



Figure 6. View from York Street looking south-east toward the proposed commercial tower envelope between Carrington and George Streets. Shell house occupies the northern section of the site (to the left).



2.3 Indicative Project Staging and Proposed Future Applications

The Proponent's EA sets out the following future Project Applications:

- Application for demolition and excavation works;
- Application for construction of commercial tower, basement structures and station concourse areas, including associated retail and refurbishment of Shell House; and
- The final staging of works on land west of Carrington Street to be determined by Transport for NSW.

The Proponent has set out the staging of construction works east of Carrington Street as shown in Table 2 below so as to maintain continued access to Wynyard Station.

Table 2 Indicative Staging of Works

Stage	Works
Stage 1	Site establishment
Stage 2	Demolition of Thakral House and Menzies Hotel from roof down to Level 2. Demolition and excavation of part of Thakral House and Menzies Hotel from Level 2 down to the new footing level.
Stage 3	Commencement of structural works from new footing to Level 3. Installation of temporary steel truss at new level 3 and structure works above Level 3.
Stage 4	Installation of temporary access ramp to George Street and Hunter Connection. Demolition and excavation of remaining half of the site from existing Level 2 down to new footing Level. Complete structural works to remaining half of the site from new footing Level to Level 2. Façade and finishes completed.
Stage 5	Shell House – install façade retention. Internal strip out and demolition. Excavate new basement levels. Construction of new structure from basement level to new roof.

2.4 Project Need and Justification

NSW 2021

NSW 2021 replaces the State Plan as the NSW Government's strategic business plan for setting priorities for action and guiding resource attention. NSW 2021 is a ten year plan to rebuild the economy, provide quality services, renovate infrastructure, restore government accountability and strengthen the local environment and communities. The proposal will contribute to the goals of the NSW 2021 Plan with the following:

- The proposal will provide for major upgrade works to a key transport hub in the CBD used by over 100,000 passengers each day. It will also provide for a new commercial tower providing A-grade commercial floor space contributing to the CBD's overall function and Sydney's status as a global city;
- The proposal will deliver major improvements to Wynyard Station including improved station access, increased passenger capacity and significantly improved amenity and station address within the CBD; and
- The proposal provides an investment of \$416 million within the City of Sydney that will support job growth by facilitating an estimated 4500 (FTE) operational jobs plus an estimated 15,392 (FTE) construction jobs.

Metropolitan Plan for Sydney 2036

The Metropolitan Plan for Sydney 2036 is a strategic document that guides the development of the Sydney Metropolitan area towards 2036. The Plan seeks to reinforce the city's global city role and sets an employment target of an additional 96,000 by 2036.

The CityOne proposal responds to the context of the city's future growth as envisaged by the Plan by facilitating the delivery of major upgrade works to Wynyard Station and associated transport interchange which are central to the function of the Sydney CBD. In particular, the proposal will contribute to the upgrade of pedestrian capacity forecasts to 2060 and will also improve connectivity between Wynyard Station and the surrounding public domain.

This proposal will also contribute to the achievement of a number of strategic objectives within the *'Transport for a Connected City'* section of the Plan which includes increasing access and connectivity in centres and improving the passenger experience of public transport. The proposal will also support the Plan by increasing the supply of high quality office and retail space in the CBD and contributing to job targets identified by the Plan.

Draft Sydney City Subregional Strategy

The site falls within the area defined by the Draft Sydney City Subregional Strategy. Employment targets for the sub-region have been updated by the Metropolitan Plan as identified above. The Draft Subregional Strategy has a total employment target of an additional 58,000 additional jobs by 2031 within the LGA. This will be updated following the release of the Metropolitan Plan. The proposal will contribute to the employment targets and also the following aims of the Draft Subregional Strategy:

- reinforcing global competitiveness and strengthen links to the regional economy;
- ensuring adequate capacity for new office developments; and
- developing an improved and increasingly integrated transport system that meets the City's multiple transport needs.

3. STATUTORY CONTEXT

3.1. Major Project

The proposal is a major project under Part 3A of the Environmental Planning and Assessment Act 1979 (EP&A Act) because:

- it is development within a railway corridor and is associated with railway infrastructure that has a CIV of more than \$30 million;
- is of strategic State and regional significance; and
- it is for the purpose of commercial and retail development.

