

EXCLUSIVE

NATIONAL NSW COMBUSTIBLE CLADDING CRISIS

Australia's building crisis fix will cost \$6.2 billion: report

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The cost of fixing the unfolding national building crisis, including widespread residential apartment block defects and the use of dangerous combustible cladding, could soar past \$6.2 billion, according to a new economic analysis.

More than 3400 residential unit blocks across the country have potentially flammable exterior cladding, according to a report commissioned by the construction union.



The construction union has called for a national approach to help fix problems stemming from residential building defects and combustible cladding. JUSTIN MCMANUS

Those high-rise blocks take in about 170,000 apartments. In NSW, hundreds of buildings are potentially affected.

Pressure is mounting on the Berejiklian government to provide more support and funding either to individual owners' corporations, or to Sydney councils confronted with buildings that could need flammable cladding ripped off and replaced.

Amid escalating debate over the use of flammable cladding, the *Herald* asked each council in Sydney how many buildings in their area had been identified as

potentially containing the material.

The figures provide an insight into the extent of the problem facing the NSW government as it continues to grapple with a broader crisis of confidence in the apartment construction industry.

The cladding taskforce set up by the government has so far identified up to 553 high-risk buildings across NSW, including 154 residential apartment buildings. The government has not publicly released the list of buildings on its cladding register.

The City of Sydney is seemingly the worst affected, with 350 properties identified on the cladding register. The council is investigating 333 of those properties, with 16 handed fire safety orders.

There were as many as 174 buildings identified in Parramatta. Of those, seven have been found to contain non-compliant cladding, with investigations continuing on nearly 100 buildings.

In the City of Canterbury Bankstown, there are 87 buildings on the register of buildings potentially containing flammable cladding, 44 of which are residential. Bayside Council in the city's inner south has 71 buildings listed, with cladding rectification notices served on 14 building owners.

The figures come as the Construction, Forestry, Maritime, Mining and Energy 'Shaky Foundations: the National Construction Crisis' report, released on Monday, said analysis from Equity Economics showed that the "costs of failure are piling up".

The report estimates "the cost to building owners and state, territory and federal governments of addressing the structural and safety defects in [affected] buildings will approximate \$6.2 billion".

This figure is "conservative" as it only includes buildings constructed in the past 10 years, the report says, and "can be expected to double when accounting for previous decades of construction".

The report said the country's building industry had reached "crisis point" and pointed to governments' failure to enforce building standards, a loss of public sector skills leading to poor scoping and design for building projects, and the outsourcing of building approvals which resulted in "increased conflicts of interest and lack of oversight".

The CFMEU's construction arm is calling for a national approach to fixing those problems. This includes applying the "strictest standards practical to new builds", "best practice regulation which protects the consumer" and government financial support for affected property owners.

The report said an estimated 1411 residential apartment buildings in NSW used potentially combustible cladding, including 95 "extreme risk" buildings. In Victoria, 1069 buildings have cladding, the report said. Of those, 72 have been deemed as extreme risk, and 504 are high-risk.

Among other councils surveyed by the *Herald*, the City of Canada Bay Council has 66 buildings on the cladding register; the Hills Shire has 63; North Sydney Council has 61 buildings and Willoughby Council has more than 60 buildings listed.

Cumberland Council has 59 buildings on the register, the Inner West Council is aware of 55 residential buildings listed, and Sutherland Shire Council has 42 buildings.

Liverpool City Council has 41 buildings on the register, but the council said its investigations had whittled that number down to 24 properties with potentially flammable cladding.

Blacktown Council has 37 buildings. Of those, seven government owned buildings that include hospitals, TAFE colleges and train stations.

In Campbelltown City Council's area there are 28 buildings on the register, four of which are residential apartment blocks, while Strathfield Council is investigating 23 buildings.

The rest of the councils which responded had 20 or fewer buildings identified as potentially having flammable cladding. Some councils, including Randwick City Council and Fairfield Council, declined to provide figures.

Several councils, including Parramatta and Liverpool, have used recent council resolutions to call on the state government to provide support and funding to ease the financial burden of cladding rectification works.

The Strata Community Association NSW previously suggested at least \$1 billion could be needed to remedy the buildings with flammable cladding across the state.

The Victorian government last month announced a \$600 million package to fix the cladding crisis across the state, where more than 500 "high-risk" buildings require rectification works.

The NSW government has not offered compensation to apartment owners in buildings that will need to replace flammable cladding.

However, Building Commissioner [David Chandler has said](#) he would possibly recommend low-interest government loans for apartment owners facing significant defects or cladding that needed to be removed.

A spokesman for Better Regulation Minister Kevin Anderson the Victorian government's package was "yet to be tested to check whether it is adequate to address the issue, will be allocated in part in administration costs or whether the total will be spent on buildings".

"The NSW government is unable to say they will commit to a funding package with a lack of those details or without a firm idea on what may be required within NSW.

"The quoted rectification costs that have been floated in the public domain a little more than thoughts and are seemingly not based on any fact whatsoever."

The spokesman said that about 86 per cent of the buildings listed on the original cladding register had been removed, with about 13 per cent requiring detailed assessment or rectification.

"The NSW Cladding Taskforce will continue to work with local government to ensure the remaining buildings are completed, prioritising the 154 residential high-rise buildings that remain."



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