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YSP Podcast Transcript: Episode 103. Reducing the hysteria around combustible cladding

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Amanda Farmer: Hello and welcome. I'm Amanda Farmer and this is Your Strata Property. My guest this week is joining us here on the podcast for the second time around, back in Episode 27. Lynda Kypriadakis explained to us the ABMA Building Management Code and shared with us why that code is the key to maintaining your strata property. She's back here today to speak with us this time about the very heated issue, mind the pun, of combustible cladding.

Now, before we get into that I'll just share with you a little bit more about Lynda. Lynda is the Senior Managing Director of the diverse group of companies. These companies are currently engaged in facilities management contracts with over 30 commercial properties in Queensland specialising in building management and advocacy services, compliance management, and project management of capital works.

Lynda's also the Senior Managing Director of ABMA, which stands for Australian Building Management Accreditation, which develops and regulates the ABMA Building Management Code. I'm absolutely delighted to have back for the second time on the podcast, Lynda Kypriadakis, welcome Lynda.

Lynda Kypriadakis: Thank you very much, it's great to be back.

Amanda Farmer: Now Lynda, I heard you speak at SCA New South Wales Convention in 2017. You filled us all in on this issue of combustible cladding, what it is, what we need to be wary of. I found that the way that you explained it to the room was just so clear and understandable and I immediately sent you a message and said, *"Lynda, you are coming on the podcast and you are sharing your skill with our listeners,"* so thank you very much for making the time today.

I'm going to start by asking you, I suppose in layperson terms, we're not building experts here by any means, what is your overview of the whole combustible cladding drama? What does it mean for strata building's body corporates, owners corporations?

Lynda Kypriadakis: Okay, wow, what a question. First of all, the nickname combustible cladding is quite a provocative nickname. I believe it is used to cover what is technically referred to as aluminium composite panelling or ACP. Aluminium composite panelling has been around for quite some time now and it's acquired an effective architectural finish for commercial buildings. It's basically a type of core filling sandwiched between 2 pieces aluminium sheet metal, which is usually powder coated with a lovely shiny finish. It's used as an external cladding in commercial buildings.

It gives the love streamlined finish, it's low maintenance, it's easy to install so it's actually gotten legs in the commercial construction industry across the last couple of decades because of those practicalities. The aluminium composite panelling comes in 3 broad types in terms of rating. One type is called a fire rated aluminium composite panel. This is where the core filling sandwiched between the layers of powder coated aluminium is of fire rated material.

Then you have a thermal rated aluminium composite panelling and this is where the core filling provides thermal properties for maintaining heat or keeping the temperature at a desired rate within the building. Then there's non-rated panelling where the core filling has no rating at all. This would be where the aluminium composite panelling might be used for signage, for example, where it would be on a billboard or a sign where sign writing graphics could have adhered to it.

In the design phase of construction, it's usual for the architects and consulting engineers to prescribe the building materials and the architect may choose an aluminium composite panelling as an external cladding at the design stage. This is all perfectly normal. Then, what happens is the fire engineer who then engineers the fire protection system, he would assess the fire load of that

aluminium composite panelling that's been specified by the architect and he or she would design a corresponding fire protection system for the building.

We had a little bit of hysteria, in my personal opinion, around aluminium composite panelling because if you have a situation where the architect designed aluminium composite panelling as the exterior architectural finish and then the fire engineer designed a corresponding fire protection system around that panelling you should have an effective, safe building at the end of the construction and certification process.

If we look at the Lacrosse fire, for example, this is an example of the aluminium composite panelling had been designed by the architect and installed and their fire engineer had taken it into account, as far as I've been able to determine through anecdotal and news evidence that he appears to have taken that into account. For all intents and purposes, the fire protection system worked as it was supposed to work when the fire started.

If we can talk about fire engineering for a minute, the principles of fire engineering are ... The intention is that the fire engineer designs a fire protection system that contains the fire at its point of ignition for a long enough period of time for: (A) people to escape from the building and, (B) for the fire services to arrive to put that out. A fire engineer has lots of skills, he or she is an expert in fire dynamics, ignition points, fire loads. The fire engineer would have determined, *"Okay, this is aluminium composite panelling with this fire load. This is how it behaves in a fire and this is the fire protection system I need to design for this building."* At Lacrosse, everyone got out of the building, the fire brigade arrived. Yes, there was damage, of course, there's damage, it's a fire, people, there's always damage. However, we didn't have the Grenfell Tower type scenarios, thankfully.

Amanda Farmer: Yes, which is the London fire.

Lynda Kypriadakis: Yes. If we compare that to the London fire this is where the wheels have completely fallen off the trolley because the Grenfell Tower was already built and certified many years ago. It was concrete or masonry construction and at the time of design and certification, the fire engineering would have been designed in accordance with that concrete construction back in the day. What that body corporate has decided to do is to pretty up the outside of the building with aluminium composite panelling.

This is a very attractive retrofit refurbishment option for body's corporate because it immediately modernises the exterior of your building. From what I understand, the body corporate chose the thermal rated cladding product. They probably ... I'm speculating now, this is just me speculating.

