



**Planning &  
Environment**

***MODIFICATION REQUEST:  
Project Application – Blocks 1 and 4N***

***Central Park, Chippendale  
(MP 08\_0253 MOD 6)***

Secretary's  
Environmental Assessment Report  
Section 75W of the  
*Environmental Planning and Assessment Act 1979*

March 2015

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Published March 2015  
NSW Department of Planning & Environment  
[www.planning.nsw.gov.au](http://www.planning.nsw.gov.au)

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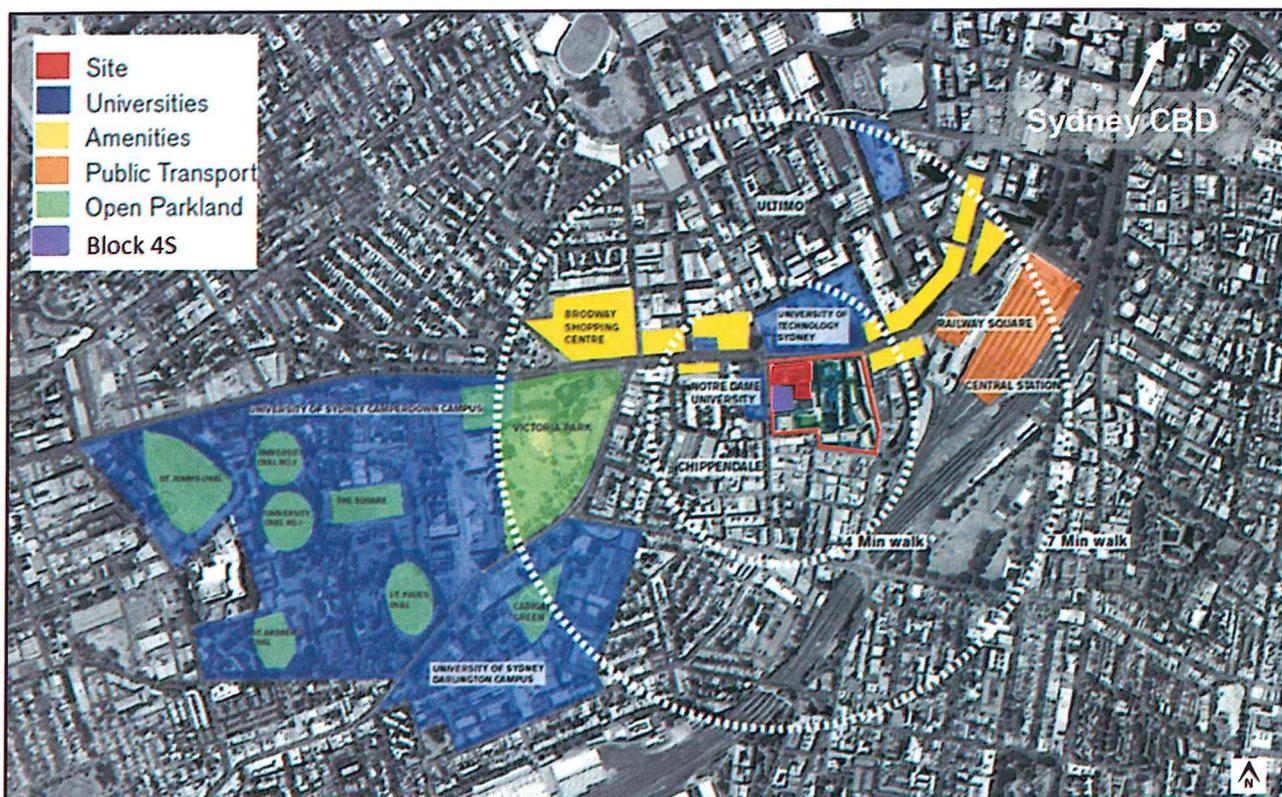
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# 1. BACKGROUND

The purpose of this report is to assess a modification request to the Major Project Approval MP 08\_0253 for the mixed use redevelopment known as Blocks 1 and 4N on the Central Park site in Chippendale (former Carlton United Breweries site), pursuant to Section 75W of the *Environmental Planning and Assessment Act 1979* (EP&A Act). The modification seeks approval to install a second tri-generation gas engine within the Central Thermal Plant (CTP) of the basement of Blocks 1 and 4N underneath the existing brewery yard.

