



Commonwealth should underwrite cladding fix: Greens

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May 9, 2019 — 4.08pm



The Commonwealth government should underwrite rectification of combustible cladding with a \$50 million fund that would help the owners of an initial 800 apartments replace the potentially dangerous panels and speed up a process hamstrung by regulatory and cost issues, Strata Communities Australia and the Greens Party say.

In a joint push, the country's peak body for the strata industry and federal Greens MP for Melbourne Adam Bandt have said federal government upfront funding - which it could subsequently recoup from responsible parties - was necessary to avoid the lengthy remediation processes were hampering owners corporations ability to fix their buildings.



Laying out a solution: Upfront funding is needed to help cladding rectification that is stalling, the Greens and industry body SCA say. **Pat Scala**

“The government should step in, fix the cladding now then recoup the cost from those responsible afterwards,” Mr Bandt told *The Australian Financial Review*.

“Timing is critical. The flammable products are up there now. Given that, as we’ve seen, they could go up and cause dangerous fires and put people at risk at any moment, then the responsibility to act is now.”

He was backed up by SCA chief executive Alisha Fisher, who said there was a crisis in the country's \$1.2 trillion strata sector with owners having to pay up to \$60,000 in cladding removal costs.

“With the support of minor parties ahead of the federal election, we can make positive moves towards a more viable solution to combustible cladding that safeguards the interests of those who live in strata,” Ms Fisher said.

While Australian governments have so far avoided committing to fund the rectification of combustible cladding on residential buildings, they will have to do so as number of apartment owners unable to pay for it rose, UK expert advisers on cladding Gary Strong said during a visit to Australia last year.

“Ultimately you're going to come up against the same problems as we are in the UK,” Mr Strong said.

On Thursday, the UK government was poised to fund the replacement of cladding on privately owned residential buildings, *The Guardian* reported.

In Australia, governments are also partly responsible for letting the material reach such widespread use. State, territory and federal governments failed to limit the use of combustible cladding of the type on Melbourne's Lacrosse and London's Grenfell towers, despite repeated warnings from fire authorities as early as 2010, the *Financial Review* reported in March.

Federal industry minister Karen Andrews said the National Construction Code had always restricted the use of combustible cladding on high-rise buildings, but it was a state matter to enforce.

“The inappropriate use of cladding is an issue of non-compliance with the NCC and state and territory building regulations – and enforcement of these rules is the responsibility of state and territory governments,” she said.

In Victoria, the state government is increasingly taking on oversight of buildings with combustible cladding from local councils, which often lack the skills or funds to do and which can also interpret the complex technical issues in different ways, leading to varying responses across the same city.

"This will ensure that a consistent state-wide approach is taken to the rectification of buildings with suspected combustible cladding," said Phillip Priest, the Acting Director City Futures for Moreland Council in Melbourne's inner northern suburbs.

Sahil Bhasin, the national general manager of building consultancy Roscon said state government funding was likely to be needed.

"There may need to be state government funds that fund some of these rectifications," Mr Bhasin said.

Any up-front government payment of cladding rectification should be followed by an attempt to recoup costs, said architect and UNSW adjunct lecturer Geoff Hanmer.

"Some of the cost of this failure should fall on the Government (ie all of us), but a substantial part of it should be shouldered by the people who sold, marketed, specified and installed panels they should have known were being used in a way that did not comply with the spirit if not the letter of the National Construction Code," he said.



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