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Governments failed to act on warnings of combustible cladding dangers

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State, territory and federal governments failed to limit the use of combustible cladding of the type on Melbourne's Lacrosse and London's Grenfell towers, despite repeated warnings from fire authorities as early as 2010.

The concerns of ACT fire authorities and their NSW counterparts were discussed at meetings of state and territory building regulators and the Australian Building Code Board, according to documents obtained under Freedom of Information and other court documents.

However, regulators did not act, and 100 per cent polyethylene core panels remained on sale with no caution at least until 2013.





Despite discussing the risks in 2010, Victoria's building regulator issued its first warning about combustible cladding in 2015, the year after the fire at Melbourne's Lacrosse tower. **Wayne Taylor**

The documents show regulators and the nation's peak body for building standards discussed the risks of combustible cladding after they were warned, but gave up on any co-ordinated effort to issue a nationwide alert.

Instead, the industry regulator in Victoria, the heart of the high-rise boom that took off around that time, only issued its first alert about combustible cladding in June 2015 – seven months after the fire at the Lacrosse building.

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A [tribunal ruled](#) on Friday that the building's cladding did not comply with building code requirements when it was built in 2011 and awarded the apartment owners more than \$5.7 million in damages. None of the 400 people evacuated during the fire were hurt.

Governments are already under pressure to resolve the growing crisis that is lumping unsuspecting apartment buyers with cladding rectification bills they cannot pay. These revelations increase that pressure and even raise the possibility

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University.

"If that's found to be wanting then there's got to be moral responsibility and eventually a direct responsibility for that," Mr Chandler said.

"There's got to be culpability somewhere," said Mr Chandler, the veteran builder of Parliament House in Canberra.

Governments could hold others to account or fund remediation themselves but would likely have to at least partially fund rectification, said Dame Judith Hackitt, who headed the UK inquiry into the 2017 Grenfell Tower tragedy in which 72 people died, during a visit to Melbourne last week.

"Government will have to provide some sort of support, undoubtedly," Dame Judith said.

"Whether that comes in the form of picking up the bill, offering financial support in terms of loans – that depends on the government. You can't leave people in buildings where they don't feel safe."

ACT fire authorities told a local building industry meeting in February 2010 that PE-core aluminium composite panels did not meet building code combustibility requirements and – without other risk-mitigating features – a building using them could not be approved, the documents show.

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may spread," meeting minutes obtained by *The Australian Financial Review* show.

But while ACT government representatives initially said they would draft a formal advisory note about the risks of cladding for states to distribute they didn't. At another meeting in April 2011 they reported that the note was still under development.

By July the effort to draft a separate note on cladding fire risks was dropped – the minutes do not say why – and a single note covering all issues related to external wall cladding would be drafted by Victorian members of the meeting.

NSW led Australia in approvals of attached dwellings – apartments, townhouses and semi-detached dwellings – for the decade after 2000, but about the time these discussions were taking place Victoria took over.

Between June 2010, when ACT authorities first raised concerns, and the end of 2013, when Alucobond Australia – the market-leading supplier of 100-per cent polyethylene panels, now [the respondent in a class action suit](#) over them – stopped selling the product, Victorian attached dwelling approvals totalled 82,460 to NSW's 76,498 and Queensland's 42,409. Approval numbers in other states were much lower.

That note said nothing about fire risks of cladding, but concentrated on weather-proofing and water resistance. Victorian Civil and Administrative Tribunal vice-president, Judge Ted Woodward, raised the change in emphasis in his Lacrosse judgment last week.

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Initially due to be published by the ABCB itself, a manager said in September 2011 it was "not appropriate" for it to issue the note and left it up to each jurisdiction.

Millions in rectification costs

Victoria's Building Commission did, in October 2011. Workplace Standards Tasmania did the same month. SA's planning department did in February 2012. No other state or territory did.

ABCB general manager Neil Savery said on Sunday that neither his organisation, nor any of the states, was aware that builders were using the product incorrectly.

"The states and territories, and therefore the ABCB, without evidence to contrary, had every expectation at the time that practitioners involved in the design, specification, approval and construction of buildings were complying with the requirements of the code, as implemented through state and territory legislation," he said.

The two notes were combined into one "as they were both looking at an issue related to the same topic," Mr Savery said.

Combustible cladding was also widely used before building regulators discussed it. Melbourne's [Neo200 building](#), which suffered a cladding-related fire last month, was completed in 2007.

Governments that did not warn their industries are now auditing their buildings to determine how many of them have potentially dangerous cladding. The audits are all at different stages, but the final number will be high. Victoria alone has [360 residential buildings with cladding deemed high-risk](#).

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Rectification costs will reach many millions of dollars – the cost of recladding Lacrosse's approximate 4000-square-metre facade alone is about \$5.9 million, creating a crisis that is making apartments unsaleable and sending insurance premiums soaring for strata groups and any construction industry company requiring professional indemnity cover.

In many cases, apartment owners are being left in the lurch. In Victoria, builder Hickory last year put a subsidiary into administration [two days before a scheduled VCAT claim by apartment owners](#) over cladding was due to begin. In January NSW building certifier [Watson Oldco](#) put a business unit into administration, avoiding a possible raft of claims over combustible cladding.

The consequences of governments' failure to act is clear, said fire engineer Jonathan Barnett.

"We have had 10 years of construction of buildings that may have these non-compliances and now the resultant costs," Dr Barnett said.

The revelations would force governments to pay for rectification, one industry figure said.

"This stuff is pushing government to the edge of a cliff," the person said. "I don't see any other way out of this."

Tinder box: Combustibility testing after the November 2014 Lacrosse building fire showed how much of a risk this cladding could be.

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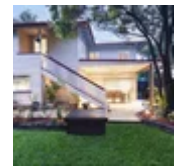
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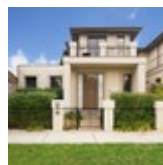
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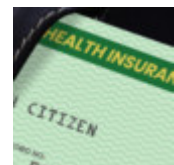
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