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Federal government has to fund cladding rectification, SCA says

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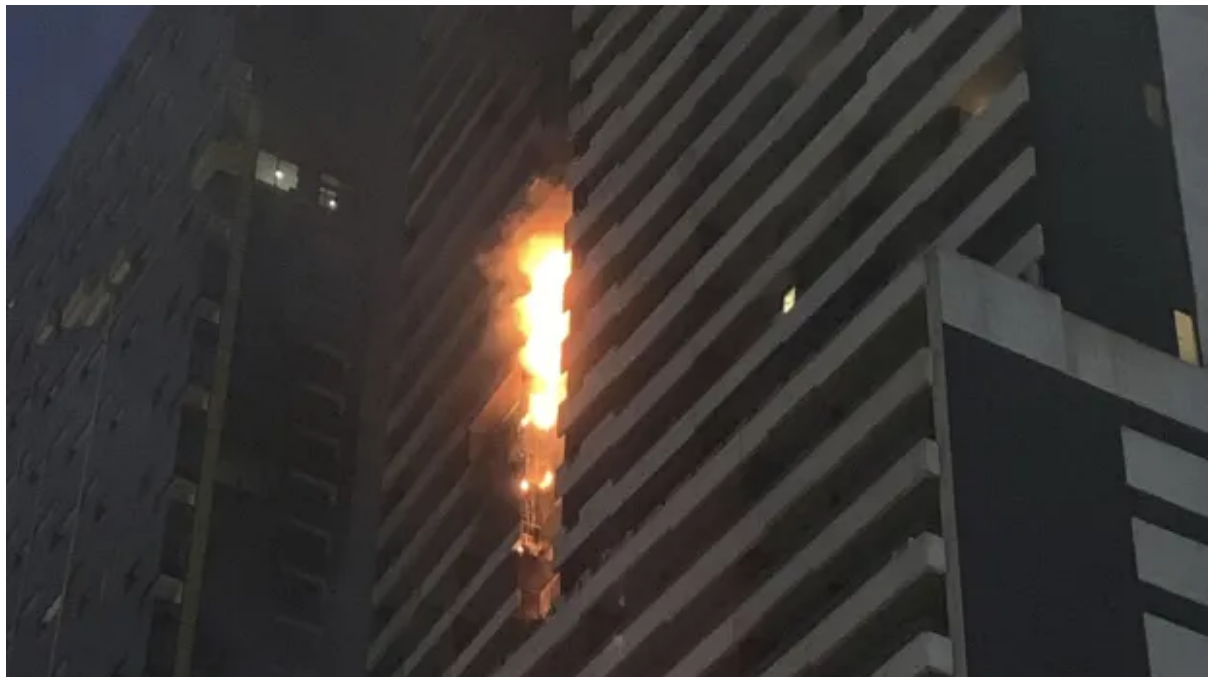


Jun 11, 2019 — 6.00pm



The federal government should underwrite the costs of rectifying combustible cladding on private apartment buildings as individual owners of the more-than 1000 affected buildings were unlikely to be able to cover the cost, the country's peak industry body for strata managers said.

Speaking a week after Victoria confirmed its number of affected buildings was close to 900, and with NSW having deemed 447 buildings as "high risk" due to having combustible cladding, Strata Community Association president Andrew Chambers said the Commonwealth had to step up financially.



The Neo 200 apartment building in central Melbourne caught fire in February. Residents have been struggling to renew their insurance. **Simone Fox Koob**

"The federal government must come to the party," Mr Chambers said at the start of his association's national conference in Auckland.

"A national assistance package is required."

While the industry body may wish for a Commonwealth government solution to the problem of combustible cladding that is potentially dangerous and threatens to make apartments unsaleable, that is unlikely, as under Australia's federal system, individual states and territories oversee their building and construction industries. Federal Industry Minister Karen Andrews last month said the country's disjointed response to cladding - with each jurisdiction pushing forward with its own solution to the crisis - would only be resolved when the states chose to work co-operatively with each other.

Ms Andrews repeated the point on Tuesday, after the strata association's call.

"I am committed to working with my state and territory counterparts to restore public confidence in Australia's built environment but this particular matter rests with the states and territories - they need to step up to rectify building issues," she said.

"Rectification funding and associated work is a matter for each state and territory and this needs to be prioritised."

For many in the industry, however, the federal government still bears responsibility.

"It comes back to the authorities that let this product into the country to begin with," said Stephen Brell, the managing director of strata management company Netstrata, on Tuesday.

Legitimate uses

But the problem with combustible cladding hinges on how it has been used by practitioners inside the country. Unrelated to construction, there are legitimate uses for aluminium composite panels in the advertising and signboard industries.

Last week Victorian Planning Minister Richard Wynne disclosed to a state parliamentary committee that the state's latest count showed it had over 900 buildings affected by combustible cladding. It is the state with the highest-known number of cladding-affected buildings.

As many as 71 of those were classified as "extreme risk", 368 as "high risk", 342 as "moderate risk" and 150 had a "low-risk" rating.

When asked how the state government would respond to those buildings, or to residents of Melbourne's Neo200 building, who were struggling to renew their insurance policy in the wake of the building's cladding fire in February, Mr Wynne said he was expecting a report from the state government's cladding taskforce and would be guided by that.

"The cladding taskforce is finalising its final report to me," Mr Wynne said. "It will be making recommendations to the government about the next stage the government may wish to consider in relation to further rectification."

Mr Wynne defended Victoria's proposed scheme, designed to allow apartment owners to replace cladding and pay the cost back through their rates, which has been heavily criticised as unworkable by the industry and has not yet had any takers.

The City of Melbourne was the only local authority prepared to offer the cladding rectification arrangements and while other councils had "anxiety" about it, the state government was looking to work with them, Mr Wynne said.

"We don't need to change the scheme," he said. "The scheme is sound. I don't think they fully understand it."

**Michael Bleby is attending the SCA conference in Auckland as a guest of the association.*



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