

MODIFICATION REQUEST:

Modification to Concept Plan & Three Project Approvals

Central Park, Chippendale (former Carlton & United Breweries site)

Concept Plan MP06_0171 MOD 5 Project Approval MP08_0253 MOD 2 (Blocks 1 & 4) Project Approval MP09_0041 MOD 2 (Blocks 5A & 5B) Project Approval MP09_0078 MOD 3 (Block 2)

Director-General's Environmental Assessment Report Section 75W of the Environmental Planning and Assessment Act 1979

July 2012

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NSW Government Department of Planning & Infrastructure

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1. BACKGROUND

The purpose of this report is to determine a request to modify the Concept Plan approval and three (3) separate Major Project Approvals, relating to the mixed use redevelopment of the Central Park site, Chippendale (former Carlton & United Breweries). The modification request seeks to modify Project Approvals for buildings on Blocks 1 & 4, Block 2 and Blocks 5A & 5B.

1.1 The Site

The Central Park site has an area of 5.834ha, and is located in the south-western part of the Sydney CBD, within short walking distance to Central Railway Station and Railway Square Bus Terminal. The approved Concept Plan layout of the site and the location of Blocks 1 & 4, Block 2 and Blocks 5A & 5B, the subject of this section 75W request, are illustrated in **Figure 1**.



Figure 1: Approved Central Park Site layout and locations of Blocks 1 & 4, Block 2 and Blocks 5A & 5B

1.2 Previous Approvals

On 8 February 2007, the then Minister for Planning approved Concept Plan MP06_0171 for the mixed use redevelopment of the former Carlton United Breweries site for residential, commercial and retail uses and public open space. The Concept Plan was subsequently modified on 18 July 2007, 5 February 2009, 16 May 2010 and 20 August 2011.

On 28 May 2010, the Planning Assessment Commission (PAC) granted approval for Major Project MP08_0253 for the construction of a new 10-15 storey commercial building on Blocks 1 & 4 on the Central Park site, and included basement car parking, space for a tri-generation plant, retail floorpsace, a child care centre and public domain works. The Project Approval was subsequently modified on 16 February 2012 and 10 May 2012 to include a Central Thermal Plant (tri-generation plant) within the basement level. Construction of Blocks 1 & 4 has not yet commenced.

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On 18 June 2010, the PAC approved MP09_0078, for a mixed use residential and retail development on Block 2. The Project Approval was subsequently modified on 25 March 2011 and 17 October 2011. The approved development (as modified) consists of two residential towers located above a podium, accommodating 623 residential units, retail floorspace including a food court, speciality retail and a supermarket, installation of a heliostat system (consisting of mirrors which are orientated to focus light onto the landscaped platforms), public domain works and Stratum subdivision. Block 2 is currently under construction.

On 17 November 2010, the PAC approved MP09_0041, for the construction of two residential buildings on Blocks 5A and 5B. The Project Approval was subsequently modified on 22 December 2011. The approved development (as modified) includes 393 residential units, public domain works, landscaping and Stratum subdivision. Blocks 5A and 5B is currently underway.

1.3 Related Approvals

The majority of the buildings across the CUB site, which were associated with the former brewery use, have been demolished (approved under MP 07_0120), with the exception of the retained heritage items. Construction of the basement car parking area under Blocks 2, 5 and 9 (approved under MP 09_0042) is currently underway. Other approvals granted on the site include:

- remediation and transitional works (MP 07 0163);
- Main Park and stage 1 infrastructure (MP 08 0210);
- stage 2 Infrastructure and Civil Works (MP 09 0164);
- construction of a residential building on Block 5C (formally Block 9) (MP10 0218); and
- alterations and additions to and the adaptive reuse of the Brewery Buildings (MP10_0217).

The Department is currently assessing MP11_0090 for the construction of student accommodation on Blocks 3B, 3C & 10.

Director General's Requirements have been issued for the following projects:

- the adaptive reuse of existing buildings on Block 3A for hotel and food and drink premises (MP11_0089); and
- the redevelopment of Block 6 for mixed uses, the adaptive reuse of existing terraces and part demolition of buildings on Block 7 for mixed use retail and commercial development.

2. PROPOSED MODIFICATION

2.1 Concept Plan Modification Description

The proposed modification to the Concept Plan seeks to amend existing Future Assessment Requirement B12 which relates to the Green Star energy ratings.

