Stormwater Quality Offset process

Application for full or partial offset payment

This fact sheet provides advice for subdivisions within Melbourne Water's waterway management boundary in the exceptional case where a Stormwater Quality (SWQ) Offset payment is made in lieu of on-site treatment. This fact sheet should be read in conjunction with the information provided in the Planning & Building section of the Melbourne Water's website.

Stormwater quality targets

Treatment of stormwater to the targets detailed in the Urban Stormwater: Best Practice Environmental Guidelines (BPEMG) is a requirement of Clause 56.07 and has been set to protect receiving waterways and bays.

It is a requirement of all new residential subdivisions that Water Sensitive Urban Design (WSUD) measures are incorporated in the design of stormwater management systems to ensure that the targets below are met:

- 80% Total Suspended Solids reduction
- 45% Total Phosphorus reduction
- 45% Total Nitrogen reduction

SWQ performance (targets) is assessed by using specialist software. Usually the Model for Urban Stormwater Improvement Conceptualisation (MUSIC) is used for large developments and a web-based calculator (STORM) is used for small developments. Please refer to the end of the document for links to Melbourne Water's guidelines for the use of MUSIC.

Full or partial offset payment

In exceptional circumstances where it is not possible to implement WSUD treatment on-site to meet the above BPEMG targets, a full or partial offset payment to Melbourne Water can be made. The responsible council will determine if stormwater compliance can be achieved through the SWQ Offsets program. Councils and applicants can use the STORM tool to help determine the percentage of SWQ Offset payable given the treatment proposed on site. This may be a full or partial payment.

SWQ Offset applicability

The SWQ Offset is used in exceptional circumstances and may be applicable if both of the following criteria are satisfied:

1. The subdivision must be less than one hectare in size (note - this does not automatically qualify the site as the second criteria must also be satisfied); and
2. Council have determined* and provided Melbourne Water with their written acceptance of the SWQ Offsets payment and the basis for which the subdivision cannot meet best practice objectives through onsite stormwater treatment (WSUD). This option is only approved in those circumstances where the applicant has clearly demonstrated that WSUD treatment cannot be achieved onsite.

*when determining that WSUD cannot be implemented on-site to achieve the BPEMG targets as set out in Clause 56.07-4, detailed justification should be made e.g.:
- The site is too steep and it is physically not possible,
- A cost effective engineering solution cannot be achieved.
- Investigation reports, preliminary designs, engineering calculations and costing should be submitted with the application for offset to support this.

Council process

To achieve the second criteria above council must:
- Complete and endorse council's section of the SWQ Offset Contribution Form before the applicant submits the completed form to Melbourne Water.

Required information

In addition to the above it is recommended, that prior to making an application for SWQ Offsets, council should request the following information:

- Detailed design drawings and flow models for the drainage system to the satisfaction of the Responsible Authority (the drawings should be consistent with the approved conceptual design plans), and that construction occurs in accordance with these plans, as approved by the Responsible Authority.
- The flood mitigation and public safety requirements as set out in Clause 56.07 are addressed to the satisfaction of the Responsible Authority.
- A detailed Site Environmental Management Plan is submitted, to the satisfaction of the Responsible Authority, and that works conducted are in accordance with this plan to protect WSUD assets and the environment from construction impacts; and
- All conditions required by Referral Authorities have been included; when received as part of the permit referral.

Requirements for Applicant

The Applicant must ensure that the following steps are completed:

1. Return the endorsed SWQ Offset Contribution Form to Melbourne Water*,
2. Enter into an agreement with Melbourne Water.
3. Pay the applicable contributions
   (Refer to Melbourne Water's website for the Stormwater Quality contribution rates and Drainage Scheme rates if applicable)
4. Provide proof of payment to council that the SWQ targets have been met through the stormwater quality contribution.

* For developments within a Development Services Scheme, an Application for Conditions Form will be required to be submitted with the SWQ Offset Contributions form.

Information regarding the offsets program

Some Greenfield Development Services Schemes include the provision of stormwater treatment assets and a calculated scheme contribution will apply. Other Development Services Schemes do not provide for stormwater treatment and it is expected that stormwater treatment to best practice will be provided by the developer onsite. Where Council accepts that the applicant cannot meet the stormwater quality treatment obligations on site, a 100% SWQ Offset contribution can apply.

The SWQ Offset contributions are based on the cost to remove nitrogen from stormwater generated by the increase in runoff in accordance with the catchment and its rainfall characteristics. It is expressed in $/ha and may increase or decrease periodically.

Where the development is outside a Development Services Scheme and council has accepted that the applicant has adequately demonstrated that on-site treatment is not feasible and that an SWQ Offset payment in lieu of treating stormwater onsite to best practice standards, the SWQ Offset contribution is charged on a $/ha basis which varies from council to council.

For further information regarding the calculation of the SWQ Offset payments and rates please refer to Melbourne Water's website.