



Advertisement

[Home](#) / [Real Estate](#)

Building certifier Watson Oldco in administration, avoids any cladding claims

By [Michael Bleby](#)

Updated 14 Jan 2019 — 10:53 AM,
first published at 13 Jan 2019 — 11:00 PM



NSW building certifier Watson Oldco looks set to follow [Melbourne builder Hickory](#) and avoid a possible raft of claims over combustible cladding by putting a business unit into administration.

Watson Oldco, part of the Lendlease-led consortium that is building the new Western Sydney Stadium in Parramatta and redeveloping the Allianz Stadium next to the Sydney Cricket Ground, went into voluntary administration last month. In a report to creditors, administrator Peter Krejci of BRI Ferrier said the move was "largely the result of uninsured exposure to potential claims" related to buildings with combustible cladding.

Melbourne builder Hickory [last year froze two cladding-related claims](#) that owners corporations had made against it by putting the relevant builder subsidiary into administration, and the Sydney consultancy's move appears to be a pre-emptive act against similar actions.



Building certifier Watson Oldco is part of the consortium controversially redeveloping Sydney's Allianz Stadium.
Cole Bennetts

Watson Oldco's debt of about \$600,000 was current and largely owed to employees. The directors were talking about making an offer to restructure the business, meet the current claims and keep trading, BRI Ferrier director John Keenan said.

However, such a move was also a way to avoid liability for any future cladding-related claims that may arise, Mr Keenan said.

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)

It could seek to deal away with the creditor claims, he told *The Australian Financial Review*. "That's the way the law works."

There were no known claims against Watson Oldco, Mr Keenan said. "It's an exposure. It is the definition of a contingent claim."

It's a bad look for the profession of private certifiers, already under fire from Innovation and Better Regulation Minister Matt Kean, who has used [the recent Opal Tower crisis](#) in Sydney's west to continue [his criticisms of the profession](#), even though there is no evidence of any link between certifiers and the cracked concrete panels.

But it's also a consequence of the state's hardline stance on cladding. In August, NSW banned the use of aluminium cladding with a polyethylene-core of 30 per cent or more [and made the ban retrospective](#), forcing potentially thousands of buildings to change their cladding. It went further than Victoria and Queensland, which banned the high-PE content panels, but did not do so retrospectively.

Related



Hickory puts unit into administration days ahead of \$13m VCAT cladding claim

By Michael Bleby and Larry Schlesinger

Other building surveyors, already facing rising professional indemnity insurance premiums, are likely to be pushed out of the industry.

"It is something you will start seeing more of," one building surveyor said. "Some will make a decision to leave, some will be forced to leave."

Apportioning liability for the use of combustible cladding – of the sort used on Melbourne's Lacrosse building and London's Grenfell Tower – is a fraught business, as last year's six-week damages claim hearing by the Lacrosse apartment owners against builder JJ Simon showed

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)

responsible. THE VICTORIAN CIVIL AND ADMINISTRATIVE TRIBUNAL HAS NOT MADE A FINAL judgment yet.

Related



Hickory's H Buildings administration move halts second apartments cladding claim

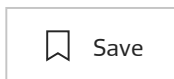
By Michael Bleby

The firm is part of the Lendlease-led consortium [that has become a battle line ahead of the March state election](#), with Opposition Leader Michael Daley saying he will not fund the controversial demolition of the Allianz Stadium if elected.

Mr Keenan said Watson Oldco's move was different from phoenixing. "A phoenix is a transition from one business to another with no consideration," he said.

"It is a transaction under value as a means of rebirthing into another one. What you're missing is value is being obtained for the business and its assets. We're obtaining value for the business."

Correction: An earlier version of this story incorrectly named Luke Foley as the NSW opposition leader.



License article

MOST VIEWED IN REAL ESTATE

- 1 Why it's better to rent property than buy - for now
- 2 Betting big on apartment boom could prove disastrous for buyers

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)



AUCTION

FOR SALE

CONTACT AGENT

FOR LEASE


**42 Siganto Drive HELENSVALE
QLD**

 Offices

 750m²

**500 Dohertys Road TRUGANINA
VIC**

 Industrial / Warehouse

 7,000 - 70,000m²

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)

RECOMMENDED

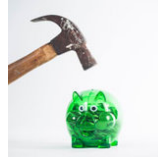
Opal Tower failure report blames poor design, construction...



Goldman Sachs must pay back \$US7.5b for IMDB fraud...



Banks hammer savers as borrowers ready for higher lending...



A dope rental story: Letting agent asks \$850pw for former...



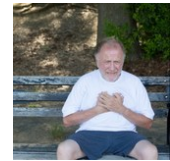
powered by plista

PROMOTED

UniSA Online
Study IT & Data Analytics On Demand



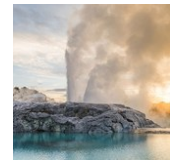
Health Insurance
Aussies Over 55 With Private Health Cover Should Know This



Mozo
Meet the lenders the big banks hate



Tourism New Zealand
Feel the heat? Try NZ's North Island this




Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)

t Is Due

mistake?

 powered by plista

THE AUSTRALIAN **Financial Review Magazine**

Rich List, Twitter's Jack Dorsey and Gina Rinehart: Best of AFR Magazine in 2018

Australia leading world uptick in watch sales

Where to go in 2019: The Lindis on New Zealand's South Island

Where to go in 2019: Indonesia's Nihi Sumba

Lexus Australia CEO Scott Thompson became an Ironman on a bet

BOSS

Which Australian company has the best business purpose? Take a look.

How will corporate Australia deal with the public's anger and loss of trust?

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)

Modern Indian dining: Meet the chefs smashing your preconceptions of vindaloo

Catherine Deneuve, YSL haute couture auction: now you too can dress like a star

Where to travel in 2019: 15 destinations to put on your must-do list

Restoring Eileen Gray's modernist masterpiece E-1027, defaced by Le Corbusier

How David Beckham changed the way you dress

Special Reports

Australian industries missing out on benefits of digital technologies

“It’s not just an investment – it’s a lifesaver.”

Tumblr's porn ban raises questions on art and sexuality on prudish platforms

Lowy Institute hit by Chinese hackers

Who watches the watchers? It's a bureaucratic maze

[SUBSCRIBE](#)

[LOG IN](#)

[Subscription Terms](#)

Experience the AFR for half the price

[SAVE 50% NOW](#)

Already a subscriber? [Log in](#)

© Copyright 2019 The Australian Financial Review

[Reprints & Permissions](#)

[Privacy Policy](#)

[Terms & Conditions Of Use](#)

Experience the AFR for half the price

SAVE 50% NOW

Already a subscriber? [Log in](#)