Future Assessment Requirement B12 requires all residential, commercial and retail development on the site (including adaptable re-use of heritage buildings), to achieve a minimum 6 Star Green Star energy rating from the Green Building Council of Australia (GBCA). The condition states that if the Ecologically Sustainable Development (ESD) and Water Sensitive Urban Design (WSUD) measures, to be provided on the site are not approved, a minimum 5 Star Green Star Energy rating shall be achieved.

The Proponent seeks to modify the Future Assessment Requirement to require all new buildings on the site to achieve a minimum 'Design' 5 Star Green Star energy rating. The proposed modification also seeks to exclude existing buildings which are to be adapted and re-used, from the requirement to achieve a Green Star rating.

2.2 Project Applications Modification Description

This report also considers modification requests to three (3) Project Approvals for new buildings on the Central Park site. The modification requests relate to approved buildings on Blocks 1 & 4 (MP08_0253), Block 2 (MP09_0078) and Blocks 5A & 5B (MP09_0041) and seeks to amend conditions requiring the buildings to achieve a 6 Star Green Star energy rating, in conjunction with Ecologically Sustainable Development (ESD) and Water Sensitive Urban Design (WSUD) measures on the site. The conditions allow for a minimum 5 Star Green Star rating to be achieved, if the site's ESD and WSUD measures are not approved, consistent with the Concept Plan approval.

The Proponent seeks to amend the conditions to require the buildings to achieve a minimum 'Design' 5 Star Green Star rating. The conditions affected are Condition B31 of MP08_0253 (Blocks 1 & 4), Condition B27 of MP09_0041 (Blocks 5A & 5B) and Condition B25 of MP09_0078 (Block 2).

Supplementary Information

On 12 July 2012, further to discussions between the Proponent and the Department, the Proponent submitted an additional statement confirming that they are committed to obtaining a 5 Star Green Star 'Design' and 'As-Built' rating for all buildings eligible for accreditation under the standard 'Multi Unit Residential', 'Retail' or 'Office' tools. The will exclude mixed-use buildings and buildings providing student accommodation, from a requirement to achieve a Green Star rating.

The Proponent is also seeking an exemption clause for buildings on Blocks 2, 5A & 5B and possibly 5C from achieving an 'As-Built' rating, where the approved Tri-generation plant (CTP) may not be operational at the time of accreditation by the GBCA. In this case, the Proponent suggests committing to a 'pre-assessment review', where the GBCA would confirm that the building is on track to receive a 5 Star Green Star 'As-Built' rating.

3. STATUTORY CONTEXT

3.1 Continuing Operation of Part 3A to Modify the Project Approval

In accordance with clause 3 of Schedule 6A of the Act, section 75W of the Act as in force immediately before its repeal on 1 October 2011 and as modified by Schedule 6A, continues to apply to transitional Part 3A projects.

Consequently, this report has been prepared in accordance with the requirements of Part 3A and associated regulations, and the Minister (or his delegate) may approve or disapprove the modification of the projects under section 75W of the Act.

3.2 Modification of the Minister's Approval

The modification of the Minister's Approvals by way of section 75W is appropriate because the proposal is consistent original Concept Plan and Project approvals and will have limited environmental consequences.

3.3 Environmental Assessment Requirements

Section 75W(3) of the Act provides that the Director-General may notify the Proponent of environmental assessment requirements (DGRs) with respect to the proposed modification that the Proponent must comply with before the matter will be considered by the Minister.

In this instance, following an assessment of the modification requests, it was not considered necessary to notify the Proponent of environmental assessment requirements pursuant to section 75W(3) with respect to the proposed modifications, as sufficient information was provided to the Department to consider the application.

3.3 Determination Under Delegation

The Minister has delegated his functions to determine section 75W modification requests to the Department where:

- the council has not made an objection, and
- a political disclosure statement has been made, but only in respect of a previous related application, and
- there are less than 10 public submissions objecting to the proposal.

The Department did not receive any public submissions and Council has not objected to the proposal. There has also been no political disclosure statement made for this modification request however, a political donation was disclosed with a previous application on the site.

Accordingly the application is able to be determined by the Deputy Director General, Development Assessment & Systems Performance, under delegation.

4. CONSULTATION AND SUBMISSIONS

4.1 Exhibition

In accordance with section 75X(2)(f) of the Act, the Director-General is required to make modification requests publicly available. The modification requests were made available on the Department's website and were referred to City of Sydney Council and the Environment Protection Authority (EPA) for comment. Due to the nature of the proposed modifications, the modification requests were not exhibited by any other means.

Council and the EPA advised that no objections were raised to the proposed modifications. In addition, no public submissions were received in relation to the modification requests.

