



Planning &  
Infrastructure

**STATE SIGNIFICANT DEVELOPMENT:  
Refurbishment of DFS Galleria, The Rocks (SSD 6715)**



Secretary's  
Environmental Assessment Report  
Section 89H of the  
*Environmental Planning and Assessment Act 1979*

March 2015

## ABBREVIATIONS

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Applicant	DFS Australia Pty Limited
Agency	NSW Planning and Environment
CIV	Capital Investment Value
Department	Department of Planning and Environment
SEARs	Secretary's Environmental Assessment Requirements
Secretary	Secretary of Planning and Environment, or delegate.
EIS	Environmental Impact Statement
EP&A Act	<i>Environmental Planning and Assessment Act 1979</i>
EP&A Regulation	<i>Environmental Planning and Assessment Regulation 2000</i>
EPI	Environmental Planning Instrument
LEP	Local Environmental Plan
Minister	Minister for Planning
RTS	Response to Submissions
SEPP	State Environmental Planning Policy
SSD	State significant development

**Cover Photograph:** Photograph of DFS Galleria, The Rocks viewed from George Street looking south-west. (Source: JBA Urban Planning Consultants)

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## EXECUTIVE SUMMARY

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This report provides an assessment of a State significant development application (SSD 6715) which seeks approval for the refurbishment of DFS Galleria at The Rocks. Specifically, the application seeks approval for the following:

- the demolition of existing internal improvements at the ground floor and Levels 2-5 and the refurbishment of these floors;
- the provision of a new retail entrance and accessible ramp from Harrington Street;
- the enclosure of the Globe Street entrance and vaulted entry leading from George Street; and
- new tenant signage.

The proposal is a State significant development pursuant to section 89C of *Environmental Planning and Assessment Act 1979* (EP&A Act) as it is on land identified as being within The Rocks with a capital investment value of more than \$10 million.

The application was publicly exhibited between 11 December 2014 until 2 February 2015. A total of three submissions were received from the Sydney Harbour Foreshore Authority (SHFA), the Office of Environment and Heritage (OEH) and the City of Sydney Council (Council). All submissions support the proposal. No submissions were received from the public.

The Department's assessment of the proposal has concluded that the design is well considered and will complement the heritage significance of the building. Furthermore, the proposal will deliver positive improvements to the access, layout and functionality of DFS Galleria.

The Department considers that the proposal to be in the public interest as it will upgrade the existing retail experience on the site and in doing so, will contribute to the vitality and diversity of The Rocks as a major tourist destination. Accordingly, it is recommended that the application be approved, subject to the conditions outlined in this report and the Development Consent at **Appendix F**.

