

Good Morning

Reports from the Building Minister's Forum (BMF) meeting on Friday 30 June have emerged. Attached are the BMF communique and media release from the forum's Chair Assistant Minister for Industry, Innovation and Science Craig Laundry.

As the Assistant Minister's media release indicates, and as is reported below, the Prime Minister has written to State Premiers and Territory Chief Minister's asking them to urgently audit buildings. Victoria, Queensland and the ACT have recently announced taskforces to speed up and spear head the audits. The NSW Government will reportedly announce its response this week.

Links to the BMF response and an outline of activity on the issue of cladding and non-conforming/non-compliant building products and the statement from BMF Chair are also below:

<https://industry.gov.au/industry/IndustrySectors/buildingandconstruction/Pages/default.aspx>

<http://www.minister.industry.gov.au/ministers/laundy/media-releases/governments-cooperating-ensure-building-safety>

Please find below the following media clips:

NSW to act on cladding issue next week, *SBS News, 4/7/2017*

Reports that the NSW Government has said it will announce what action it will take in response to the cladding issue this week following the Building Minister's Forum (BMF) last Friday 30 June.

It's reported that the Prime Minister has written to State Premiers (and Territory Chief Ministers) urging them to urgently audit high rise buildings in their jurisdictions.

BMF Chair, Assistant Minister for Industry, Innovation and Science Craig Laundry said the Grenfell Tower fire would not happen in Australia because of the National Construction Code (NCC) but said greater enforcement of the code is needed. These comments are aligned with statements from Master Builders Australia and State/Territory Master Builders Associations.

Grenfell Tower fire compels ACT to establish building safety taskforce, *The Canberra Times, 4/7/2017*

Reports that the ACT is the latest jurisdiction to announce its establishing a 'cladding taskforce' to audit buildings.

Master Builders ACT welcomes the audit and says they are confident that ACT buildings are “largely” compliant but that “largely isn’t good enough”. Kirk Coningham, Executive Director of Master Builders ACT is quoted.

US Grenfell Tower cladding firm faces lawsuit from shareholders as market value falls, *The Telegraph* (UK), 4/7/2017

Reports that the US company which manufactured the cladding used on the Grenfell Tower is facing law suits.

Grenfell Tower fire: 181 cladding samples have failed fire safety tests after fatal tragedy, *The Independent* (UK), 3/7/2017

Reports on the report from the UK Communities Minister to the UK Parliament that 181 cladding samples taken from buildings other than the Grenfell Tower have failed fire safety tests.

NSW to act on cladding issue next week

The NSW government says it will make an announcement next week regarding apartments that could be covered in highly flammable cladding.

The Building Minister's Forum met on Friday to discuss a national strategic response to risks from the non-compliant installation of building products.

The meeting came a fortnight after at least 80 people died in London's Grenfell Tower inferno on June 14.

The apartment building was covered in insulation panels that "failed all safety tests", police said after the blaze.

"Put simply, a Grenfell apartment block would not comply with Australia's National Construction Code," BMF chair and federal Assistant Minister for Industry Craig Laundry said in a statement on Monday.

"We need to ensure compliance with that code so that such disasters do not occur in Australia."

Prime Minister Malcolm Turnbull has asked premiers and chief ministers to urgently audit their high-rise buildings.

When asked what action the NSW government was taking, a spokesman for NSW Planning Minister Anthony Roberts on Monday told AAP there'd be an announcement on the matter next week.

Sydney's Inner West Council last week said staff were already working to identify buildings that should be checked so "when the state government confirms its high-rise fire safety task force, we will be ready to go".

It's feared up to 2500 buildings in NSW have highly flammable cladding similar to that on Grenfell Tower.

Grenfell Tower fire compels ACT to establish building safety taskforce

The ACT government will establish a taskforce to review the amount of flammable cladding used in Canberra, the same believed to be at the centre of the catastrophic Grenfell Tower fire in London.

A spokesperson for planning minister Mick Gentleman previously confirmed the use of cladding was widespread in Canberra but stressed its use was not illegal.

The ACT government is also set to take part in a national review into building compliance and certification.

Master Builders ACT's executive director Kirk Coningham said the taskforce was important for the perception of public safety in Canberra.

"I'm still quite confident by and large the industry in the ACT is well managed and largely compliant," Mr Coningham said.

"But largely isn't good enough. I think we need to be completely compliant when we look at products that put people at such risk."

Mr Coningham said the taskforce should look at the use of cladding first before reviewing other issues involving building safety and ACT fire codes.

"We need to make sure that they [regulations] evolve appropriately," he said.

Mr Coningham said it was also important to look at similar reviews and taskforces internationally to determine the best course of action.

ACT Owners Corporation Network president Gary Petherbridge said the taskforce was good news but it needed to focus on the policing of the ACT's building regulations.

"Sure, the building codes and everything might be fine, but if there's no auditing or inadequate auditing then that's another problem," Mr Petherbridge said.

"If you want to talk about only cladding, you need to police the regulations around cladding."

Mr Gentleman said the ACT government had already begun a new auditing system, but Mr Petherbridge said he'd seen no evidence of one.