5. ASSESSMENT

The Department considers the key issues for the proposed modifications to be ESD principles, particularly in relation to the following:

- modification to the approved Concept Plan;
- 'Design and 'As-Built' ratings; and
- application of Green Star Requirement to existing buildings.

5.1 Modification to the Approved Concept Plan

Proposed 5 Star Green Star Rating

Future Assessment Requirement B12 of the approved Concept Plan requires all residential, commercial and retail development (including the adaptable re-use of heritage buildings) on the Central Park site, to achieve a minimum 6 Star Green Star energy rating. This requirement is subject to the Central Park site-wide ESD and WSUD measures (the on-site tri-generation plant and re-cycle water treatment plant), being approved. The Future Assessment Requirement states that should the ESD and WSUD measures not be approved, all buildings shall achieve a minimum 5 Star Green Star rating.

In terms of performance, the 6 Star Green Star rating represents 'world leadership' in terms of environmentally sustainable design whereas a 5 Star Green Star rating represents 'Australian excellence'.

When Future Assessment Requirement B12 was imposed, the Proponent was yet to confirm whether the potential tri-generation or re-cycle water treatment plant would be provided on site. A

Statement of Commitment was made to undertake further feasibility work, as to the potential for the ESD and WSUD features. Through subsequent Major Project approvals, approval has been granted for infrastructure for on-site tri-generation energy production and a commitment to the provision of on-site water recycling plant, including the provision of space within the basement below Block 2, under construction.

It was the original intent of the Proponent that the site would achieve a 6 Star Green Star rating via the GBCA's 'Precinct' rating tool. However, the GBCA did not progress the 'Precinct' tool past the pilot stage and it has now been abandoned. The Proponent is therefore seeking to amend Future Assessment Requirement B12 to relate to individual buildings only.

The Department considers that the achievement of a 5 Star Green Star rating for buildings on the Central Park site illustrates an appropriate level of sustainability performance, given the significance of the site as a central, urban renewal development. The sustainability credentials of the site will be further promoted through the approved CTP and future re-cycled water treatment plant. It is therefore recommended that the Future Assessment Requirement B12 be modified to require buildings to achieve a minimum 5 Star Green Star rating.

Application of Green Star Rating Tools

The modification request also seeks to amend the Concept Plan, so that only buildings which satisfy the criteria for the GBCA's standard 'Office', 'Retail' or 'Multi Unit Residential' rating tools, are required to obtain a Green Star rating.

To be eligible for a Green Star rating under the GBCA's standard 'Office'. 'Retail' or 'Multi Unit Residential' rating tools, approximately 80% of the GFA should be occupied by that land use. Of the approved Project Applications Blocks 1 & 4, Block 2, Blocks 5A & 5B and Block 5C satisfy this criteria (Blocks 2, 5A & 5B and 5C are already registered with the GBCA). In addition, future applications for Blocks 6, 7 and 11 will also be eligible for an official Green Star rating.

Blocks which would not be required to achieve an official Green Star rating, under the proposed modification, will be Block 3A (hotel accommodation) and Blocks 3B, 3C & 10 (student accommodation). For buildings on these Blocks, the Proponent has committed to designing those buildings in accordance with the principles of the 'Multi Unit Residential Design' tool. In addition, these buildings will utilise Central Park's overall ESD features (CTP & water recycling plant).

Although a Green Star rating could be obtained for these Blocks under the GBCA's 'Custom' tool, the Department considers that it is sufficient that confirmation be provided, at the Project Application stage, that buildings are designed in accordance with 5 Star Green Star principles. The Department acknowledges the additional time and cost restraints relating an accreditation under the 'custom' tool for stand alone building types.

5.2 'Design' and 'As-Built' Ratings

The Green Star rating tools (including 'Office', Retail' and 'Multi Unit Residential' tools) include both 'Design' and 'As-Built' accreditations. The 'Design' accreditation relates to the potential of the building, as designed, to achieve a specific Green Star rating. A 'Design' accreditation is therefore a theoretical accreditation and does not provide a guarantee that the development, as constructed, will achieve the specified Green Star rating. The 'As-Built' Green Star accreditation applies to the final completed development and demonstrates that a specific Green Star rating has been delivered through construction.

From 1 January 2013, "Design' Green Star accreditations will only be valid for a period of 2 years from the date of the building's completion. The GBCA has introduced this measure to stop projects being promoted as 'Green Star' projects after they have been built, despite having no certification to demonstrate that green design has been reflected in the construction or performance of the building.