Part 3A of the EP&A Act, as in force immediately before its repeal on 1 October 2011 and as modified by Schedule 6A to the Act, continues to apply to transitional Part 3A projects. Director-General's environmental assessment requirements (DGRs) were issued in respect of this project prior to 1 October 2011, and the project is therefore a transitional Part 3A project.

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 of the carrying out of the project under section 75J of the Act. The Minister has delegated his functions to determine Part 3A to the Planning Assessment Commission (PAC) where an application has been made by persons other than by or on behalf of a public authority. The application is being referred to the PAC for determination as Council has lodged a submission objecting to the proposal.

3.2. Permissibility

The Sydney LEP 2005 identifies Wynyard Park being within the 'Park and Community Places' zone and the remainder of the site being located within the 'City Centre' zone. An extract of the zoning map from Sydney LEP 2005 is provided below.



Figure 8: Zoning Map extracted from Sydney LEP 2005.

The proposal includes a range of uses that are consistent with the City Centre zone including:

- commercial offices;
- shops;
- general retail;
- food and drink premises;
- health/medical centre;
- public amenities;
- transport facilities; and
- tenant car parking.

The proposed development for the purposes of shops and commercial premises associated with underground railway stations is permitted within the 'Park and Community Places' zone (land occupied by Wynyard Park and below).

The Sydney LEP 2005 prohibits development which results in a building that causes additional overshadowing to Martin Place between 12noon and 2:00pm between 14 April and 31 August. The proposal will create additional overshadowing onto Martin Place between 12:15 and 1:15 at the winter solstice. Therefore this aspect of the proposed development is prohibited by the SLEP 2005. The submission of a Concept Plan will allow for this overshadowing to be considered on its merits.

3.3. Environmental Planning Instruments

The Department's consideration of relevant SEPPs and EPIs is provided in Appendix D.

3.4. Objects of the EP&A Act

Decisions made under the EP&A Act must have regard to the objects of the EP&A Act, as set out in Section 5 of the EP&A Act. The relevant objects are:

- (a) *to encourage:*
 - (i) *the proper management, development and conservation of natural and artificial resources, including agricultural land, natural areas, forests, minerals, water, cities, towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment,*
 - (ii) *the promotion and co-ordination of the orderly and economic use and development of land,*
 - (iii) *the protection, provision and co-ordination of communication and utility services,*
 - (iv) *the provision of land for public purposes,*
 - (v) *the provision and co-ordination of community services and facilities, and*
 - (vi) *the protection of the environment, including the protection and conservation of native animals and plants, including threatened species, populations and ecological communities, and their habitats, and*
 - (vii) *ecologically sustainable development, and*
 - (viii) *the provision and maintenance of affordable housing, and*
- (b) *to promote the sharing of the responsibility for environmental planning between the different levels of government in the State, and*
- (c) *to provide increased opportunity for public involvement and participation in environmental planning and assessment.*

The Department has considered the Objects of the EP&A Act, including the encouragement of ESD in the assessment of the application (discussed below). The project does not raise significant issues with regards to the Objects under the EP&A Act.

3.5. Ecologically Sustainable Development

The EP&A Act adopts the definition of Ecologically Sustainable Development (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:

- (a) *the precautionary principle,*
- (b) *inter-generational equity,*
- (c) *conservation of biological diversity and ecological integrity,*
- (d) *improved valuation, pricing and incentive mechanisms.*

The Department considers that the proposal represents a sustainable use of the site as it proposes to improve key public transport infrastructure for future generations and will provide a development that will be able to utilise this transport infrastructure.

The Proponent is committed to ESD principles and has reinforced this through the Environmental Assessment which explores key ESD opportunities. The CityOne sustainability report sets out that the proposal will achieve a minimum 5 Star Green Star rating through consideration of a range of sustainable design options.

Noting the above, the Department considers that the proposal is consistent with the key principles of ESD. A further detailed assessment against ESD Principles is at Appendix E.

3.6. Statement of Compliance

In accordance with section 75I of the EP&A Act, the Department is satisfied that the Director-General's environmental assessment requirements have been complied with.