# 1. BACKGROUND

## 1.1 The Site

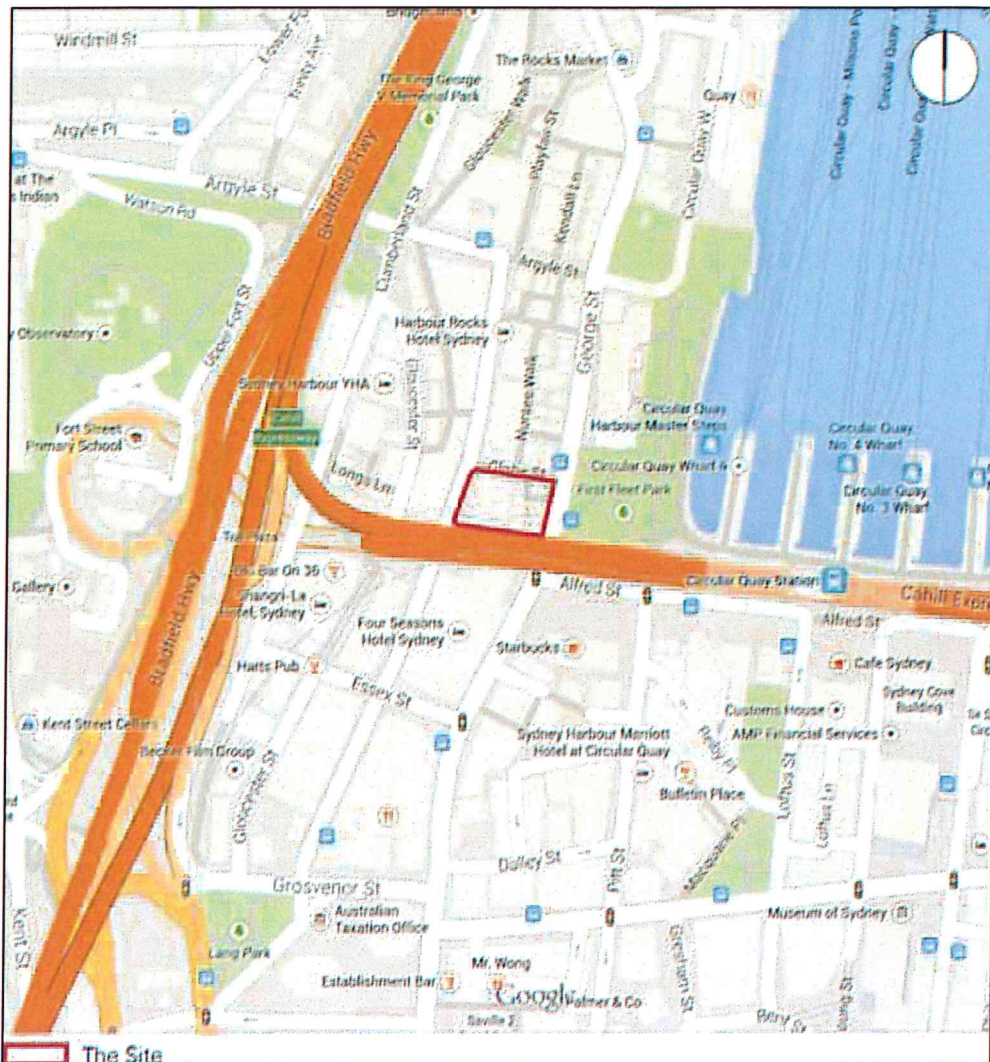
The DFS Galleria is located at 144-155 George Street, The Rocks and comprises a complex of five buildings, as follows:

- 155 George Street- 10-storey commercial building constructed in late 1980s; and
- 145, 147, 149-151 and 153-155 George Street- three and four storey State Heritage listed buildings.

DFS Galleria occupies the ground floor level and Levels 2 – 5 of the complex and includes high end retail stores and office floor space.

The site is owned by the Sydney Harbour Foreshore Authority (SHFA) and is leased to Tackelly No.3 Pty Ltd. The ground floor and Levels 2-5 are currently sub-leased to DFS Galleria. Due to the sloping nature of the site, the Harrington Street frontage is elevated above the George Street frontage.

The location of the site within The Rocks is illustrated in **Figure 1** below. **Figure 2** illustrates the location of the buildings within the complex. **Figures 3** and **4** show the George Street and Harrington Street frontages of the site.



**Figure 1:** Locality Plan- subject site.



Figure 2: The DFS Complex (Source: JBA Urban Planning Consultants)



Figure 3: The George Street frontage of DFS Galleria



**Figure 4:** Harrington Street frontage of DFS Galleria

## 2. PROPOSED DEVELOPMENT

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### 2.1 The Proposal

The application seeks approval for the following:

- demolition of internal areas (floor and ceiling finishes, stairs, escalators, partitions, bathrooms etc) between levels 2-5;
- demolition of floor finishes at 147 George St; internal rear entry façade and stairs at 153-55 George Street; modification of windows, doors and stair egress points and floor finishes at 153-155 George Street; and minor demolition works to modify internal windows and doors for fire safety;
- refurbishment of internal areas at ground floor and levels 2-5;
- provision of a new retail entrance and accessible ramp from Harrington Street into Level 5;
- enclosure of the Globe Street entrance and vaulted entry leading from George Street; and
- signage zones (George Street and Harrington Street).

The applicant has advised that the key objectives of the proposal are as follows:

- to provide a luxury retail shopping experience for customers to the highest possible standard;
- to provide retail trade which utilise the floorspace efficiently;
- to consolidate the area leased by DFS to the ground floor and Levels 2-4 and return Level 5 back to the landlord;
- to provide an increase level of security at ground floor through the inclusion of glazing at the Globe Street entry and within the vaulted entry leading from George Street; and
- to separate and distinguish the entries to the DFS retail area and the commercial office space (level 5 and above).

