

Cladding: new taxpayer scheme to provide cheap loans for owners of apartments to repair flammable panels

South Australians who live in dangerous buildings will have access to cheap taxpayer-funded loans to replace flammable cladding.



Andrew Hough

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South Australians who live in safety risk buildings will have access to cheap taxpayer-funded loans to replace flammable cladding.

The state government will on Monday announce the new multimillion-dollar concessional loans for works to replace combustible aluminium composite panels.

The global flammable cladding crisis was sparked after London's 2017 Grenfell Tower inferno that killed 72 people and injured hundreds more.

An official audit, launched by the former Liberal state government in 2019, found 30 at risk buildings including a hospital, nursing home and several apartment blocks.

Those locations with dangerous aluminium composite panels have been kept secret for security reasons.

There are now six buildings with "high or extreme" risk rating.



The Grenfell fire in London killed 72 people and sparked concerns around the globe about flammable cladding. Picture: Natalie Oxford /

Last month The Advertiser reported two major residential buildings, [including the Air Apartments](#), face bills of up to \$300,000 for each resident to replace the cladding.

Planning Minister Nick Champion said early next year, eligible "owner corporations" can seek a concessional loans.

While the scheme's total cost was unavailable, Mr Champion said remediation works would focus on those with extreme or "high life" safety ratings. He said the budget made funding and updates will be made as necessary.



Planning Minister Nick Champion. Picture: NCA NewsWire / Emma Brasier

"We recognise the challenges faced by apartment building owners to address combustible cladding without assistance," he said. Under the scheme, the South Australian Government Financing Authority, will offer up to \$15m.

A fixed interest rate will also be offered at the cost of government borrowing – usually a cheaper value than other market providers – which is currently 4.93 per cent. Loans can be repaid over a decade and application fees waived.

Former Local Government Association chief and Kangaroo Island Commissioner Wendy Campana will oversee the scheme as the independent cladding co-ordinator. The Liberals appointed her a cladding response co-ordinator.

It is understood the 2019 audit helped shape the loan scheme. Further details such as how to apply are being developed. Ms Campana said she would work with owners and council fire safety committees to finalise the "cladding issue".

The Opposition has called for a government-backed scheme.



Wendy Campana will oversee the scheme. Picture: Helen Orr