## 1.1 Site and Locality

The former Carlton United Brewery site, now known as 'Central Park', has an area of 5.834 hectares, and is located in the south-western portion of the Sydney Central Business District. The site is within short walking distance to Central Railway Station and Railway Square Bus Terminal (**Figure 1**).



**Figure 1:** Project Location

Blocks 1 and 4N are located on the north-west corner of the Central Park site and are bounded by Broadway to the north, Central Park Avenue and the former Carlton Brewery building and Block 4S to the south, Chippendale Way to east and Abercrombie Street to the west. The site is currently under construction (shown in **Figure 2**).

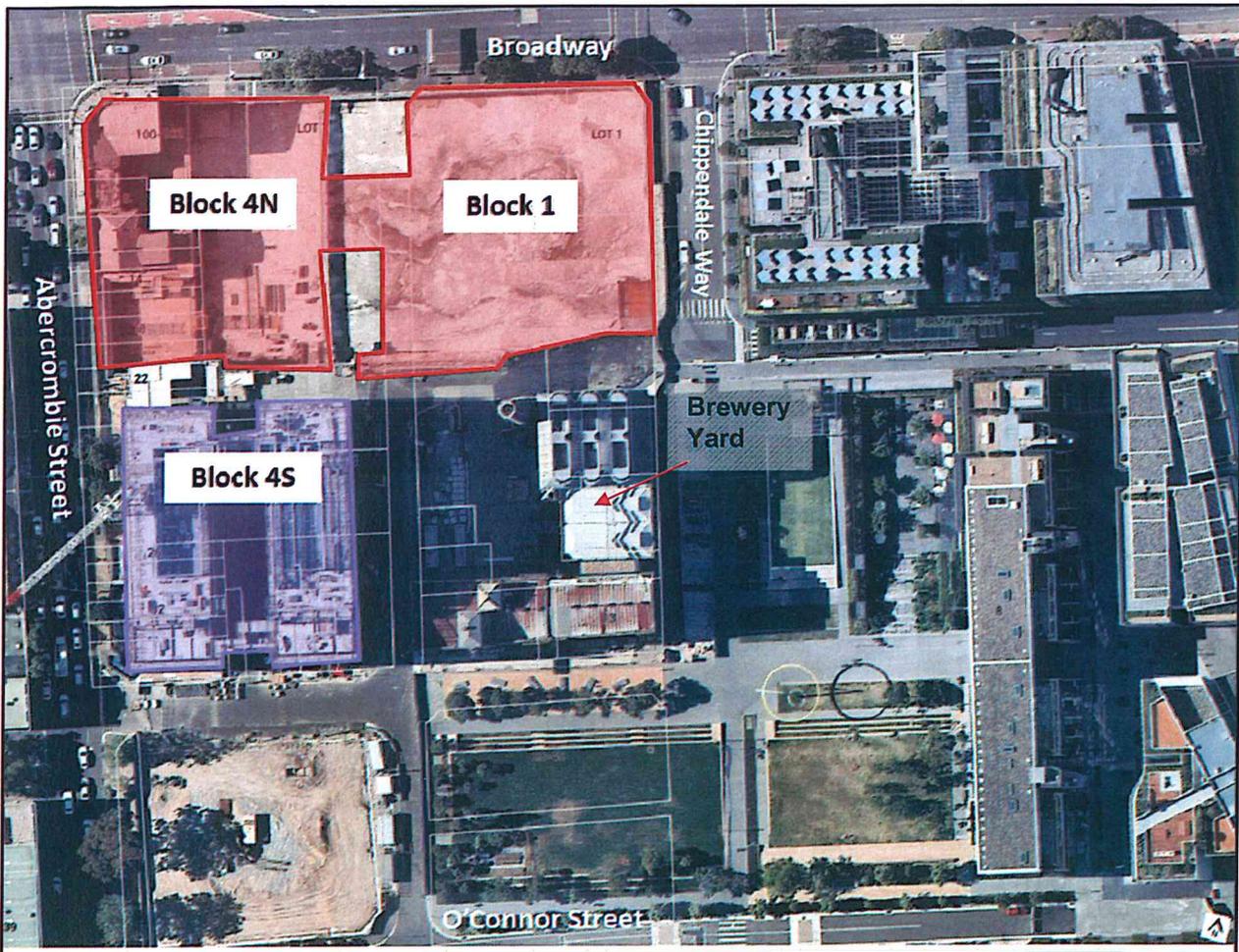


Figure 2: Blocks 1 and 4N (MP 08\_0253).

## 1.2 Previous Approvals

On 28 May 2010, the Planning Assessment Commission (PAC) granted approval for Major Project MP 08\_0253 for the construction of a new 10-15 storey commercial building on Blocks 1 and 4 on the Central Park site, and included basement car parking, space for a tri-generation plant, retail floor space, a child care centre and public domain works. The Project Approval was subsequently modified as follows:

- On 16 February 2012, the then Deputy Director-General approved modification 1 to modify the description of the development to install a Central Thermal Plant (CTP) that included space for the future installation of two (2) 1.1 Mega Watt (MW) tri-generation gas engines within the basement levels; excavate and alter the basement of the Brewery Building; revise the design of the Brewery Yard and services; and install rises within the chimney stack and heritage buildings;
- On 31 July 2012, the then Deputy Director-General approved modification 2 to amend the timing of when the 'Green Star Rating' is to be provided;
- On 10 May 2012, the then Deputy Director-General approved modification 3 to modify the approval to stage excavation and construction of a reduced basement component to install only a single gas engine, being used in co-generation mode; and
- On 23 December 2013, the PAC approved modification 4 to remove Block 4S from the approval and associated amendments to conditions and modify the number of basement levels.

In removing Block 4S from the approval in Modification 4, the approved plans also removed the CTP space below in the brewery yard in error.

On 23 December 2013, the Department approved Block 4S as a State Significant Development (SSD 5700) for construction of a student accommodation building, which was previously

approved for commercial development as part of this Project Approval. The basement of Block 4S includes a CTP space in the basement.

