setback. Minor intrusions into this setback may be permitted subject to a competitive design process and future DA to to ensure an appropriate architectural design of the future building within the envelope is achieved, as discussed in **Section 6**.
the location of any tower proposed, having regard to the need to achieve an acceptable relationship with other towers (existing or proposed) on the same site or on neighbouring sites in terms of separation, setbacks, amenity and urban form	The Department is satisfied that the proposed building envelope above the hotel tower would not result in any significant adverse visual bulk or overshadowing to the surrounding area (see **Section 6.4** and **6.5**).
the bulk, massing and modulation of buildings	Detailed bulk, massing, articulation and modulation of future built forms within the proposed building envelope are subject to a competitive

Criteria	Department's Consideration
	design process in accordance with City of Sydney Competitive Design Policy (See **Section 6.2**).
environmental impacts, such as sustainable design, overshadowing and solar access, visual and acoustic privacy, noise, wind and reflectivity	Environmental impacts have been considered acceptable as discussed in **Section 6.5**.
the achievement of the principles of ecologically sustainable development	The proposal is consistent with ESD principles and the Department is satisfied the proposed sustainability initiatives would encourage ESD, in accordance with the objects of the EP&A Act. The Department recommends a condition requiring future applications for new built form to explore the potential for reaching a minimum of a 5 Star Green Star rating
pedestrian, cycle, vehicular and service access and circulation requirements, including the permeability of any pedestrian network	The proposal is a concept development application only. Details of any pedestrian, cycle, vehicular and service access and circulation requirements of the proposed development will be determined through future detailed design applications.
the impact on, and any proposed improvements to, the public domain	The proposal would not have an adverse impact on the public domain, noting that the development also does not result in any unreasonable overshadowing impacts to the RBG or Domain (see **Section 6.5.1**).
the impact on any special character area	The site is located within the Macquarie Street special character area as identified in the SDCP 2012. To ensure the character of the area is maintained, the Department has recommended a minimum 30 m setback from Macquarie Street, with a minor reduction in the setbacks being permitted only if the proposal exhibits design excellence in accordance with SLEP 2012. The Department considers the recommended conditions would ensure the future built form within the envelope would not visually dominate the setting of heritage buildings on the site and streetscape, after careful consideration throughout detailed future DAs, informed by a competitive design process.
achieving appropriate interfaces at ground level between the building and the public domain	The proposal is a concept DA only. The works at street level, including a new glazed awning over the Phillip Street footpath adjacent to existing porte-cochere and a new canopy over the laneway between Transport House and the IC Hotel are subject to a future DA(s).

Criteria	Department's Consideration
excellence and integration of landscape design	There are limited landscaping opportunities for the proposal due to limited site area and the CBD development context.

Sydney Development Control Plan 2012

In accordance with Clause 11 of the SRD SEPP, DCPs do not apply to State significant development. Notwithstanding, the objectives of relevant plans and policies that govern the carrying out of the project are appropriate for consideration in this assessment in accordance with the SEARs and are considered below.

Consideration of the key relevant clauses SDCP 2012 are addressed in **Table 7** below.

Table 7 | Sydney Development Control Plan 2012

SDCP 2012	Criteria	Department's Consideration	Compliance
clause 2.1.5 Bridge Street/Macquarie Place/Bulletin Place Special Character Area	Development must achieve and satisfy the outcomes expressed in the character statement. The key principles include: • recognise Macquarie Street as a preeminent public space • protect midwinter sun to RBG • improve and enhance public domain and pedestrian amenity • maintain and reinforce the urban character and scale of Macquarie Street • emphasis Macquarie Street as the eastern built edge of the City and maintain stepped building form westwards • maintain and enhance existing views to the Harbour and Opera House • conserve and enhance the heritage significance of the area • ensure development is designed and sited to protect the heritage significance of heritage items within the area.	The proposed building envelope is located on the northern side of the IC Hotel tower and would not be readily visible from Bridge Street. The siting form and height of the proposed building envelope would not detract from the streetscape character in Bridge Street.	Yes
clause 2.1.6 Macquarie Street Special Character Area	Development must achieve and satisfy the outcomes expressed in the character statement: • recognise Bridge Street as a preeminent public space	The Macquarie Street setback of the proposed rooftop addition above Transport House envelope is inadaquate and would visually dominate the settings of heritage	No