Officials in London confirmed the death toll of the Grenfell Tower fire in West London was 80.

Flammable aluminium composite panels fitted to the outside of the building are widely suspected to have contributed to the inferno.

A similar type of panel has been blamed for a fire that devastated the Lacrosse apartment block in Melbourne's docklands in 2014.

The Victorian government has recently announced their own taskforce to review the use of cladding across the state.

US Grenfell Tower cladding firm faces lawsuit from shareholders as market value falls

Arconic, the company which made the cladding used at Grenfell Tower, is facing the threat of legal action on behalf of shareholders after the company's share value plummeted.

At least two firms in the United States have announced they are examining potential shareholder claims.

The move follows a story in the New York Times which alleged that Arconic's safety warnings in the UK were weaker than those given to potential customers elsewhere.

The firm, which says its primary expertise is the "aggressive pursuit of litigation claims", represents investors in class actions.

Earlier this week emails were disclosed showing that Arconic, a company formerly known as Alcoa, was aware of the potential risk posed by the polyethylene (PE) core panels and made this clear to potential customers.

"When conceiving a building, it is crucial to choose the adapted products in order to avoid the fire to spread to the whole building. Especially when it comes to facades and roofs, the fire can spread extremely rapidly," the brochure said.

However the final decision was left with customers, the company said in a statement.

"While we publish general usage guidelines, regulations and codes vary by country and need to be determined by the local building code experts."

Arctic has since announced that it will stop selling the plastic filled aluminium panels. Legal experts in the US suggested that the claim would centre on whether the Arconic tested the panels adequately or gave purchasers proper warning of the dangers involved.

There was some debate on whether the class action on behalf of shareholders would succeed. John Coffee of Columbia Law School in New York, an expert in class actions sounded a note of caution.

"The claim would need to be that Arconic knowingly concealed the hazards of a product that it was marketing which it knew (or recklessly ignored) could result in catastrophic disaster and huge liabilities," he said.

Negligence is not enough, Prof Coffee added because US securities law also requires plaintiffs to prove that was aware of their wrongdoing beforehand.

"Today, around half of all securities class actions in the U.S. are dismissed at an early stage on a motion to dismiss."

Arconic has stopped selling the Reynobond PE cladding for use in high rise buildings anywhere in the world.

In a statement, the company said: "Arconic supplied one of our products, Reynobond PE, to our customer, a fabricator, which used the product as one component of the overall cladding system on Grenfell Tower.

"The fabricator supplied its portion of the cladding system to the façade installer, who delivered it to the general contractor.

"The other parts of the cladding system, including the insulation, were supplied by other parties. We were not involved in the installation of the system, nor did we have a role in any other aspect of the building's refurbishment or original design.

"While we provided general parameters for potential usage universally, we sold our products with the expectation that they would be used in compliance with the various and different local building codes and regulations.

"Current regulations within the United States, Europe and the U.K. permit the use of aluminum composite material in various architectural applications, including in high-rise buildings depending on the cladding system and overall building design.

"Our product is one component in the overall cladding system; we don't control the overall system or its compliance."

Grenfell Tower fire: 181 cladding samples have failed fire safety tests after fatal tragedy

A total of 181 cladding samples on high-rise towers across England have failed fire safety tests, Sajid Javid has announced.

The Communities Secretary revealed the updated number in Parliament and it is expected to rise as more buildings are tested.

“So far all 181 samples of cladding tested have failed – the priority now is to make those buildings safe,” he said.

He added: “Our primary concern has been buildings over 18 metres, or six storeys, where people stay at night.”

The current number has risen from 60 samples in several weeks. As the number rose, Theresa May ordered a “major national review” of buildings’ safety standards.

BRE Group is still testing buildings owned by councils, housing associations and private landlords.

Mr Javid said experts had concluded the testing process was “sound”.

His words come three weeks after a fire ripped through a 60-metre high-rise in Kensington, killing at least 80 people.

The death toll may not be fully updated for months and emergency services said some victims would never be identified.

Mr Javid said that every family that has come forward for temporary accommodation will be offered a place to stay by Wednesday.

He said only about eight families have accepted offers, with others saying they wanted to wait for something more suitable.

“We will not compel anyone to accept an offer of temporary accommodation they do not want,” he said.

Mr Javid claimed that some families wanted to be housed in the borough, but when they “looked at the property”, they decided they wanted to live further away “to deal with their grief”.

He added that some people wanted to wait in a hotel until an offer of permanent accommodation was available.

A total of 112 households from Grenfell Tower have received financial support of £5,500 to cover immediate costs, and this offer was available for all affected households.

A Government inquiry is being led by Sir Martin Moore-Bick, who has more than 20 years' experience as a judge.

He said he would be “very disappointed” if the inquiry did not publish a preliminary report that answered the “basic factual questions” about the fire within 12 months.

Mr Moore-Bick has been described as a “white, upper-class man” by Labour MP David Lammy.

“It’s a shame we couldn’t find a woman to lead the inquiry or indeed an ethnic minority to lead the inquiry in 2017,” he said.

“He needs to get close to those victims and survivors very quickly and establish that he is after the truth, and that he is fearless and independent.”

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