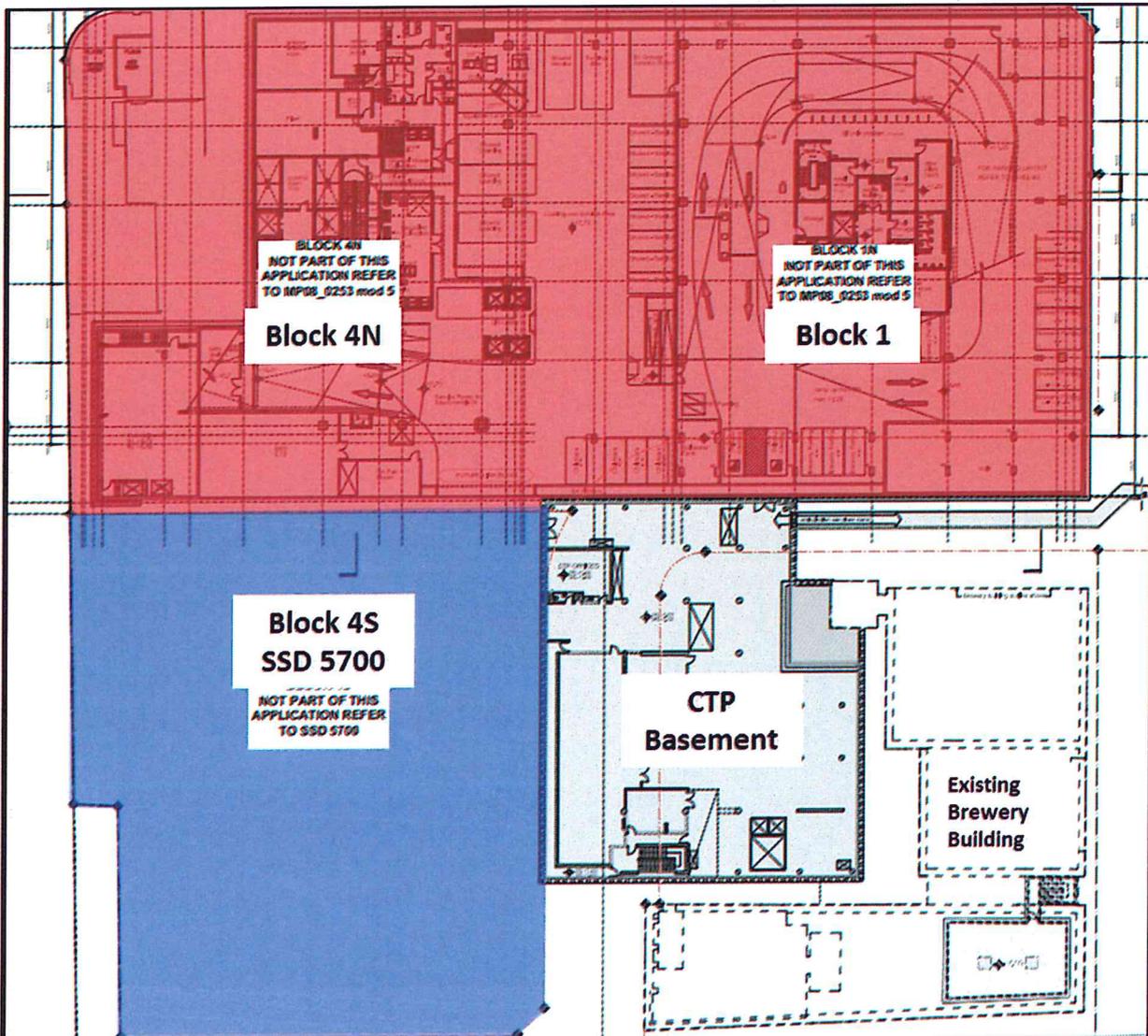
The Department is currently assessing Modification 5 which seeks to facilitate the redevelopment of Block 1 as a residential building with minor amendments to the Project Approval that include:

- removal of the bridge link between Block 1 and 4N;
- changes to the eastern façade of Block 4N; and
- amendments to the existing floor plate of Block 4N.

## 2. PROPOSED MODIFICATION

The proposal seeks approval to:

- reinstate the previously approved CTP space located in the basement of Block 1 and 4N under the brewery yard (**Figure 3**);
- install a second 1.1 MW tri-generation gas engine and associated infrastructure within the CTP space; and
- amend the following conditions of the approval:
  - conditions A13 and B42 to ensure the Construction Certificate (CC) for Stage 1A includes the installation of the second tri-generation gas engine;
  - conditions B44 and F8 to include reference to two tri-generation gas engines; and
  - Condition E21(a) to allow flexibility in the emission reduction system.



**Figure 3:** Excerpt of proposed architectural plan of Basement Level of Blocks 1 and 4N illustrating the location of the CTP.

### 3. STATUTORY CONTEXT

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#### 3.1 Continuing Operation of Part 3A to Modify Approvals

In accordance with clause 3 of Schedule 6A of the EP&A Act, Section 75W of the EP&A 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 delegate) may approve or disapprove the modification of the project under Section 75W of the EP&A Act.

#### 3.2 Modification of the Minister's Approval

The modification application has been lodged with the Department pursuant to Section 75W of the EP&A Act. Section 75W provides for the modification of a Minister's approval including "revoking or varying a condition of the approval or imposing an additional condition of the approval."

The Minister's approval of a modification is not required if the project as modified will be consistent with the existing approval. In this instance, the proposal seeks to modify conditions of the project approval which requires further assessment. Therefore, approval to modify the application is required.