SDCP 2012	Criteria	Department's Consideration	Compliance
	• protect and extend morning sun access to Macquarie Place, Bridge Street and First Government House • conserve the significant laneways in the area and encourage active uses • maintain and reinforce existing important public spaces intersections and corners • maintain and enhance existing views to the water • maintain and reinforce the cohesive and rare streetscape character of Bridge Street • protect vistas that terminate at significant heritage buildings.	buildings on the site and in the surrounding area. A minimum setback of 30 m to Macquarie Street is recommended with a minor reduction in the setback be permitted only if the proposal exhibits design excellence in accordance with SLEP 2012. This will allow for some flexibility and design interpretation in a detailed future DA(s). The expansion of the existing building envelope to accommodate changes to the club lounge on rooftop of the hotel tower would not increase any overshadowing of the RBGs.	
clause 3.3 Design excellence and competitive design processes	(1) In accordance with Clause 6.21(5) of the Sydney LEP 2012 any of the following development is subject to a competitive design process: (a) buildings greater than 55m in Central Sydney and greater than 25m outside of Central Sydney; (b) development having a capital value of more than $100,000,000; (c) development in respect of which a development control plan is required to be prepared under Clause 7.22 of the Sydney LEP 2012; (d) development for which the applicant has chosen such a process. (2) The competitive design process must be undertaken in accordance with the City of Sydney Competitive Design Policy and using the Model Competitive Processes Brief. (3) The competitive design process is to be undertaken in accordance with a	The Department considers this concept proposal exhibits design excellence, as discussed in **Section 6.2** and **Table 6**. A future DA(s) will also be required to exhibit design excellence. The Department proposes this will be informed by a competitive design process, rather than the DRP proposed by the Applicant. See **Section 6.2** and **Table 6** for further discussion.	Yes

SDCP 2012	Criteria	Department's Consideration	Compliance
	Design Excellence Strategy approved by Council as part of an associated site-specific DCP or concept stage development application (Stage 1 Development Application); and (4) The competitive design process is to be undertaken before the detailed Stage 2 DA is submitted.		
clause 3.9 Heritage Clause 3.9.1 Heritage Impact Statements	(1) A Heritage Impact Statement is to be submitted as part of the Statement of Environmental Effects for development applications affecting: (a) heritage items identified in the Sydney LEP 2012; or (b) properties within a Heritage Conservation Area identified in Sydney LEP 2012.	The DA includes a Heritage Impact Statement.	Yes
Clause 3.9.2 Conservation Management Plan	(1) A conservation management plan prepared by a suitably qualified heritage practitioner for development applications is required for the following: (a) a change of use of a heritage item of State heritage significance; (b) any alteration to the fabric or setting of a heritage item of State heritage significance which requires consent; (2) The conservation management plan is to include: (a) the investigation of the physical and documentary evidence of the heritage item; (b) a comparative analysis and curtilage assessment; (c) assessment of the significance of the heritage item; (d) the investigation of the constraints and opportunities for the item including the	The Applicant submitted a draft CMP for both heritage buildings on the site, which provides a detailed grading of the significance of the existing heritage fabric.	Yes

SDCP 2012	Criteria	Department's Consideration	Compliance
	owner's needs and resources, and external constraints; (e) conservation policies which address the following: (i) conservation of the fabric and setting of the heritage item; (ii) appropriate uses of the heritage item; (iii) appropriate ways to interpret the significance of the heritage item; (iv) management of the heritage item; (v) guidelines for future development; and (f) priorities for instigation of conservation policies.		
3.9.4 Development of sites of State heritage significance or containing more than one heritage item	(1) This provision applies to development that will introduce major changes to a heritage item identified in Schedule 5 of the Sydney LEP 2012 as being of State heritage significance or to a site containing more than one heritage item, if the development involves: (a) demolition that will result in a reduction of the building envelope of the heritage item by more than 35%; (b) an increase in the size of the building envelope of the heritage item by more than 20%; or (c) building over more than 20% of a heritage item's building footprint within the airspace above the item, but not within the airspace next to the item. (2) When considering an application for development to which this provision applies, the consent authority is to:	The setting of heritage items would be altered by the proposal due to the increased visibility of the future additions when compared to the existing situation. However, it is considered the proposed future built form within the envelope would not visually dominate the heritage items on the site, subject to a reduced setback from Macquarie Street and careful design in a detailed future DA(s).	Yes