A copy of the applicant's Environmental Impact Statement and supporting documents is provided at **Appendix A**.

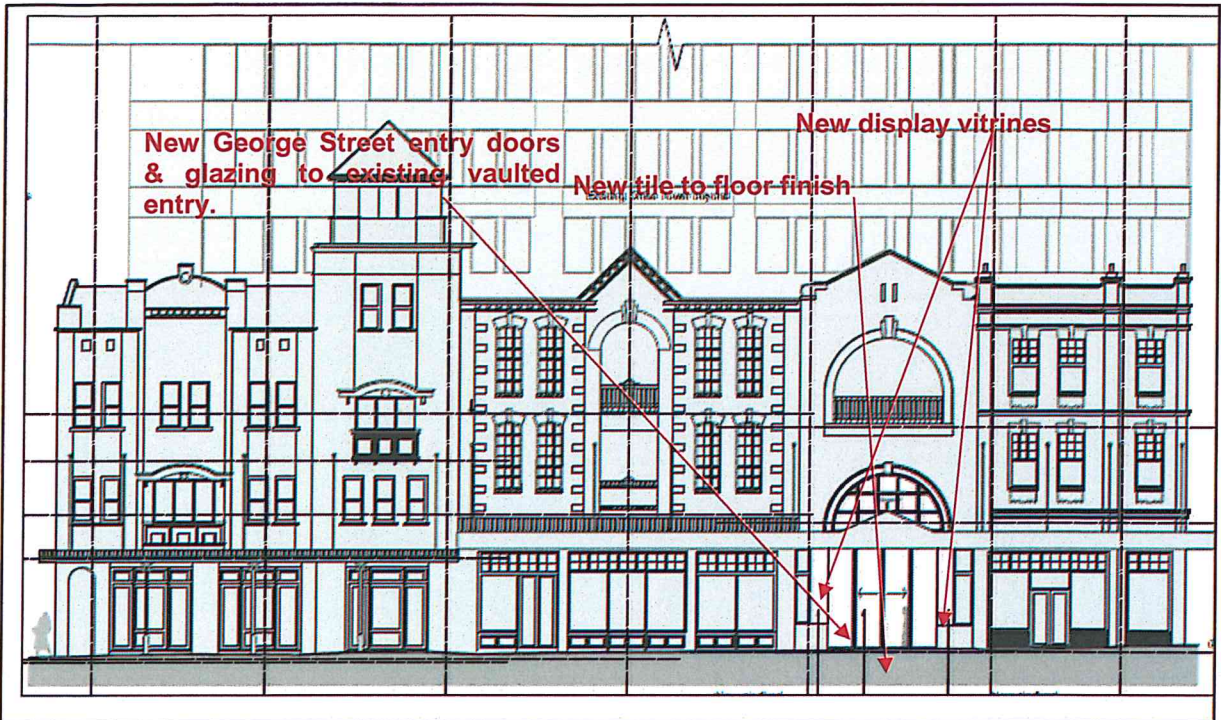


Figure 5: George Street elevation- new entry doors and display vitrines (Source: PMDL)