#### 3.3 Environmental Assessment Requirements

Section 75W(3) of the EP&A Act provides that the Department may notify the proponent of the Secretary's Environmental Assessment Requirements with respect to the proposed modification that the proponent must comply with before the matter will be considered by the Minister.

No additional environmental assessment requirements were issued with respect to the proposed modification, as sufficient information has been provided to the Department in order to consider the application.

#### 3.4 Delegated Authority

In accordance with the Minister for Planning's delegation of 16 February 2015, the Executive Director, Infrastructure and Industry Assessment's may determine the application as:

- the relevant local Council has not made an objection;
- a political donation disclosure statement has been made, but only respect of a previous related application; and
- there are no public submissions in the nature of objections.

### 4. CONSULTATION AND SUBMISSIONS

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In accordance with Section 75X of the EP&A Act and clause 8G of the EP&A Regulation, the Department must make the modification request publicly available. The Department placed the modification request on its website and referred it to the City of Sydney Council for comment. Due to the minor nature of the proposed modification, it was not exhibited by any other means.

The City of Sydney Council does not object to the modification request and no public submissions were received.

## 5. ASSESSMENT

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The key issues in the Department's assessment of the proposed modification are:

- the reinstatement of the previously approved CTP space;
- the installation of a second tri-generation gas engine; and
- the amendment to the emissions reduction system requirements for the CTP.

### **Reinstatement of the previously approved CTP space**

The original approval included CTP space underneath the brewery yard within the basement of Blocks 1 and 4.

The basement levels of the development have been amended on several occasions, most recently to create a separate building known as Block 4S (MOD 4 and SSD 5700). The approval issued for Block 4S includes a single level of basement for CTP space, however it was intended for the main CTP infrastructure to remain in the basement below the brewery yard in accordance with the Block 1 and 4 approval.

Notwithstanding, the CTP under the brewery yard was omitted from the basement plans which were approved as part of MOD 4. The proponent therefore seeks to amend the basement plans to reinstate the CTP under the brewery yard.

The Department notes that the exclusion of the CTP in MOD 4 appears to have been in error as a result of the separation of Block 4S from Blocks 1 and 4. The approved CTP is an important component of the Central Park development, contributing to its Green star rating and the ability to achieve a high level of environmental sustainability. Although it was excluded from the plans, the proponent remains committed to delivering the CTP underneath the existing brewery yard. The Department therefore supports the proposed amendment to reinstate the previously approved CTP into the basement plans for Blocks 1 and 4.

### **Installation of a second tri-generation gas engine**

The approval for the Central Thermal Plant, as approved in Modification 1 included two tri-generation gas engines. Modification 3 gave approval for a single co-generation engine in place of the two engines. As a result of on-going detailed design the proposal seeks to reinstate the previously approved second tri-generation gas engine within the CTP of the existing basement of Blocks 1 and 4N.

The Department considers the modification request is acceptable as:

- it will continue to provide tri-generation technology to produce useable heat, chilled water for cooling and power in a single process;
- the location of the proposed second engine remains in the basement within the CTP, consistent with the conditions of the original approval;
- the tri-generation systems contribute to reducing the demand for electricity off the grid; and
- an additional tri-generation facility will support the buildings across the Central Park site achieving Green Star building ratings consistent with the approved sustainable design conditions of the Concept Approval.

The Department has previously assessed the operation and management, emissions and air quality impacts of the CTP and associated infrastructure. The impacts were found acceptable subject to conditions in relation to:

- emission monitoring system (conditions E19, E20 and F9);
- compliance of the power generation system (Condition E21);
- environment protection licence (Condition B44);
- atmospheric discharge and emission points (conditions E22 and E23);
- noise of mechanical plant and equipment (Condition F7); and
- the measurement and verification of the tri-generation systems (Condition F8).

These conditions will also apply to the second tri-generation gas engine.

The basement was recognised to have sufficient capacity to accommodate two tri-generation gas engines. On this basis, the proposal is unlikely to result in additional environmental impacts and the Department supports the installation of a second tri-generation gas engine within the CTP of the existing basement of Blocks 1 and 4N.

