

MEDIA RELEASE

SCA (ACT) SAYS ACT GOVERNMENT'S TEST AND CONCESSIONAL LOAN FUNDING FOR PRIVATE CLADDING 'A GOOD START' BUT THREE SIGNIFICANT CONCERNS REMAIN

Wednesday 21 July 2021: SCA (ACT) welcomed the ACT Government's Public Cladding Scheme announcement today as a 'good start' towards outcomes for owners and residents affected by cladding, but there are three critical areas where the program falls short of industry hopes.

Minister for Sustainable Building and Construction Rebecca Vasserotti, today formally [announced](#) the Private Building Cladding Scheme. The scheme will contribute 50 per cent of the cost of having cladding on apartments **tested** (up to a maximum of \$20,000) and in a second phase to commence later, will move to offering **concessional loans** to owners of affected buildings.

The Minister believes that approximately 90 private buildings in Canberra are affected by combustible cladding, which will add to the 23 government buildings already included in the public building cladding scheme.

Due to the nature of the buildings being over three storeys, most affected buildings will be represented by a strata manager, who will play a critical role in the cladding rectification process.

SCA (ACT) President Shelley Mulherin said that the ACT has lagged behind the other states and territories for some time, so this is very encouraging to see this announcement today.

"Since the beginning of the year we have been closely working with the ACT Government on these issues and we're heartened to hear that they have listened to us and to the strata sector more broadly," said Ms Mulherin.

"We have consistently said that a scheme that makes money available for testing and repairing cladding is a bare minimum," she said.

Although the launch is encouraging, Ms Mulherin said there were three major issues with the program.

"The first place that this has pulled up a little short of industry expectations is that the cap for testing reimbursement is only \$20,000 and only available as a rebate. This type of building analysis and consultation is not cheap; it adds up very quickly and often owners corporations do not have the means to stump up the cash up front," she said.

"The second point is that retrospectivity has not been addressed. Without it, the government is effectively punishing those owners corporations who have been proactive already and gone out and paid to have their building testing for combustible cladding prior to today's announcement.

"The third, and potentially thorniest point for government to address is insurance for building identified as having combustible cladding as part of this process.

"Insurers in the ACT are extremely reticent to insure buildings where flammable cladding has been identified. What do owners corporations do once they have used the government finance for testing, identified an issue, disclosed to their insurance and had their insurance revoked or invalidated?"

“The government needs to immediately and urgently engage with the insurance industry to tackle this very serious issue,” she said.

SCA will continue to work closely with the ACT Government on the program and its rollout over the coming months and work through the issues identified.

More information can be found here including:

- [Grant guidelines](#)
- [Scheme details](#)
- [Register of Potential Suppliers](#)

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About Strata Community Association (ACT)

SCA (ACT) is the peak professional association for the Australian Capital Territory Body Corporate and Community Title Management industry and provides a forum for improved standards and education in the industry.

Membership includes strata community managers, support staff, committee members and suppliers of products and services to the industry. SCA proudly fulfills the dual roles of a professional institute and consumer advocate.

SCA (ACT) is a chapter of the Strata Community Association, which represents practitioners throughout Australasia. The Strata Community Association has formal links with the Community Associations Institute in the USA.

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