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As per their supplementary submission, the Proponent has committed to achieving both a 'Design' and 'As-Built' Green Star rating for buildings eligible for a rating, under the GBCA's standard rating tools. However, they have raised concerns that buildings on Blocks 2, 5A & 5B and 5C may be hindered in their ability to obtain an 'As-Built' rating, due to the CTP not being operational at the time of accreditation. The Proponent has suggested that in this case that confirmation from the GBCA could be provided by way of a 'pre assessment review', that the buildings were on track to achieve a 5 Star rating, subject to the operation of the CTP.

To address this, the recommended modified conditions to the three Project Approvals include a provision that if this does occur, the Proponent must provide evidence from the GBCA in the form of a 'pre-assessment review' that the buildings are on track to achieve a formal accreditation. Evidence of a formal accreditation will be required for each building once the CTP is operational.

5.3 Application of Green Star Requirement to Existing Buildings

The Proponent has requested that the Concept Plan be modified to exclude existing buildings, which are to be retained and adapted, from the requirement to achieve a minimum Green Star rating. The Blocks which will involve the retention of existing buildings are Blocks 3A, 6, 7 and 10.

The existing Concept Plan approval specifically requires that heritage buildings to be adapted and re-used for residential, commercial and retail uses, achieve a minimum Green Star rating, in addition to all new buildings. The Concept Plan requirement is consistent with the Proponent's original Statement of Commitments.

The intent of the approved Concept Plan was to ensure all buildings on the site, including the existing buildings to be adapted, achieve an appropriate Green Star rating. Both of the Proponent's Environmental Assessments, accompanying the Project Applications for the Brewery Buildings (approved by MP10_0217) and Blocks 3B, 3C & 10 (currently being considered by the Department under MP11_0090), confirm that the buildings will be designed to a minimum 5 Star Green Star rating. However, with both Project Applications, the Proponent advised that no official Green Star accreditation would be sought. There is provision under the Green Star rating system for the buildings to gain an official Green Star rating.

The Proponent has not provided any justification for the proposed modifications which would exclude the existing buildings from the requirement of achieving a Green Star rating. The Department therefore considers that requirement for adapted buildings to achieve a Green Star rating should be maintained as part of the Concept Plan approval.

As discussed in section 5.1 above, it is recommended that Blocks 3A and 10 be excluded from the requirement for an official Green Star rating, as they do not fulfil the requirements of the GBCA's standard tools.

5.4 Application of Green Star Rating

The Proponent has requested that the conditions on the three Project Approvals be modified to define that references to 'Green Star Rating' mean a rating available at the time of the issue of the Director General's Requirements. The Green Star rating tools are upgraded periodically by the GBCA. The GBCA does not use superseded rating tools to accredit buildings. It is not therefore possible to apply a previous Green Star Rating tool to a project, where the tool has been superseded by a later tool, as suggested by the Proponent. On this basis, this aspect of the proposed modification is not supported.

6. CONCLUSION

The Department considers that the achievement of a minimum 5 Star Green Star rating by buildings across the Central Park will realise the intent of the original Concept Plan approval, which was to deliver a development of exemplary sustainability. To ensure that this high level of sustainability is delivered on-site, it is considered essential that buildings targeting an official Green Star rating achieve both a 'Design' and an 'As-Built' Green Star rating.

The Department supports the Proponent's position, as outlined in the supplementary information submitted, that all buildings on the site shall target an official Green Star rating, through standard Green Star accreditation tools, as intended by the original Concept Plan. Instances where buildings do not satisfy the requirements for the standard tools, they shall be designed in accordance of the principles of a 5 Star Green Star building.

It is therefore recommended that the modification requests be partially approved, subject to the requirement for all buildings on the Central Park site to achieve both a minimum 'Design' and 'As-Built' 5 Star Green Star rating, where a standard tool is available.

7. RECOMMENDATION

It is RECOMMENDED that the Deputy Director General, Development Assessment & Systems Performance, as delegate for the Minister for Planning and Infrastructure:

- note the information provided in this report;
- approve the modification request, subject to conditions; and
- **sign** the attached modifying instrument.

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10.7.1

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31/2/12

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APPENDIX A MODIFICATION REQUEST

See the Department's website at www.majorprojects.planning.nsw.gov.au

APPENDIX B SUBMISSIONS

See the Department's website at www.majorprojects.planning.nsw.gov.au

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APPENDIX C RECOMMENDED MODIFYING INSTRUMENTS