4. CONSULTATION AND SUBMISSIONS

4.1. Exhibition

Under section 75H(3) of the EP&A Act, the Director-General is required to make the environmental assessment (EA) of an application publicly available for at least 30 days. After accepting the EA, the Department publicly exhibited the proposal from 19 January 2011 to 18 February 2011 (total of 31 days). The EA was made publicly available on the Department's website, at the Department's Information Centre and at the City of Sydney's Town Hall House. The Department also advertised the public exhibition in the Sydney Morning Herald and the Daily Telegraph newspapers and notified nearby landholders and relevant State agencies and the Council of the City of Sydney in writing.

The Application; Director-General's environmental assessment requirements; Environmental Assessment; and Response to issues raised in submissions (in Preferred Project Report) were placed on the Department's Website. This satisfies the requirements in Section 75H (3) of the EP&A Act.

The Department received 37 submissions during the exhibition of the EA - 4 submissions from public authorities and 33 submissions from the general public and special interest groups.

A summary of the issues raised in submissions is provided below.

4.2. Public Authority Submissions

Submissions were received from the following four public authorities. (Note detailed summaries of the submissions for Transport for NSW and the City of Sydney are provided in **Appendix D**.)

Transport for NSW

Transport for NSW supports the proposed Concept Plan however states that a number of issues remain unresolved. The key issues include:

- Consideration of strategic and public benefit:
 - further consultation is required to confirm/determine pedestrian circulation requirements as part of the concourse design for any future application; and
 - Transport for NSW would support a contribution in the form of a Voluntary Planning Agreement that is fully documented as part of future applications.
- The Proposed Concept Plan:
 - the crossing point over Wynyard Lane has impacts on pedestrian access and this resolution is not considered satisfactory;
 - further consideration of construction staging is essential to ensure that construction works do not affect the operation of Wynyard Station;
 - the Operational Integrity of Wynyard Station needs to be protected during and after construction;
 - tenant car parking should be reduced to 81 spaces or less;
 - a Workplace Travel Plan must be prepared for the proposal; and
 - the impact on the bus and taxi operations and bicycle networks requires further consideration as part of any future application;

Transport for NSW provided a further submission in relation to the Preferred Project Report raising the following points:

- **Wynyard Lane Closure:**
 - The Proponent's preferred option (Option 1) is not acceptable as it relies on the use of the former tram tunnels. A solution that does not rely on the former tram tunnels may be acceptable;
 - Wynyard Lane closure may impact on adjoining properties; and
 - Railcorp's loading dock and service lift may be affected.

- **George Street Entry to Railcorp Concourse**
 - The current George Street ramps operate reasonably well however the proposal provides public benefits via improving air quality, upgrading access improved prominence and station address; and
 - Use of proposed escalators during power failure or maintenance may be inappropriate or unsafe.
- **Commercial Offer:**
 - The public Infrastructure Works estimated to cost \$20 million do not amount to items of significant public benefit rather are more correctly costs incurred in carrying out the proposal over and around a major transport interchange; and
 - One way for Thakral to demonstrate public benefit would be to provide a significant monetary contribution towards the construction by Government of two new station entries to the north and south of Wynyard Park.
- **Conditions of Approval:**
 - TfNSW requests that RailCorp's site is not subject to any conditions or terms of approval applicable to the Thakral owned property.

On 6 December 2011, Transport for NSW wrote to the Department to confirm that the technical issues raised regarding Wynyard Lane and the George Street entry had been resolved.

City of Sydney

The City of Sydney provided a submission in relation to the exhibited proposal raising the following points:

- the quantum and make up of public benefits must be clearly documented and publically exhibited for comment prior to approval;
- Wynyard Lane must not convey vehicular traffic through the pedestrian concourse or impede flows to and from Wynyard Station;
- high level design principles for Wynyard park must be resolved prior to approval;
- the street wall must be maintained to approx RL62 (to match the Shell House parapet) along the Carrington Street frontage;
- a minimum 6 metre (with average 8 metre) setback above the street wall frontage on Carrington Street should be provided above RL62;
- there must be no additional overshadowing of the GPO façade or steps;
- the tower should be the subject of a competitive design process;
- the proposed tenant car parking should be reduced to no more than that allowed by the 4032m² site area occupied by the proposed tower (being 81 spaces); and
- the site area proposed must not be used to calculate FSR.