SDCP 2012	Criteria	Department's Consideration	Compliance
	(a) appoint a committee that includes heritage professionals to examine and advise on the merits of the proposal; (b) be satisfied that that committee has followed an appropriate public process for the purpose of that examination; and (c) consider the advice of the committee, but is not bound by the advice of the committee.		
3.9.5 Heritage items	(1) Development affecting a heritage item is to: (a) minimise the extent of change to significant fabric, elements or spaces; (b) use traditional techniques and materials where possible unless techniques and materials can offer substantial conservation benefits; (c) enable the interpretation of each of the significant values of the item through the treatment of the item's fabric, spaces and setting; (d) provide a use compatible with its significance and which with any changes proposed, including any BCA upgrade or the introduction of services will have minimal impact on significant fabric, elements or spaces; (e) the provision of on-site interpretation, or a combination of each of these measures; (f) not reduce or obscure the heritage significance of the item; and (g) be reversible where necessary so new work can be removed with minimal damage, or impact to significant building fabric. (h) be consistent with an appropriate Heritage Conservation Management Plan, Conservation Management	The Department's assessment concludes that the proposal would not have an adverse impact on the heritage items on the site or the heritage setting and streetscapes, subject to an increased setback to Macquarie Street. This is discussed further in **Section 6**.	Yes

SDCP 2012	Criteria	Department's Consideration	Compliance
	Strategy, or policy guidelines contained in the Heritage Inventory Assessment report for the item; (i) ensure that any changes to the original/significant room configuration is evident and can be interpreted; and (j) respect the pattern, style, dimensions or original windows and doors. (2) Development should enhance the heritage item by removing unsympathetic alterations and additions and reinstating missing details, building and landscape elements, where physical or documentary evidence is available. (3) Alterations and additions to buildings and structures and new development of sites in the vicinity of a heritage item are to be designed to respect and complement the heritage item in terms of the: (a) building envelope; (b) proportions; (c) materials, colours and finishes; and (d) building and street alignment. (4) Development in the vicinity of a heritage item is to minimise the impact on the setting of the item by: (a) providing an adequate area around the building to allow interpretation of the heritage item; (b) retaining original or significant landscaping (including plantings with direct links or association with the heritage item); (c) protecting, where possible and allowing the interpretation of archaeological features; and (d) Retaining and respecting significant views to and from the heritage item.		

SDCP 2012	Criteria	Department's Consideration	Compliance
5.1.2.1 Front setbacks	(3) New buildings or additions above a heritage item must have a setback of at least 10 m from the street frontage as shown in Figure 5.7 Minimum setback above a heritage item. However, a conservation management plan required as part of the development application may require a greater setback.	The proposed envelope has a part 3 m and 8.5 m setback to Phillip Street frontage. This is considered acceptable noting the requirement for a competitive design process and future DA exhibiting design excellence in accordance with SLEP 2012. This will allow for some flexibility and design interpretation in the detailed future DA(s).	No
5.1.3 Street frontage heights and setbacks for Special Character Areas	(1) Minimum and maximum street frontage heights and front setbacks for buildings in or adjacent to a Special Character Area must be provided in accordance with Table 5.1 and as shown in Figures 5.12 to 5.19. Where the figure shows the entire site as shaded, additional storeys above the street frontage height is not permitted. A minimum 30 m setback above street frontage height applies to the Macquarie streetscape.	The proposed envelope has a 20 m setback to Macquarie Street frontage. A minimum setback of 30 m is recommended with a minor reduction in the setbacks be permitted only if the proposal exhibits design excellence in accordance with SLEP 2012. This will allow for some flexibility and design interpretation in a detailed future DA(s).	No
5.1.10 Sun access planes	(1) Sydney LEP 2012 requires buildings to maximise sunlight access to public places by establishing sun access planes for 8 major public areas including Belmore Park, Hyde Park, Macquarie Place, Martin Place, Pitt Street Mall, the Domain, RBG and Wynyard Park. A building must not project above any part of a sun access plane.	The expansion of the existing building envelope to accommodate changes to the club lounge on rooftop of the hotel tower would not increase any overshadowing of the RBG.	Yes

