

# Practice note no. 17

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# Calculation of offsets for ecologically sustainable design

This practice note provides guidance to developers for the calculation of offsets for the provision of Ecologically Sustainable Design (ESD) within the Bowen Hills and Northshore Hamilton Priority Development Areas (PDA).

The information in this document is for guidance only. Any offsets must be confirmed by Economic Development Queensland (EDQ) for each development.

### Ecologically sustainable design

Under the Infrastructure Funding Framework (IFF), an offset is available for up to 20 per cent of the total uplift charge for residential development and up to 50 per cent for commercial and retail development where the development includes ESD features that exceed the standard requirements. Where an ESD feature is included within a superior design outcome, that feature is no longer eligible for an ESD value uplift offset.

There are no restrictions on the types of ESD features that may be eligible for an ESD offset. ESD features which are approved for a value uplift offset will be offset at a dollar for dollar rate except for ESD features which contribute to a Nationwide House Energy Rating Scheme (NatHERS) rating.

For NatHERs a development will be eligible for a 35 per cent offset (of the total ESD offset) for exceeding the required Queensland Development Code NatHERs rating by one star. A 75 per cent offset (of the total ESD offset) is available where the Queensland Development Code NatHERs is exceeded by a rating of two stars. Where the NatHERs rating is exceeded by more than two stars, a 100 per cent offset (of the total ESD offset) is available.

The following steps provide a guide to the process by which EDQ assesses and approves ESD features for offsets.

#### Step 1

- » EDQ provides a provisional calculation of the value uplift charge and confirmation that the applicant may be eligible for an offset for the ESD features of the development.
- » Offsets for ESD are potentially available up to a maximum value, which is 20 per cent for residential development and 50 per cent for commercial and retail development of the value uplift charge.

#### Step 2

- » Applicant submits the ESD strategy for their proposed development including the costs for implementation of all features.

#### Step 3

- » EDQ evaluates the proposal and where required, negotiates with the applicant over the applicability and/or cost of the proposed offset feature.

#### Step 4

- » Provisional approval of applicant's strategy, including costs, is granted by EDQ.
- » If the value uplift charge is payable before the applicant has undertaken step 5, the applicant must provide a bond for the provisional ESD component of the value uplift charge until such time as EDQ has provided confirmation of the final offset amount.

#### Step 5

- » Applicant provides evidence of the delivery of the ESD features and strategy and the 'actual' costs associated with the delivery prior to offset being approved.
- » EDQ to provide confirmation of the final offset amount.
- » The offset is granted and registered by EDQ.

Below are examples of ESD features that may be included in a development and which are eligible for an ESD offset. This list is not exhaustive and an applicant can apply to include ESD features that are not included in the list below, provided they are able to demonstrate that the design component contributes to the ecological sustainability of the development.

- » Whole of building energy efficient climate conditioning—i.e. chilled water system.
- » On site low emission micro-generation which meets a minimum of 25 per cent of a buildings energy demand—consisting of both private and common areas.
- » Smart building technology that manages common area (internal and external) energy and security.
- » Smart waste system for building.
- » Built in natural clothes dryer per unit—internal (with venting) or external (retractable).
- » Demand controls on stand-alone air conditioning units (to be included where chilled water option is not taken up and must be net of any financial support offered by any authority or supplier).
- » Water and energy educational program.
- » Gas boosted solar hot water or heat pump centralised system.
- » Carbon monoxide sensors in car parks to control exhaust fans and variable speed drives for fans—where ventilation is required.
- » Lifts to be gearless traction with VVF motor type.
- » Home energy management/monitoring systems.
- » Highest efficiency appliances available on the market where included as part of standard fit out (cost can only be over and above the mandatory star rating required for that appliance).
- » Balcony heat transfer inhibitor—i.e displaced slab, surface covering or shading (usable where minimum of 50 per cent of units have balconies).
- » Kill switch at front door to cut power to air conditioning and lighting.
- » Dedicated business incubator at a rate of one space (12 m<sup>2</sup>) per 4 floors, excluding retail spaces. Free of interior fit out but includes lighting, ceilings, painted walls and floor coverings.
- » One dedicated active rapid charge EV point per floor of parking. Point to have dedicated parking spot for use by recharge vehicle only.
- » Roof garden covering 50 per cent of the roof capable of cultivating vegetables and fruit with planting included.
- » Green wall covering 25 per cent of combined western or eastern facades. Designed to best practice principles and includes a plan for ongoing maintenance.
- » Minimum of 75 per cent of non-potable water demand met through water harvesting and greywater reuse.