

23 February 2022

16009

Mick Cassel
Planning Secretary
Department of Planning and Environment
4 Parramatta Square
12 Darcy Street, Parramatta NSW 2150

Attention: Amy Watson

Dear Amy,

STATE SIGNIFICANT DEVELOPMENT 7484: SANDSTONE PRECINCT MODIFICATION 13, 23-33 & 35-59 BRIDGE STREET, SYDNEY – RESPONSE TO REQUEST FOR FURTHER INFORMATION

This Response to Request for Further Information (RFI) is submitted to the Department of Planning and Environment (DPIE) in relation to the Section 4.55(1A) of the Environmental Planning and Assessment Act 1979 (EP&A Act) modification application to modify State Significant Development 7484 (SSD 7484) relating to the adaptive reuse of the Sandstone Precinct (Education and Lands Buildings) for tourist and visitor accommodation.

The proposed modification seeks to amend consent conditions relating to environmental performance and the imposed NABERS requirements. The DPE issued a RFI on 17 February 2022 requesting a response to previous matters raised by the City of Sydney in their letter dated (incorrectly) 5 October 2020.

Previous information has been provided to DPE, and is re-attached to this letter including:

- Predicted NABERS Energy Assessment Report prepared by Stantec dated 11 February 2022 (**Attachment A**), including appendices; and
- NABERS Independent Design Review Report prepared by Napier and Blakeley dated 11 February 2022 (**Attachment B**).

This RFI response is accompanied by a detailed response to each matter raised by the City of Sydney in their letter dated 5 October 2020 (**Attachment C**).

1.0 Response to RFI

In the RFI 17 February 2022, DPE have requested clarification as to whether the previous changes to Conditions B26, F12 and G4 require amending. This is clarified below. Words proposed to be deleted are shown in ~~bold strike through~~ and words to be inserted are shown in **bold italics**.

1.1.1 Proposed Modification Condition B26

As previously advised, this condition has already been satisfied, with the Applicant preparing at the time a Commitment Agreement and issuing to the PCA prior to the first CC for the Education Building.

Since this condition has been fulfilled and subsequent to the design change facilitated through MOD 4, achieving this 4 Star NABERS Energy Commitment Agreement is no longer possible, including given:

- The project is a premium luxury hotel development with a 6 Star Hotel Quality rating, for which there are no precedents nor NABERS benchmarks.
- The exceptionally low key count for the size of the development, including zero hotel keys in the Department of Lands building, where NABERS benchmarks are based on key counts. The average hotel key room size is 50sqm, compared to a hotel typical 25sqm. These room sizes are designed to minimize impact on and celebrate the heritage fabric of the Sandstones Precinct.
- Onsite renewables are not consistent with conservation objectives, so offsite renewables are proposed – however offsite renewables are not permitted in the NABERS Commitment Agreement process.
- Adaptive reuse of significant heritage items in the Sydney public domain, retaining a vast majority of fabric without intervention – prohibiting opportunities to uplift thermal performance.
- Adaptive reuse and retention of the vast majority of the existing fabric without intervention has a significantly lower environmental footprint associated with construction and material embodied carbon compared to a new build hotel construction project. However, embodied energy savings are not considered in the NABERS and City of Sydney benchmarks.

The NABERS Energy Assessment Report prepared by Stantec (**Attachment A**), and which has been independently reviewed by Napier and Blakeley (**Attachment B**) predicts that the project will achieve a NABERS rating of 2.3 stars (equating to an Energy Use Intensity of 245 kWh/sqm GFA). With NABERS not allowing an energy commitment for Hotels of less than 4 stars, it is therefore proposed to adopt the City of Sydney's benchmark of **245 kWh/yr/m²** (<https://www.cityofsydney.nsw.gov.au/surveys-case-studies-reports/planning-for-net-zero-energy-buildings>).

Condition B26 is accordingly proposed to be amended in order to reflect the revised amended energy target set for the Sandstones Precinct of 245kWh/yr/m².

Environmental Performance

~~**B26. Prior to the issue of the first Construction Certificate, the Applicant is to provide a NABERS Energy Commitment Agreement, prepared by a suitably qualified consultant, demonstrating that the development is capable of achieving a minimum 4 Star NABERS hotel rating to the satisfaction of the PCA.**~~

B26. The applicant is to provide documentation to the PCA, prepared by a suitably qualified consultant, indicating that the design of the precinct is capable of achieving a total energy use intensity target of 245kWh/yr/m².

1.1.2 Proposed modification – Condition F12

This condition is proposed to be amended per the below to reflect the proposed energy target as established under amended condition B26.

Environmental Performance

F12. ***Prior to the issue of the relevant Occupation Certificate, the Applicant is to provide to the PCA and Secretary documentation, prepared by a suitably qualified consultant, confirming that the development has been completed ~~and assessed in accordance with the NABERS Energy Commitment Agreement and achieves an energy use target of 245kWh/yr/m² for the precinct minimum 4 Star NABERS rating for hotels~~ (Condition B26) and delivers the water mitigation measures in Condition B25.***

1.1.3 Proposed modification – Condition G4

Condition G4 is proposed to be amended in order to build-in alternative pathways consistent with City of Sydney policies to achieving the proposed energy target.

Environmental Performance

G4. Within 12 ~~to 18~~ months ~~following the issue~~ of the final Occupation Certificate ***for the precinct***, the Applicant is to provide to the PCA and Secretary documentation, prepared by a suitably qualified consultant, confirming that ~~the development operates in accordance with the NABERS Energy Commitment Agreement and achieves a minimum 4 Star NABERS rating for hotels (Condition B26), and delivers the water mitigation measures in Condition B25~~ ***the precinct:***

- 1. operates in accordance the energy target (Condition B26) or documentation (where the target is not being met) that the gap between actual performance and the target is being met through:***
 - a. A Power Purchase Agreement (PPA) for external renewable electricity generation for a period of 5 years; or***
 - b. The purchase and retirement of Large-Scale Generation Certificates (LGC) for a period of 5 years.***
- 2. delivers the water mitigation measures in Condition B25.***

2.0 Conclusion

The proposed modification seeks to amend consent conditions B26, F12 and G4 relating to environmental performance and the imposed NABERS requirements. The proposed modifications address the reliance on a specific NABERS Hotel Energy Rating and the requirement for a NABERS Energy Commitment Agreement and provide alternate pathways to allow the development to achieve an equivalent or improved environmental performance than what was originally approved.

The modified development remains consistent with the approved Stage 1 SSD consent and relevant statutory and strategic plans and policies that apply to the site.

In accordance with section 4.55(1A) of the EP&A Act, DPIE may modify the consent as:

- the proposed modification is of minimal environmental impact; and
- substantially the same development as development for which the consent was granted.

We trust that this information is sufficient to enable a prompt assessment of the proposed modification request.

Yours sincerely,



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