Conservation Management Plan Policies

A CMP was included in the Applicant's HIS for both the former Treasury Buildings and Transport House to guide the conservation and management of these heritage items in perpetuity, and to assist property owners to manage maintenance and new works to the site. The HIS concludes the proposed concept development application (Stage 1) is consistent with the CMP policies. The CMPs have been prepared by Urbis and are in draft form dated December 2016.

When undertaking works to both buildings on the site, an assessment under relevant legislation should consider whether the works are likely to impact on the site's heritage significance and/or nominated significant fabric, as identified in the CMP. The proposed works to be included in this Stage 1 concept development application are

restricted to approval for the overall volumetric building envelope of the new ballroom/ pool roof-top addition to Transport House, additions to the roof of the 1980's hotel podium, and an extension to the Level 32 club lounge. The Department has included a condition in the recommended development consent requiring the future development application(s) for the detailed design to comply with the CMPs for the former Treasury Building endorsed by the HC and for Transport House endorsed by Council.

As the former Treasury Building is a State Heritage listed item, the CMP has been submitted to the HC for review and endorsement. The Heritage Division has provided a response in the form of a CMP Assessment checklist developed by the HC to assist in reviewing CMPs for endorsement. The required 3-D scanning of the building has been completed by the Applicant and will be used to update the CMP. Urbis has completed its first review of the CMP in accordance with the Heritage Division comments and has resubmitted to the Heritage Division for further review.

There is no formal mechanism to endorse the CMP for Transport House, which is a locally listed heritage item. Notwithstanding, the HIS states the CMP for Transport House has been submitted to Council for review and endorsement.

The key relevant aspects of the CMPs are considered below:

Former Treasury Building

There are no alterations or modifications proposed to the external form, fabric or fenestration of the significant former Treasury Buildings along Macquarie Street and Bridge Street. The CMP includes policies relating to the future internal alteration or adaptive reuse of the significant Treasury Buildings. Any future proposed reconfiguration of spaces or alteration of spaces within the former Treasury Buildings will form part of future DAs, and would be subject to detailed heritage advice and assessment, with consideration for the relevant CMP policies.

Transport House

Transport House in its entirety including all external façades and internal spaces and fabric is proposed to be retained as part of the concept Development Application (Stage 1). No alterations or modifications are proposed to the internal form, significant spaces or fabric of Transport House. No alterations are proposed to any of the four building façades and fenestration, including the significant principal façades to Macquarie and Phillip Streets. Internally, it is anticipated that the existing commercial office use of the spaces would continue indefinitely. The rooftop addition would be accessed separately to Transport House via the adjoining hotel tower. However, the ballroom would share fire egress with Transport House via integration with the south-west stairwell. The intention of the concept development application is to retain Transport House in its existing state and continue to maintain and preserve its significant façades and internal fabric, albeit with a rooftop addition.

The assessment of significance has identified that Transport House meets the threshold for significance at the State level (aesthetic criterion). Accordingly, a corresponding nomination to the State Heritage Register (SHR) has been undertaken to provide for the on-going conservation and management of the significance of the place. The recommended nomination of Transport House for listing on the SHR would not impact on the proposed Stage 1 development application.

Draft National Heritage Listing – Governors' Domain and Civic Precinct

Figure 1 below illustrates the boundary of the Governors' Domain and Civic Precinct.