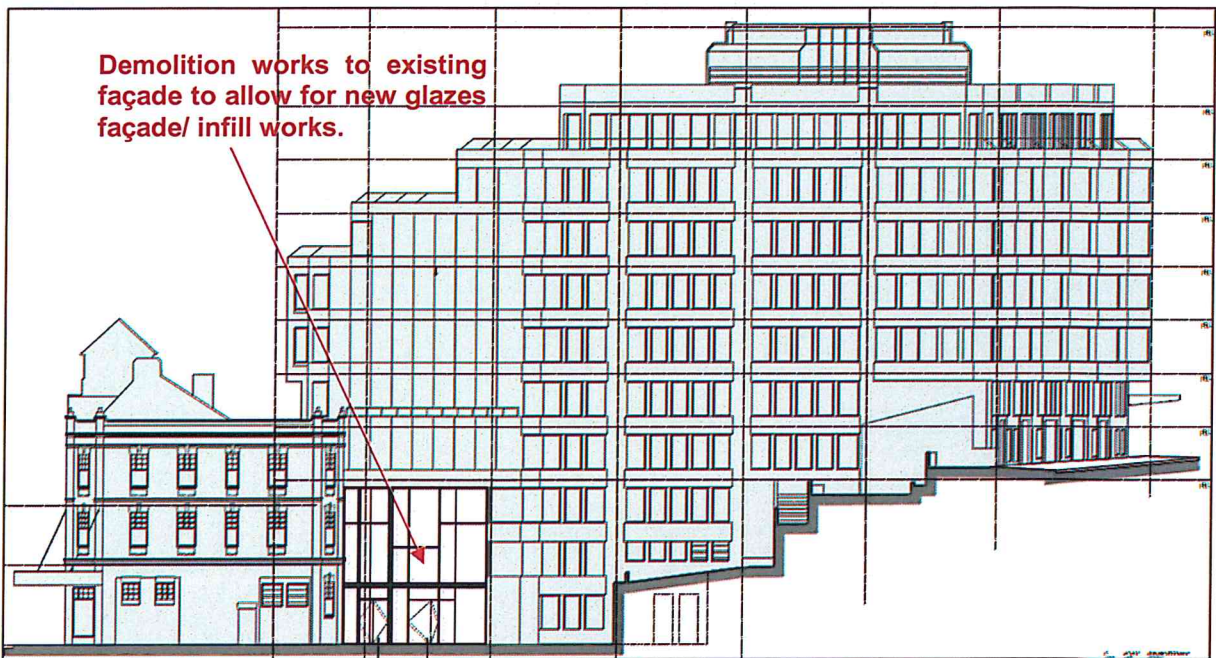


Figure 6: Globe Street elevation- new glazed façade element. (Source: PMDL)

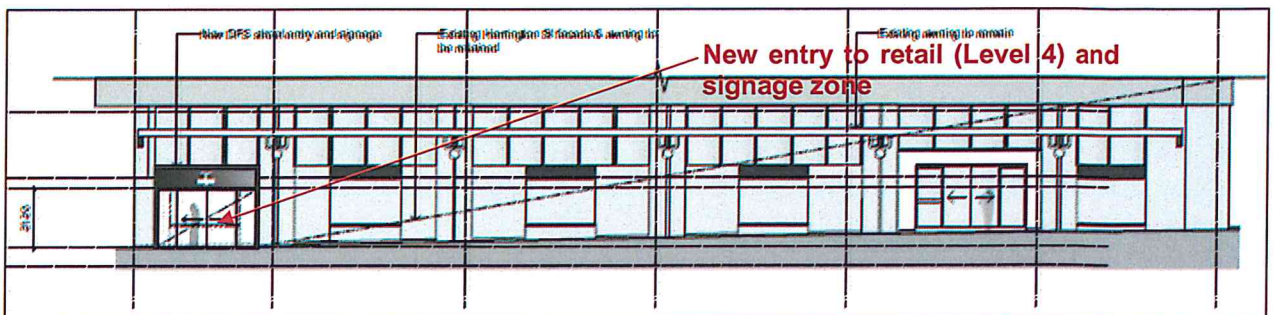


Figure 7: Harrington Street elevation- new retail entrance from Street to Level 4 (Source: pmdl)





Figure 10: Proposed view of ground floor refurbishment looking south. (pmdl)

### 3. STATUTORY AND STRATEGIC CONTEXT

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#### 3.1 State Significant Development

The proposal is a State significant development pursuant to section 89C of *Environmental Planning and Assessment Act 1979* (EP&A Act) as it is on land identified as being within The Rocks with a capital investment value of more than \$10 million. The proposal therefore satisfies the criteria for State significant development in Schedule 2, clause 6 of *State Environmental Planning Policy (State and Regional Development) 2011* (SRD SEPP).

#### 3.2 Environmental Assessment Requirements

In accordance with section 78A(8A) of the EP&A Act, the Secretary notified the applicant of the environmental assessment requirements for the State significant development application (SSD 6715). The Department is satisfied that the applicant's Environmental Impact Statement has adequately addressed compliance with the SEARs to enable a comprehensive assessment of the application for determination purposes.

#### 3.3 Delegated Authority

The Executive Director, Infrastructure and Industry Assessments can determine the application under delegation as:

- the relevant local council has not made an objection; and
- a political disclosure statement has not been made; and
- there were less than 25 public submissions in the nature of objections.

