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— Exclusive

# Victoria government developed apartments with combustible cladding

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A 199-unit Melbourne apartment building that has to replace combustible cladding was not the creation of a fly-by-night developer, but an unexpected party – the Victorian state government.

Between 10 and 15 per cent of the surface area of The Nicholson, a building developed by state government agency Places Victoria, is covered in 100 per cent polyethylene-core Alucobond and early estimates put the rectification bill at about \$480,000, or about \$2400 per unit.



The Nicholson, a 199-unit building in Melbourne's Coburg, was developed by state government agency Places Victoria. **Eamon Gallagher**

The owners cannot claim against builder Hickory, which avoided liability claims over a number of residential buildings when it put subsidiary H-Buildings into administration last year. But the building is one of the first known residential towers directly developed by the state government with combustible cladding and will boost calls for a greater commitment by the state government to fix a crisis that has saddled owners with liabilities worth thousands of dollars and hamstrung by slow regulatory processes.

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## **"One part of the state government is taking this issue seriously and another part isn't."**

— UNSW adjunct lecturer Geoff Hanmer

Cladding rectification is already underway on public buildings it owns or uses, including the Royal Women's Hospital and the Dexus-owned 8 Nicholson Street building that houses the offices of Planning Minister Richard Wynne. And while the government has already set out a timeline for cladding rectification on 13 state schools, built with a higher level of fire-safety measures and which are primarily occupied during the day, its failure to underwrite the more widespread problem facing residential towers, with lower basic fire-safety measures, showed inconsistency, said Geoff Hanmer, an architect and adjunct lecturer in construction & structures at UNSW.

"One part of the state government is taking this issue seriously and another part isn't," Mr Hanmer said.

"At some level the state government has decided to spend money to make these buildings fire safe, and yet in the bigger scheme of things they represent a far smaller life safety risk than tall multi-unit residential building."

Mr Wynne on Wednesday called the cladding crisis an "unprecedented issue" and said the government was treating it seriously.

"While it is up to owners themselves to maintain their properties safely, the Victorian Cladding Taskforce is considering what further government action can be taken," Mr Wynne said.





Early estimates for rectification at The Nicholson, put the figure at about \$480,000, or \$2400 per unit.  
**Eamon Gallagher**

The Nicholson, an award-winning \$80 million redevelopment of the former East Coburg tram depot in 2011, is a mix of privately owned and affordable housing units. It was constructed by Hickory's prefabricated Unitised Building method and its structure is precast concrete. But it contains large internal common spaces with combustible Alucobond that pose a risk and need replacing.

Phillip Priest, a spokesman for the local Moreland Council, said the council was seeking more details from owners about the building's cladding.

The extent of the cladding crisis – the latest state government figures show 681 privately owned buildings with combustible cladding – meant the state would have to step in, Mr Hanmer said.

One option would be for the state government – and for a similar approach in each state – to set up an authority that would take over rectification from owners corporations and subsequently seek to recover costs, he said.

"This really has to be a whole-of-Australia solution," Mr Hanmer said. "Everyone will need to admit a degree of fault, but once admitted, the focus will be on fixing the problem."

Mr Priest said the council was pleased Mr Wynne had declared the state government's Victorian Building Authority as Municipal Building Surveyor "for almost all of the potential high-risk buildings" identified in Moreland and said he anticipated the "handful" of remaining cladding-affected buildings would also be handed over to the VBA in the near future.

Victoria, along with all other state and territory governments, knew of the fire dangers of aluminium composite cladding as early as 2010 – a year before completion of The Nicholson – yet failed to limit their use, *The Australian Financial Review* showed in March.

Hickory managing director Michael Argyrou declined to comment.



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