

Financial Review - afr.com

Oct 23 2018 at 3:07 PM

Updated Oct 23 2018 at 3:07 PM

Hope for cladding apartment owners: Victoria takes worst buildings from councils

by [Michael Bleby](#)

The Victorian government has taken over managing the state's riskiest apartment buildings with combustible cladding from local councils.

Planning Minister Richard Wynne this month declared the Victorian Building Authority regulator to be the municipal building surveyor for 43 [high-risk Melbourne buildings](#), taking over the responsibility for scrutinising and overseeing rectification works. This was in addition to one high-risk building the regulator took over in February.

"The minister made this move on the advice of the Cladding Taskforce, the VBA and the [planning] department as they are the buildings in the highest risk category which may require centralisation of expertise," a VBA spokesman said.

"The VBA will continue to work closely with councils, but this should be a faster process with both the VBA and the local MBS working together. The VBA acting as MBS will alleviate the burden on local government, ensuring any work is completed as quickly as possible."

The total number of buildings in Victoria – and in each state – with combustible cladding is unknown, as [authorities haven't revealed the results of their audit processes](#) and the 43 buildings are also unidentified. The Metropolitan Fire Brigade has released an "[enhanced response list](#)" of nine buildings it regards at heightened risk of burning rapidly.

Uniform approach

But the move suggests the state government could take over more, allowing the state to take a uniform approach to assessing and rectifying buildings, rather than the piecemeal and possibly inconsistent approach that would result from individual municipalities doing the work. It will also reinforce the idea that [local councils lack the capacity](#) to respond to [Australia's growing cladding crisis](#) and that state governments will have to play an increasingly large role.

In contrast to Victoria, NSW and Queensland have self-assessment processes to determine the cladding risks on buildings.

In the short term, the handover of documents and building assessments would slow the process down for apartment owners, but it could serve them better, said Sahil Bhasin of property consultancy Roscon Group.

"The respective councils are not adequately resourced to handle claims of such technical nature that take a magnitude of time," Mr Bhasin said. "There needs to be a state-wide approach."

The VBA declined to say whether it would take over other buildings.

"Under the Building Act 1993 the minister has the power to appoint the VBA to be MBS for a building if he considers it to be in the public interest to do so," the spokesman said.

Banks were unlikely to settle on apartments while the [cladding liability](#) was still unknown, and it would take at least six months for detailed scrutiny of buildings and rectification works to get under way, Mr Bhasin said.

"For the next six-12 months it will be really hard to move an asset in one of these buildings," he said.