### 3.4 Environmental Planning Instruments

The following environmental planning instruments (EPIs) apply to the site:

- *State Environmental Planning Policy (State and Regional Development) 2011*;
- *State Environmental Planning Policy No 55 – Remediation of Land*;
- *State Environmental Planning Policy No.64- Advertising and Signage*;
- *Sydney Regional Environmental Plan (Sydney Harbour Catchment) 2005*; and
- Sydney Cove Redevelopment Authority Scheme.

An assessment of compliance with the EPIs is provided at **Appendix B**. In summary, the Department is satisfied that the application generally complies with the relevant provisions of the EPIs.

### 3.5 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 Act. SSD 6715 is considered to be consistent with the objects of the Act, as the application will promote the orderly and economic use of the site. Accordingly, the application is considered to be consistent with the objectives of section 5 of the Act.

### 3.6 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* (POEA Act). Section 6(2) of the POEA Act states that ESD requires the effective integration of economic and environmental considerations in decision-making processes.

The Department has considered the proposal in relation to the ESD principles and notes that the applicant has advised that the proposal has been designed to incorporate the provisions of SHFA's Green Building Users Guide and to reflect the requirements of the City of Sydney Sustainability controls and strategies.

In addition, the Department considers that the precautionary and inter-generational equity principles have been applied in the decision making process via a thorough and rigorous assessment of the environmental impacts of the proposal as detailed in Section 5.11 of the applicant's Environmental Impact Statement.

### 3.7 Environmental Planning and Assessment Regulation 2000

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

### 3.8 Strategic Context

The Department considers that the proposal is consistent with the following State/regional/local strategies:

- the objectives of *NSW 2021*, including to rebuild the economy, strengthen the local environment and communities through the creation of additional construction jobs and the delivery of a luxury retail store/high quality environment;
- the planning objectives of the *Plan for Growing Sydney*, which promotes new development to accommodate new jobs within central Sydney; and
- the objectives of the *draft Sydney Subregional Strategy* and the provisions in relation to the 'Global Centre' as it will upgrade an existing retail development and

it will contribute to the quality of The Rocks as a tourist destination which is vital to sustaining and accommodating job growth within the subregion.

#### 4. EXHIBITION, CONSULTATION AND SUBMISSIONS

##### 4.1 Exhibition

In accordance with section 89F of the EP&A Act, the SSD application and accompanying information was made publicly available in accordance with the EP&A Regulation for at least 30 days following the date of first publication (see **Table 1**).

**Table 1:** Exhibition Details

Exhibition/Notification	Format	Dates
<b>Publicly Exhibited</b>	DPI Bridge Street office and the City of Sydney Council's One Stop Shop and on the Department's website	11 December 2014
<b>Public Notice</b>	Sydney Morning Herald and Daily Telegraph	10 December 2014
<b>Written Notices</b>	Surrounding landowners, key agencies and Council	1 December 2014 to 2 February 2015

##### 4.2 Public Authority Consultation and Submissions

The Department received three submissions during the exhibition of the application from SHFA, Office of Environment and Heritage (OEH) and the City of Sydney Council (Council). No submissions raised objection to the proposal. A summary of the issues raised in submissions is provided below.

The Department also notes that no public submissions were received.

**SHFA:** advise that it supports the refurbishment of the building subject to minor changes to the tile floor finish at the entry alcove from George Street. In this regard, SHFA has advised that the style of the patterned tiled floor across the entry alcove does not provide an appropriate transition between the George Street public domain and the shopping centre.

**OEH:** OEH has raised no objection to the proposal. OEH has advised that the only works that will occur to the State listed buildings are at 147 George Street in a ground floor space that has been modified in the 1980s. These works are limited to attaching display vitrines and glazed doors and OEH has advised that they will not have an adverse heritage impact.

Further to the above, OEH has advised that the works proposed to the glass atrium at the rear of the heritage items will enhance their setting.

OEH has recommended standard conditions to address the protection of significant fabric, the installation of new fixings and services, the discovery of intact archaeological deposits, and the supervision of all works to the heritage building by a qualified heritage consultant.

**Council:** Council has advised that it supports the proposal from a heritage perspective. Council has recommended the imposition of a number of standard conditions, including to regulate construction management and impacts.

#### 4.3 Response to Submissions

The applicant provided a further design package to the Department to confirm the following:

- the design of the signage proposed for the Harrington Street and the George Street entrance;
- new fascia signage to the George Street awning; and
- new floor finishes to the George Street main entrance.