The City of Sydney provided a further submission in relation to the Preferred Project Report outlining the following recommendations:

- the calculation of site area be recognized as 4032 m² and be the basis for assessing the satisfaction of development standards; that 20.9:1 and 84,478m² GFA be recognized as development measures;
- that the public benefit offer be fully quantified prior to any approval and be appropriately secured; and
- that the application in its current form be required in any approval to have:
 - reduced car parking numbers to 80;
 - significant setbacks to Carrington Street (the proposed setback to Carrington Street as a flush slot is entirely unacceptable);
 - architectural design competition; and
 - no overshadowing of the GPO Building façade and steps and minimise overshadowing to Wynyard Park and Martin Place.

NSW Heritage Council

The NSW Heritage Council provided a submission raising the following points:

- The proposed form of the tower development is inconsistent with surrounding development east of Wynyard Park and will impact on surrounding heritage buildings;
- The works to Shell house are justified to allow for a viable office use and the façade and clock tower to be retained; and
- No detailed discussion on the archaeology of the site.

Sydney Water

Sydney Water provided a submission making the following points:

- Drinking water mains are available for connection either on George or York Streets;
- The current wastewater system has sufficient capacity to service the proposed development; and
- The impact of the development will be further assessed when the Proponent applies for a Section 73 Certificate.

4.3. Public Submissions

33 submissions were received from the public. This included submissions from the following special interest groups:

- Infrastructure Partnerships Australia;
- Memocorp Australia Pty Ltd;
- The Property Council of Australia;
- The Sydney Business Chamber;
- J G Service Pty Ltd; and
- The Committee for Sydney.

Of the 33 public submissions, 8 (24%) objected to the project and 25 (76%) supported the project (with 21 of these submissions supporting an increased height). The key issues raised in public submissions are listed in Table 3.

Table 3: Summary of Issues Raised in Public Submissions

Issue	Proportion of submissions (%)
Support for the project with increased height	64%
Construction related impacts	9%
Height – Support for decreased height	6%
Lack of public open space	6%
Heritage impacts	6%
Adverse business impacts	6%
Parking	3%
Lack of consultation	3%
Overshadowing	3%
Character of the area	3%
Design competition process	3%
Pedestrian congestion	3%

The Department has considered the issues raised in submissions in its assessment of the project.

5. ASSESSMENT

The Department considers the key environmental issues for the project to be:

- public benefit;
- built form;
- overshadowing;
- Carrington Street to George Street Transit Hall;
- treatment of Wynyard Lane;
- parking;
- construction management; and
- other issues such as project stage interface.

5.1. Public Benefit

A key issue for the proposal is the realisation of public benefits to Wynyard Station and the surrounding precinct. The Department has used the following framework to assess the public benefit for the proposal:

- outline the quantum and range of public benefit; and
- an evaluation of the quantum, range and delivery of public benefit.

Quantum and Range of Public Benefit

Area East of Carrington Street

The Concept Plan has the ability to deliver a range of public benefits in the form of upgrades to the eastern part of the concourse of the Wynyard Station complex and overall urban design improvements to the Wynyard precinct and its relationship to the surrounding CBD. The EA outlines the following objectives for the proposal:

- extend the functional life of Wynyard Station and revitalise the station precinct by developing a concept design that delivers significant improvements to the aesthetic, functional and management requirements of the Wynyard Station concourse east of Carrington Street, and which will accommodate future passenger growth and connections;
- deliver a design that rationalises the current retail floor space east of Carrington Street to create an efficient and functional concourse (unpaid) area and retail facility;
- improve the quality of public domain surrounding the site, in particular in relation to the George Street entrance; and
- deliver a landmark commercial tower that is environmentally sustainable, commercially viable and exhibits design excellence.

Central to the overall Concept Plan is the upgrading of the passenger concourse and entry ways between George and Carrington Street which is designed to be complementary with other State government initiatives for the precinct including the Barangaroo Pedestrian Link and the implementation of initiatives in the Wynyard precinct to improve bus flows (**Figure 9**). The EA indicates that the area is designed to appropriately accommodate future pedestrian growth and demand to 2060 (discussed further in Section 5.4 below) and will benefit public transport users, the general public and the wider Sydney CBD by incorporating the following performance specifications (as provisionally prescribed by Transport for NSW) for future pedestrian exists to George Street:

- 20 metres total minimum combined width; and
- unimpeded pedestrian flows between the concourse and the street.

