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Attention Queensland Media

URGENT ACTION NEEDED IN QLD TO HEAD OFF MULTI-BILLION CLASS ACTION

POTENTIALLY 12,000 BUILDINGS IN QLD UNDER FLAMMABLE CLADDING CLOUD

One of QLD's leading property groups says the State Government and the Commonwealth need to take urgent action to head off the potential threat of the largest class action in the state's history.

Strata Community Association (Qld) says that with flammable cladding rectification costs estimated between \$30,000 and \$60,000 per apartment, class action law firms are targeting Queensland.

SCA (Qld) warns that flammable cladding is on the same scale in Queensland as the asbestos clean up, fire ants and the Wivenhoe Dam flooding class action.

And with potentially 12,000 Queensland buildings under a flammable cladding cloud, per a report released last Thursday, they say this could easily become a multi-billion dollar problem. (See report attached)

President of Strata Community Association (Qld), Simon Barnard says law firms already have multi-billion-dollar flammable cladding class actions planned in Victoria, and on the back of last week's report Queensland owners will seriously consider approaches from these firms.

"Because of the expense of inspecting and replacing cladding, this is as much a dollars and cents issue as it is safety, and we're eager to see the State Government treat it accordingly."

"We're all too aware of owners in some residential buildings nationwide being served with multi-million-dollar bills to strip and replace cladding, so it's of critical importance that funding is the next box ticked by the State Government on this issue."

"We are aware that at the recent Building Minister's Forum, a request was made to report on existing responsibilities of parties to meet the cost of rectification of non-compliant combustible cladding and remedies, including the rights of parties to recover costs from those responsible."

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Mr Barnard says the State Government's vigilance in arranging swift audits on this issue has to be commended, and now it needs to go up another level to solve the funding issue.

“Owners will not want to spend years in the courts arguing with builders, but they may decide it is their only option to recoup costs if inspections determine their building must be stripped of cladding.”

“In addition to this, owners will likely face immediate safety and insurance implications as well as potential difficulties in selling their apartment once flammable cladding has been identified in the building.”

“This could send them on the path to financial ruin and to our mind, it's an issue that requires a funding response from the State Government to help them assess their risks.”

The Victorian Government's announcement of a \$25 million funding package in their State Budget indicates that it will be split up with \$16.5 million going to the continuation of a state-wide audit, another \$4.3 million to tackle non-compliance in the sector, and the final \$5 million for tighter compliance at a major project set to house 80,000 by 2050.

It's the kind of investment Strata Community Association (Qld) wants to see immediately, and they believe the Queensland State Government must consider matching it, to ensure strata owners can afford the replacements.

“Last year's audits and the implementation of greater construction watchdog powers via the Queensland Building and Construction Commission (QBCC) were positive signs, but the next step is the State Government making an investment to stop this issue in its tracks.”

“Identifying where the cladding has been used on apartment buildings is only half the job, and money must be allocated for the removal from buildings, or the modification to be safe for the occupants.”

“The QBCC is now permitted to investigate and shut down active sites. As a watchdog they will hopefully prevent further building material issues into the future.”

Mr Barnard says the strata sector in Queensland is made up properties worth a collective \$110 billion and funding the safety of owners within these buildings is crucial to seeing that economic driver push forward.

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