### **Emissions reduction system**

Condition E21(a) requires the power generation system to incorporate lean burn low Nitrogen Oxide design technology to ensure that Nitrogen Oxide emissions (NOx) from the tri-generation engine does not exceed 57mg/m<sup>3</sup>. This was in accordance with the Office of Environment and Heritage (OEH) review of the air quality assessment report by Cermak Peterka Petersen dated October 2011 that outlined, that tri-generation units can be fitted with selective catalytic reduction (SCR) technology to ensure that Nitrogen Oxide emission outputs do not exceed 57mg/m<sup>3</sup>.

The proposed amendment to Condition E21(a) seeks to allow flexibility for an alternate emission reduction technology to ensure that the same Nitrogen Oxide emissions limit of 57mg/m<sup>3</sup> is not exceeded. Further, as the proposal seeks to provide two tri-generation gas engines the proponent seeks to amend the condition to ensure that the output reflects each engine, rather than reference to a single engine unit.

The proponent submitted an air quality impact assessment prepared by Vipac Engineers & Scientists Ltd dated May 2013. The results from the air quality assessment estimate that an emission output from both operating tri-generation units are a maximum of 65.43 mg/m<sup>3</sup>, which does not exceed the emission output nominated by OEH of 57 mg/m<sup>3</sup> (per engine).

The Department also notes that a cumulative emission of 65.43 mg/m<sup>3</sup> is significantly less than the emission standard of 250 mg/m<sup>3</sup> within the *NSW Interim Nitrogen Oxide Policy for Cogeneration/tri-generation energy in Sydney and the Illawarra*. Even if both engines were to emit up to 57 mg/m<sup>3</sup> of NOx emissions as allowed for in the proposed amended condition, the total cumulative emissions would be less than 50% of the emission standard in the Interim Nitrogen Oxide Policy.

The Department acknowledges that there is more than one technology available to reduce emissions, and therefore supports the proposed amendment to allow an alternate system that achieves the same level of emissions reduction, as previously agreed by OEH. It is also noted that the remaining requirements of Condition E21 (certification, maintenance and record keeping) of the chosen emission reduction systems are consistent with the approval.

The Department is therefore satisfied that the proposed amendments provide appropriate technology to the tri-generation systems to ensure strict air quality standards are met.

## **6. CONCLUSION**

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The Department has assessed the proposed modification on its merits and concludes that the proposal falls within the scope of Section 75W of the EP&A Act. The proposed modification does not alter the original assessment as to the site's suitability for the approved development and remains consistent with the overall terms of approval.

The reinstatement of the previously approved CTP space within the basement of Blocks 1 and 4N rectifies a previous error where it was excluded from the plans. The CTP is an integral component of the Central Park development and the high level of environmental sustainability throughout the development.

The installation of a second tri-generation gas engine within the approved CTP space is consistent with the Project Approval and will ensure that opportunities to produce heat, cooling, power and chilled water are maximised, reducing the demand for electricity off the grid.

The proposed amendment to Nitrogen Oxide emissions reduction technology will continue to ensure that emissions are reduced in line with OEH's strict air quality standards, and that the two systems each need to demonstrate compliance.

## 7. RECOMMENDATION

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

- a). **consider** the findings and recommendations of this report;
- b). **approve** the modification to the Project Approval, subject to conditions, under Section 75W of the EP&A Act; and
- c). **sign** the attached Modifying Instrument of Approval (**Appendix C**).

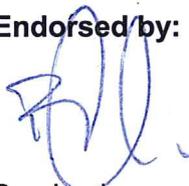
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19.3.15

## **APPENDIX A    MODIFICATION REQUEST**

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See the Department's website at:

[http://majorprojects.planning.nsw.gov.au/index.pl?action=view\\_job&job\\_id=6876](http://majorprojects.planning.nsw.gov.au/index.pl?action=view_job&job_id=6876)

## APPENDIX B SUBMISSIONS

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**APPENDIX C    RECOMMENDED MODIFYING INSTRUMENT**

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