Area West of Carrington Street

The Concept Plan site area includes envelopes for the Wynyard Station concourse area to the west of Carrington Street, including Wynyard Park and its associated station entry. The Concept Plan does not propose any conceptual design details west of the Carrington Street alignment as

this will be subject to further resolution by Transport for NSW. Transport for NSW is currently preparing a Master Plan for upgrades to the Wynyard Station precinct. The Department understands that the future designs for the area west of Carrington Street will be informed by the Master Plan (once complete) and would provide for future patronage growth and improvements in functionality and amenity for Wynyard Station. This will be complemented by the future design principles for Wynyard Park that are provided in the Statement of Commitments.

The Proponent has also outlined the offer of a monetary contribution to fund the carrying out of works by RailCorp for two new entry points at the north and south ends of Wynyard Park or other associated public domain works in accordance with the future Wynyard Station Masterplan.

The Department considers that the stated project objectives and the improvements to the Wynyard Station precinct that are outlined as part of the Concept Plan has the potential to provide a significant level of public benefit. The evaluation of the public benefit provided by the Concept Plan is discussed below.

Evaluation of the Quantum, Range and Delivery of Public Benefit

Proponent's Estimate of Public Benefit Offer

The Proponent has provided monetary benefit estimates as part of a public benefit offer that has gone through a number of iterations including the EA, PPR and subsequent reports that further detail the terms of the capital contribution by the Proponent toward future station improvements. This comprises economic and financial benefits to both the public/State and to the Proponent as shown in **Tables 4 & 5**. These estimates have been provided in reports prepared by Deloitte, WT Partnership and CB Richard Ellis (as noted below).

Table 4: Summary of the Proponent's estimates of benefits to the NSW Government and the passengers using the proposed transit hall.

Description of Benefit	Estimate of Benefit
Estimate by Deloitte of public access and increased amenity benefits of the transit hall.	\$60 million
Estimate by WT Partnership of the allocated costs of infrastructure works that could be attributed to public benefit.	\$25.4 million
Estimate by WT Partnership of the operation and maintenance of the transit hall that could be attributed to public benefit.	\$21.7 million
Capital contribution to Transport for NSW for two new entry points at the north and south ends of Wynyard Park and/ or other associated public domain works (occurring in line with the Wynyard Masterplan timetable).	\$18.5 million
Total public benefit/ benefit to the State	\$125.6 million

Table 5: Summary of the benefits to the Proponent.

Description of Benefit	Estimate of Benefit
Estimate by CB Richard Ellis of benefit of additional floorspace.	\$11.2 million
Value of extension of existing lease from 78 to 99 years.	\$3 million
Value of removal of ground rent obligation.	\$21 million
Total benefits sought by the Proponent	\$35.2 million

Issues Raised in Submissions

The City of Sydney is of the view that the public benefit must be clearly demonstrated and publicly exhibited for comment via a planning agreement or publically exhibited deed prior to any Concept Plan approval. Specifically, Council identify that one potential public benefit is the proposed new

station transit between George Street and Carrington Street. However, in its submission responding to the PPR, Council raised the further following points:

- The amount of monetary contribution to be provided to Transport NSW for infrastructure west of Carrington St was not specified;
- The increase in value of the site as a result of the proposal is estimated to be \$52 million which differs significantly from the Proponent's estimate of \$11.2 million;
- A number of public benefits associated with the public infrastructure offer will also be of benefit to the proponent themselves;
- The public benefits package fails to consider inherent dis-benefits of the proposal e.g. car parking, overshadowing etc; and
- The validity, reasonableness and accuracy of the purported \$60 million in economic benefits is questionable. The calculations rely on the amalgamation of a number of improvements which offer negligible benefit in themselves. The calculations have been prepared by placing a dollar value on items which are highly subjective, not well justified, and are likely to change over such a lengthy timeframe.

Transport for NSW has commented that the Proponent identifies various works which it describes as public infrastructure works that have value as a public benefit (such as the costs associated with the works directly attributable to the TfNSW 20 metre transit hall width requirement, including the 13 metre high entry point from George Street and the 8 metre high entry point from Carrington Street). TfNSW state that these works however do not amount to items of significant public benefit. They are, more correctly, costs incurred in carrying out the proposal over and around an operating major transport interchange. Further, it seeks the execution of a Commercial Agreement and suggests that this agreement could be supported by a Voluntary Planning Agreement.