SHFA has subsequently reviewed the revised design package and in responses dated 3 and 9 March 2015, has advised that it has raises no objection to the amended proposal, subject to no physical changes being made to the George Street awning. A condition has been recommended to reinforce this requirement.

The matters raised in submissions are given further consideration in **Section 5** of this report, as relevant.

## 5. ASSESSMENT

### 5.1 Section 79C Evaluation

**Table 2** identifies the matters for consideration under section 79C that apply to State significant development. The EIS has been prepared by the applicant to consider these matters and those matters detailed in the SEARs.

**Table 2: Section 79C(1) Matters for Consideration**

<b>Section 79C(1) Evaluation</b>	<b>Consideration</b>
(a)(i) any environmental planning instrument	Satisfactorily complies. The Department's consideration of the relevant EPIs is provided within <b>Section 3.4</b> and <b>Appendix B</b> of this report.
(a)(ii) any proposed instrument	Not applicable.
(a)(iii) any development control plan (not applicable to SSD)	Under clause 11 of the SRD SEPP, development control plans do not apply to SSD. Notwithstanding this, consideration has been given to the relevant provisions of Sydney Harbour Foreshores & Waterways DCP at <b>Appendix B</b> . The proposal is consistent with the relevant provisions of this DCP.
(a)(iiia) any planning agreement	Not applicable.
(a)(iv) the regulations	The development application meets the relevant requirements of the Regulation, including the procedures relating to development applications (Part 6 of the Regulations), public participation procedures for SSDs, and Schedule 2 of the Regulation relating to environmental impact statements.
(a)(v) any coastal zone management plan	Not applicable.

(b) the likely impacts of that development	Satisfactorily complies. See <b>Section 5</b> of this report
(c) the suitability of the site for the development	The proposal will retain and upgrade the existing retail experience on the site and in doing so, will contribute to the vitality and diversity of The Rocks as a major tourist destination. The proposal will also enhance the setting of the four State heritage listed buildings on the site. For these reasons, the development proposal is considered suitable for the site.
(d) any submissions	Consideration has been given to submissions received during the exhibition period. See <b>Section 4</b> of this report.
(e) the public interest.	The application is considered to be in the public interest as it will contribute to the vitality and diversity of the Rocks as a major tourist destination.
Biodiversity values exempt if: (a) On biodiversity certified land? (b) Biobanking Statement exists?	Not applicable  Not applicable

## 5.2 Key and Other Issues

The Department considers that the key environmental assessment issues associated the proposal to be:

- general design;
- heritage impacts;
- signage; and
- construction management.

These matters are considered separately below.

## 5.3 General Design

The Department has considered the proposed design for the refurbishment of the DFS Galleria and considers it to be well resolved and complementary to the heritage significance of the buildings and appropriate for the buildings' continued use as a luxury retail shopping complex.

As the proposed modifications are largely internal, the Department considers that they will have no discernible impact on the overall scale and nature of the development. In this regard, the proposal remains consistent with the 'building site controls' nominated in the Sydney Cove Redevelopment Authority Scheme (Drawing No XXXVII) for the site and will maintain pedestrian movement into and around the site.

Further to the above, the modifications to the layout are considered to improve access and internal circulation within the building. The demolition of the stairs and associated landings at the southern end of the internal courtyard area and their replacement with a new central escalator is considered to positively improve the internal efficiency and circulation between the retail levels of the building.

As detailed in Section 4.0 above, Council, SHFA and OEH have raised no objection to the design of the proposal.

On the basis of the above, the Department supports the overall design of the proposal.

#### **5.4 Heritage Impacts**

The application is supported by a Heritage Impact Assessment (HIA) prepared by Caldis Cook Architects. The HIA assesses the physical and visual impact of the proposal on the State heritage listed buildings at 145- 155 George Street which form part of the DFS Galleria complex, including with respect to the Conservation Management Plan (CMP) which applies to the site prepared Conybeare Morrison Pty Ltd (August 2012).