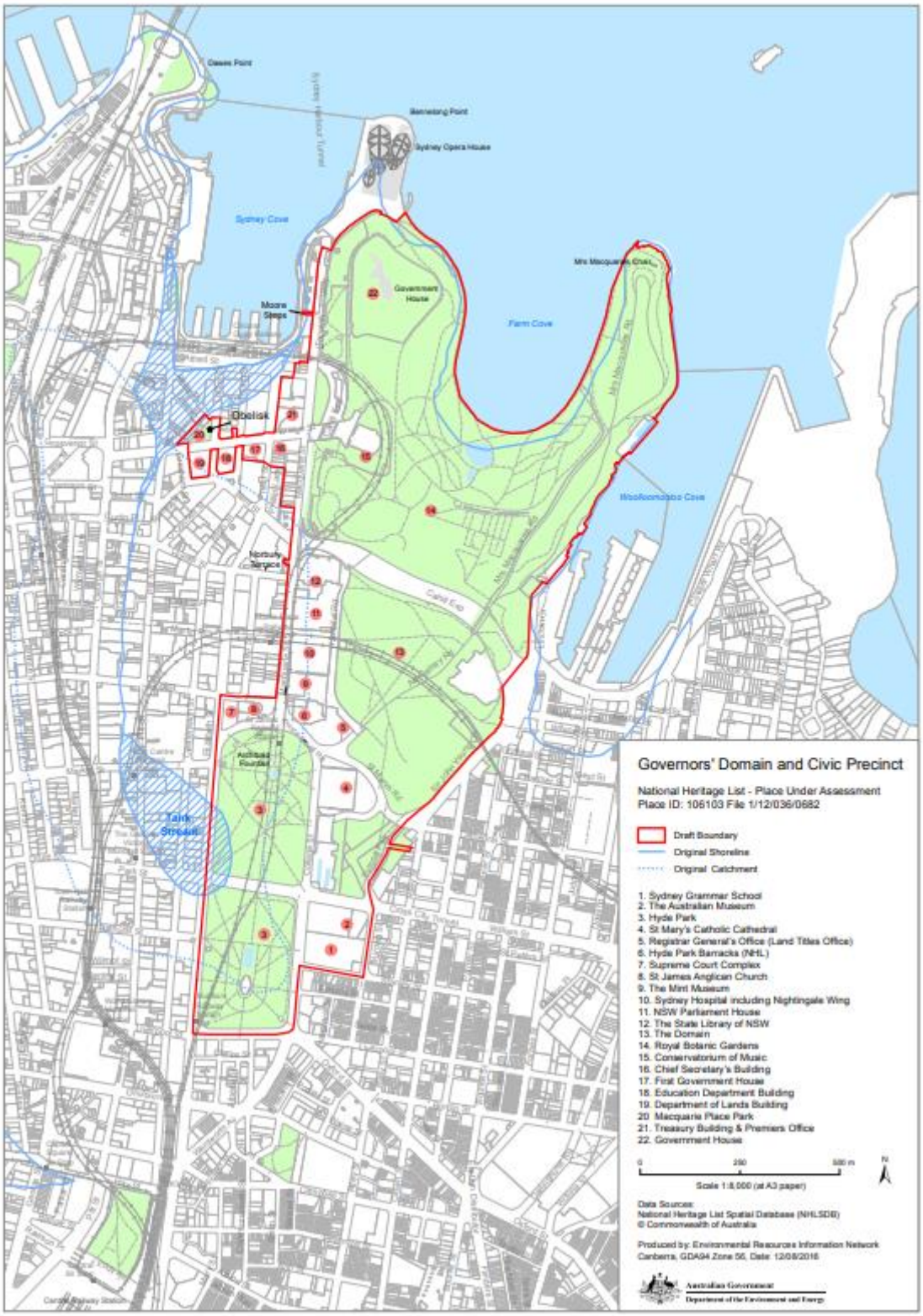

Figure 1: Proposed boundary of Governors' Domain and Civic Precinct (Source: Department of Environment & Energy)

Appendix E – Recommended Instrument of Consent

The recommended conditions of consent for SSD 7693 can be found on the Department of Planning Industry and Environment's website as follows:

https://www.planningportal.nsw.gov.au/major-projects/project/9446