Independent Review of Public Benefit Appraisal and Site Valuation

The Department commissioned an independent review of the Proponent's Public Benefit Offer. A review of the site valuation information prepared by Preston Rowe Patterson (on behalf of the City of Sydney) was also carried out as part of this process. This independent review was completed by Gillespie Economics and Corporeal Pty Ltd (the latter providing input on the site valuation issue). In summary, the Gillespie report provided the following key points of analysis of the Proponent's estimates:

- In relation to the differing site value estimates, the \$52 million valuation prepared on behalf of Council provides the preferable approach for assessing the value of the additional floorspace and has been used in the review of the evaluation of the benefits.
- The estimation of public benefits of the proposal includes the quantification of public access and amenity benefits of the proposed transit hall (such as the \$60 million figure quantified by the Deloitte report) as well as the cost savings to Government of not having to provide and maintain an equivalent structure (such as the \$21.4 and 25.1 million estimated by WT Partnership). These approaches are considered reasonable in themselves however they cannot be considered cumulatively as it is likened to double-counting.
- Quantification of access and amenity benefits is bound to be uncertain. The Deloitte study follows the methodology used by RailCorp with the only uncertainty involving the data inputs such as time improvement assumptions for future patrons. The \$60 million figure provided by Deloitte is considered to represent the upper bound.

To facilitate the identification and estimation of the benefits of the proposal to the public/government and the Proponent, Gillespie Economics has used (**Table 6**):

- the principles of cost benefit analysis;
- a comparison of three potential development alternatives (that each comply with controls for the site as discussed in Section 5.2) described as complying development; and
- calculation of present values of existing benefit estimates.

The development alternatives used by Gillespie consulting represent the more likely alternative development options for the site (in lieu of the proposal) and include:

- alternative 1 – complying development with no transit hall works;
- alternative 2 – complying development with the transit hall works carried out by Government in 2015; and
- alternative 3 – as per alternative 2 but with transit hall works carried out by Government by 2022.

The benefits delivered by the proposed scheme have been compared to the benefits likely to be delivered by each of the alternative scenarios as points of comparison to assist with this evaluation (**Table 6**). Three schemes have been used as a form of sensitivity testing for the overall analysis.

The analysis has evaluated a reduced amount of benefit to the public / Government when compared to a sum of the Proponent's list of figures. **Table 6** however indicates that when compared against each of the possible development alternatives, the value of the economic benefits distributed to the public / Government is approximately even.

However when the payments between the Proponent and the State (these are described as financial benefits and include the capital contribution, value of a lease extension and rent relief) are further added into the analysis, the combined financial and economic benefits to the Proponent exceed those to the public and/or the government by between 19% - 40%.

However, the Gillespie Economics report concludes that the development is associated with high levels of risk and the additional floor space that is part of the proposal requires increased capital investment. Further, it states that suggestions that none of the benefits of this additional capital investment and risk should accrue to the developer/investors is questionable. Without some of the additional benefit accruing to the Proponent, the development is unlikely to go ahead.

The Gillespie report does not comment on the appropriateness of the distribution of benefit between the Proponent and the public / State. Rather it states that the appropriate level of benefit ultimately needs to be a negotiated position between the Proponent and Government.

Table 6: Economic and financial benefits of the proposal to the public / Government and to the Proponent - relative to three other possible (complying) development scenarios (extracted from Gillespie Economics Report contained in **Appendix G**).