In relation to the key aspects of the proposal, the HIA makes the following conclusions:

- Enclosure of the north side of the atrium: the proposal to enclose the north side of the atrium with a minimally framed glazed wall is in a location where it connects with the north-western corner of 145 George Street. The framing will connect to 1980s fabric which is rated in the CMP as having little significance and will be recessive in design.
- Retail layout: the proposal enhances the setting of the heritage buildings and the atria creates a sense of separation and simplifies the design of the retail space. These changes have been assessed as having a positive impact on the significance of the heritage buildings.
- The vaulted entry (147 George Street): the works are to be undertaken in an area which dates from the 1980s development. This space is rated as having little significance in the CMP.

Further to the above, the HIA concludes that the proposed works will not make any changes that would be detrimental to the significance or character of The Rocks precinct.

The Department has considered the potential heritage impacts associated with the proposal and concurs with the conclusions of the HIA. Given the heritage significance of the site, the Department agrees with Council and the OEH, and recommends that an appropriately qualified heritage consultant be commissioned to oversee the work to ensure that the impact of the works on the heritage building(s) are minimised. Accordingly, a condition has been recommended to address this matter. Subject to compliance with this condition, the Department find the proposal to be acceptable from a heritage perspective.

#### **5.5 Signage**

As detailed in Section 2 above, the application includes new tenant signage on the George Street and Harrington Street frontages of the site. The George Street signage is limited to new non-illuminated DFS "T Galleria" branding on the existing awning fascia and new illuminated DFS "T Galleria" branding at the vaulted entry. On the Harrington Street frontage, the proposal includes updating the existing awning fascia

signage and the existing backlight awning suspended hamper signs with new DFS "T Galleria" branding. A new entry sign above the Harrington Street entry is also proposed and similarly, will include the DFS "T Galleria" branding.

The Department has assessed the proposed signage against the key provisions in *State Environmental Planning Policy No. 64- Advertising Signage* (refer **Appendix B**) and the City of Sydney Signage and Advertising Structures DCP 2005. The Department has also had regard to *The Rocks Commercial Signage Technical Manual* and *The Rocks Signage Policy*. Overall, the Department is satisfied that the proposal complements the character of the building and The Rocks precinct and is appropriately designed and proportioned so that it does not dominate the architectural character of the building or result in visual clutter. Furthermore, the signage is considered to be located to denote the key entrances to the building and appropriately, is limited to key tenant branding.

On this basis of the above, the Department raises no objection to this aspect of the proposal. It is noted that both Council and SHFA have also raised no objection to the proposed signage.

### **5.6 Construction Management**

The Department is generally satisfied that construction impacts are minor and can be appropriately addressed by condition. Accordingly, standard conditions have been recommended to address this matter, including the requirement for the preparation of a construction management plan prior to the commencement of works in accordance with the recommendations of Council.

It is noted that the application is supported by a Hazardous Materials Reinspection Report (HMR Report) prepared by Hibbs & Associates. The HMR Report has identified the presence of asbestos materials, synthetic fibre materials and lead-based paint in the building. Recommendations are made in the HMR Report to address the handling and management of these materials during the construction process. Subject to compliance with these recommendations, including the requirements of Safe Work Australia in relation to the removal of asbestos materials and synthetic mineral fibres materials, the Department is satisfied that appropriate strategies can be put in place and implemented for hazardous materials management.

## **6. CONCLUSION AND RECOMMENDATION**

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### **6.1 Conclusion**

The Department has assessed the merits of the State significant development application proposing the refurbishment of the DFS Galleria and is satisfied that it will not give rise to any adverse environmental impacts, in respect to the heritage significance of the complex and The Rocks precinct.

The Department considers that the application will result in positive improvements to the design and functioning of the DFS Galleria which are befitting of a luxury retail shopping experience.

All statutory requirements relating to the State significant development application have been met.

Having regard to the above, the application warrants support and should be approved, subject to the recommended conditions.

## 6.2 Recommendation

It is recommended that the Executive Director, Infrastructure and Industry Assessments, as delegate of the Minister for Planning:

- a) **Consider** the recommendations of this report for the refurbishment of the DFS Galleria; and
- b) **Approve** the State significant development application, SSD 6715, under section 89E of the EP&A Act, having considered matters in accordance with (a) above and **sign** the attached development consent at **Tag A**.

Prepared by: Sara Roach  
Contract Planner

Endorsed by:



Ben Lusher  
**Acting Director**  
**Key Site Assessments**

Approved by:



23.3.15

Chris Wilson  
**Executive Director**  
**Infrastructure and Industry Assessments**