Funder investigates combustible cladding class action in NZ

Class Actions | November 25, 2019 2:08 pm | By Hannah Gee | Sydney

Manufacturers of PE core cladding face a third class action bankrolled by litigation funder IMF Bentham, this time in New Zealand, and the funder says hundreds of buildings across the country could be affected.

The class action, which will target manufacturers of Alucobond and Vitrabond PE core cladding products is expected to be launched by NZ law firm Russell McVeagh by the end of the year.

The suit follows two Australian class actions led by William Roberts Lawyers against Australian distributor Halifax Vogel Group (HVG) and its supplier German based 3A Composites, and Australian Fairview Architectural, over use of the allegedly highly flammable Vitrabond cladding. Both actions are also funded by IMF Bentham.

William Roberts launched the first product liability class action in February this year against Australian distributor Halifax Vogel Group (HVG), which purchased and imported the cladding from 3A Composites. The cladding is installed in countless buildings across Australia. The second proceeding against Fairview Architectural was launched in June.

Fairview lists more than 50 projects on its website that have used Vitrabond across Australia, including the Melbourne Airport tower, Star City Casino and Royal Randwick Racecourse in Sydney, the Attorney-General's Department building in Canberra, Canberra Airport, the ABC Headquarters in Brisbane, and Metricon Stadium on the Gold Coast.

The class actions come in response to a 2014 blaze in the Lacrosse Tower in Melbourne and the 2017 London Grenfell fire which killed 72 residents.

IMF Bentham said the proposed NZ class action was open to property owners, body corporates and lease-holders who have suffered or will suffer financial loss

from removing and replacing Alucobond and Vitrabond PE core cladding products.

"The class action will seek compensation for property owners of residential, commercial, mixed-use, and other non-residential buildings throughout New Zealand on which there is certain Alucobond or Vitrabond aluminium composite panel cladding, with a core comprised wholly or substantially of polyethylene," it said.

The funder said it was continuing to investigate other possible class actions against manufacturers in relation to other PE core cladding products.

The NSW government issued a retroactive ban on the use of certain aluminium cladding, which took effect on August 15, 2018, and applied to cladding where the core is more than 30 per cent PE. In Victoria, orders to remove and replace flammable cladding have been issued to owners of several buildings.

The Halifax Vogel and 3A Composites class action is The Owners – Strata Plan 87231 v 3A Composites GmbH & Anor. The Fairview class action is The Owners – Strata Plan No 91086 v Fairview Architectural Pty Ltd ACN 11 935 963.