	Relative to Alternative 1 – Complying Development with No Changes in Wynyard Access Areas and Public Spaces		Relative to Alternative 2 – Complying Development with NSW Govt Investment in Wynyard Access Areas and Public Spaces by 2015		Relative to Alternative 3 - Complying Development with NSW Govt Investment in Wynyard Access Areas and Public Spaces by 2022	
Economic Benefits	Value to Govt/Public	Value to Thakral	Value to Govt/Public	Value to Thakral	Value to Govt/Public	Value to Thakral
FSR Benefit		\$52,000,000		\$52,000,000		\$52,000,000
Avoided issues with DDA non-compliance from 2015	NQ					
Avoided issues with DDA non-compliance from 2015 to 2022					NQ	
Access and amenity benefits of Transit Hall from 2015	\$60,000,000					
Access and amenity benefits of Transit Hall from 2015 to 2022					\$25,130,028	
Avoided capital costs to Govt of DDA compliance and Transit Hall in 2015			\$30,439,519			
Avoided Govt costs of Transit Hall maintenance from 2015			\$16,554,826			
Avoided capital costs to Govt of DDA compliance and Transit Hall in 2022					\$17,716,077	
Avoided Govt costs of Transit Hall maintenance from 2022					\$9,635,060	
Total Economic Benefit	\$60,000,000	\$52,000,000	\$46,994,345	\$52,000,000	\$52,481,165	\$52,000,000
Grand Total Economic Benefit	\$112,000,000		\$98,994,345		\$104,481,166	
Financial Transfers						
Cash payment	\$14,223,361	-\$14,223,361	\$14,223,361	-\$14,223,361	\$14,223,361	-\$14,223,361
Rent relief	-\$21,000,000	\$21,000,000	-\$21,000,000	\$21,000,000	-\$21,000,000	\$21,000,000
Lease extension	-\$3,000,000	\$3,000,000	-\$3,000,000	\$3,000,000	-\$3,000,000	\$3,000,000
Total Financial Transfers	-\$9,776,639	\$9,776,639	-\$9,776,639	\$9,776,639	-\$9,776,639	\$9,776,639
Total Economic and Financial	\$50,223,361	\$61,776,639	\$37,217,706	\$61,776,639	\$42,704,527	\$61,776,639
Grand Total Economic Benefit	\$112,000,000		\$98,994,345		\$104,481,166	

NQ= not quantified.

DDA= Disability and Discrimination Act

Some caveats to the above table include:

- The estimated FSR benefit to Thakral is an upper limit;
- Additional benefits to the Government/public from DDA compliance has not been able to be quantified;
- The level of rent relief may be considerably greater in relation to the Thakral project compared to the current levels that are used in the analysis;
- Based on comments from NSW Transport the level of economic benefits of the Transit Hall may be an upper limit but the methodology is considered sound.

Department's Consideration

The Department has considered the independent evaluation of the quantum and range of the benefits by Gillespie Economics. It notes that when compared against the alternative development scenarios that the economic benefits are initially reasonably equally distributed between Proponent and the public / Government. It further confirms that a significant amount of benefit to the public / Government estimated at between \$47 and \$60 million will be derived from the proposal.

Only when the value of the financial benefits to the Proponent (in particular the value of rent relief and a lease extension) are factored into the analysis, does the weight of the overall benefits skew toward the Proponent. However, the Department considers that these particular financial benefits to the Proponent are not planning matters nor do they in any way detract from the tangible public benefits that are sought to be delivered by the proposal.

Further, the Department agrees with the comments in the Gillespie report regarding the Proponent's additional capital investment and considers that it is reasonable to expect that the additional capital investment and risk should accrue a level of return to the Proponent subject to demonstration that the impacts are acceptable.

The Department notes that the independent review carried out by Gillespie Consulting has been carried out in consultation with the City of Sydney, TfNSW, the Proponent and also the Department. It clarifies and addresses a number of the concerns raised by both Council and TfNSW with regard to the subjective nature and uncertainty around the quantification of public benefits. It is also considered that it more clearly quantifies and documents the public benefits as sought by Council.

Subject to a thorough merit assessment of the proposed development provided in the report below, the Department considers that, the proposal provides an equitable distribution of benefits between the Proponent and the public / Government.

In regard to the delivery of these public benefits, the Proponent has provided in its statement of commitments that it will construct a new through site link between George Street and Carrington Street and associated public infrastructure that will be demonstrated with the relevant future application. Further, it will enter into a Voluntary Planning Agreement with TfNSW, relating to the delivery of the public benefits as indicated by the Proponent's public benefit offer. A future assessment requirement is recommended to be imposed in this regard to ensure these public benefits are delivered with future applications. The Department notes that this agreement will need to be exhibited and finalised prior to the lodgement of any future application.

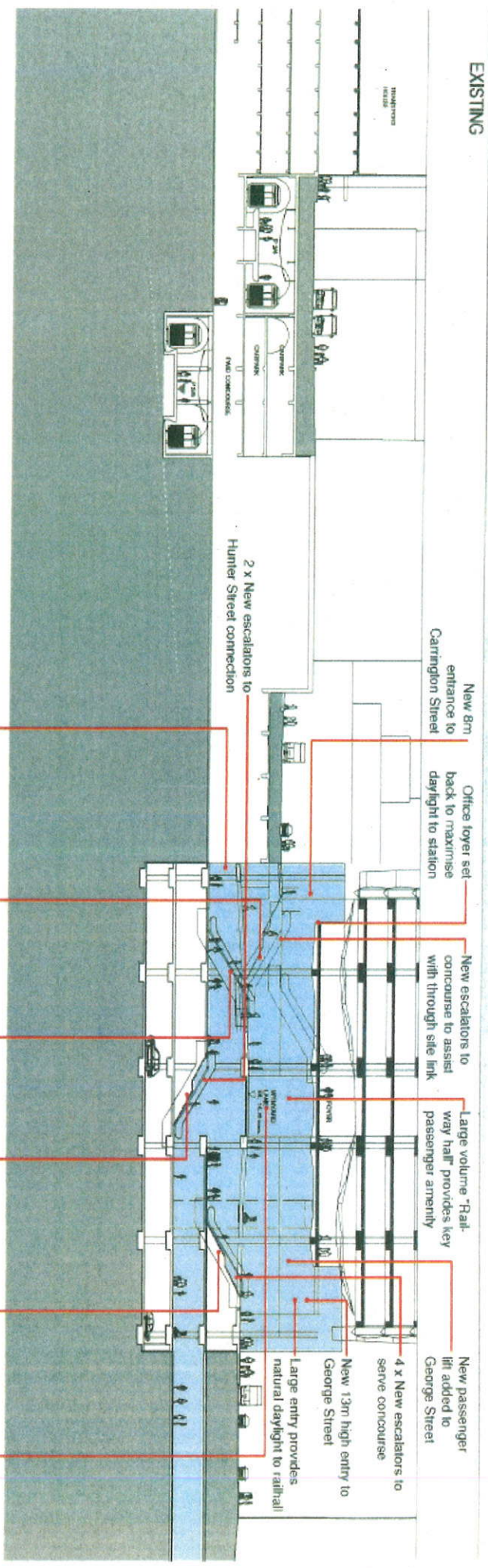
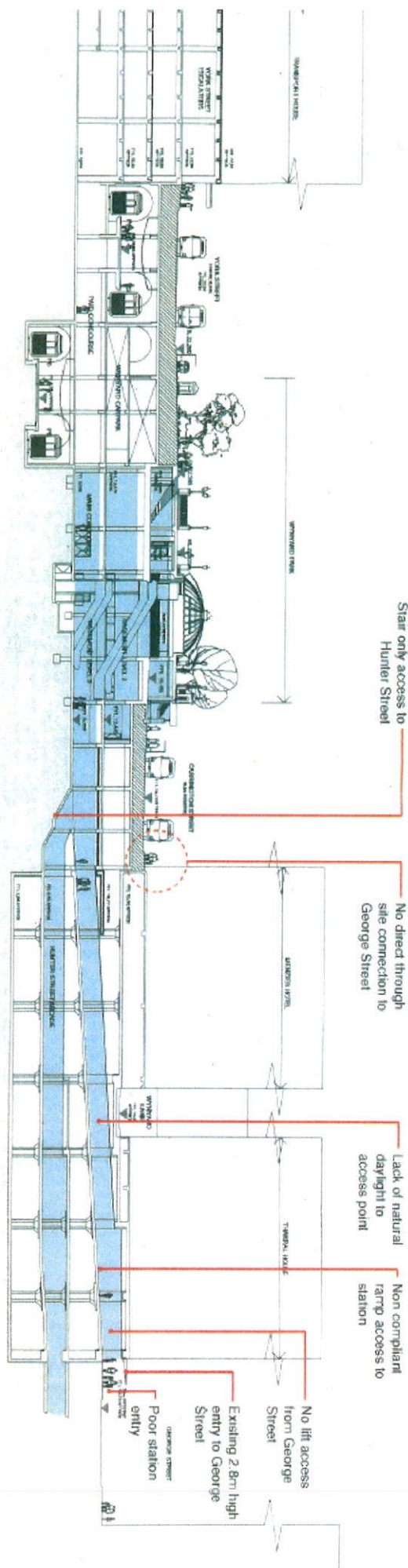


Figure 9: Section through the subject site comparing the proposed transit hall between George and Carrington Street (below) with the existing access arrangements (above). A number of items in the proposed scheme (as annotated in red) have been identified as providing public benefits via access improvements to and from Wynyard Station.