That body corporate probably thought, *"Well, we don't need firing rating because we're a concrete building, nothing's going to happen to our concrete building. We already have a fire protection system so we're all good. But look at the lovely aluminium composite panelling with thermal rating properties. We live in London, it's freezing, and this aluminium composite panelling is going to lower our heating bills because it's going to keep a nice, warm temperature inside our apartments."*

I'm guessing that that is the train of thought that was happening with the body corporate of that building in London. That body corporate didn't engage a private certifier or a fire engineer, they just went directly with the cladding contractor, had the cladding installed, and the rest is history. The fire ignited and because the fire protection system was designed for concrete masonry construction in that building it couldn't cope with the new fire load that was imposed by the aluminium composite panelling and that is why there was that terrible disaster.

Amanda Farmer: Just going back to your comment there, Lynda, about the hysteria and I think how listeners will be well on top of why you say that; Fair Trading, many in the industry have been making comment and publicising concerns about this aluminium composite panelling. I know that at the end of last year, December 2017, there were some new laws that came into effect in New South Wales to what fair trading says to prevent the use of unsafe building products. ACP seems to have been labelled with this unsafe building products term.

It's sounding like from your point of view there's nothing unsafe about ACP in and of itself, it's about the way in which it's installed and what it's installed together with and on what type of building. Is that a fair summary of your position?

Lynda Kypriadakis: Yes, exactly. You can basically clad your building in palm thrones if you like. That probably an exaggeration but as long as it's waterproof, it achieves the minimum standards of the Australian standards and the Building Code of Australia and it's part of a comprehensive fire protection system. The architect can choose whatever building materials he or she desires under instruction from the client. The collaboration between the design consultants is fundamental to the effective outcome of all of the elements of construction.

The amendments to building industry legislation and my interpretation are a tightening up of what already exists around the supply chain. That you as a part of the supply chain whether you're a designer, a supplier or a builder and installer, you have obligations to ensure that the installed materials are fit for purpose and that they are complicit within the big picture of the comprehensive fire protection system.

Where there have been issues is where an architect has specified a fire rated aluminium composite panel and the engineer has based his or her fire protection system design on that. Then, the builder at construction has substituted materials without advising the engineers about that. This does happen sometimes where a builder substitutes materials for all sorts of reasons and those materials don't fit into the original design for whatever reason.

This amendment to legislation doesn't just stop and start with aluminium composite panelling, electrical wiring has been an issue, the piping for flick mixers and other plumbing materials have come into scrutiny as well. It isn't just limited to the aluminium composite panelling. The tightening up of the legislation now imposes extra obligations on everyone in the supply chain so now the engineer can't say, *"Oh, I didn't know, the architect didn't tell me." The builder can't say, "Well, I didn't think I had to get that one, I thought this one was the same."* It's putting a bit more accountability around the supply chain.

Amanda Farmer: That all sounds well and good, of course, for new buildings being constructed with these new laws in place, this tightening of existing regulations in place. What do we do about our existing buildings and this is where we are hearing from our Fair Trading in New South Wales (NSW) and of course other regulators in other states communicating with existing buildings and saying, *"Oh, make sure you haven't got ACP. If you do then take the following steps."*

What should our buildings be doing to find out whether they are like a Grenfell or whether they are like a Lacrosse? How do they determine the difference and know whether or not they can relax?

Lynda Kypriadakis: Fabulous question. It's lovely to obsess over the problem, isn't it? You're not hearing the solution very often. The solution, in my view, the fair step is very simple. Go to the certifying entity for the building. That might be the registered building surveyor in Victoria or it might be the private certifier in Queensland. Whoever certified the building at practical completion of construction will be able to start advising everyone.

The bottom line is that the private certifier or the building surveyor is the accountability entity that the construction process relies upon to hold all the supply chain to account. I recommend to my clients to start there. Go to the private certifier, ask (1) what certification was mandatory around my cladding at the time of practical completion? (2) Did we get it? (3) Is there a problem with my cladding and do I need to investigate that further?

If you start with the private certifier ... In my view, the surveyor or the certifier is the first point of contact because they are the expert in certification. They're the expert in what certificates you need, what standards and compliance you need to demonstrate throughout the construction process. Then, if it turns out the amendments to legislation since construction have imposed new standards and they went around at the time, your private certifier will give advice on what certification you need to chase out. I would just start there, quite simply.

Amanda Farmer: Yes, that sounds like very good advice to me. Those of you who are listening and thinking, *"Oh, what was that*

that Lynda said, I need to write that down." Remember that you can always get the transcript of this episode. Transcripts are downloadable from the Your Strata Property website and you go to www.yourstrataproperty.com.au/ and the episode number. This episode number is 103, so it's **www**.**yourstrataproperty.com.au/103** and you'll be able to get your hands on the transcript.

Shoot that through to your strata manager, to your fellow committee members, and you can take Lynda's very sound advice. Now, you mentioned there, Lynda, making sure that your entire fire protection system in the building as a whole is up to date and functioning well. What steps should our buildings be taking in that respect?

Lynda Kypriadakis: Well, the mandatory maintenance of the fire protection system, the requirements in Australia is well documented in the Australian standards and other state-specific regulations and codes. The ABMA Building Management Code does give guidance to building owners and their managers around what records of maintenance are required but if you're not sure your best protocol is the fire maintenance contractor for your building.

Whatever fire safety installations you have installed in your building must be maintained and certified in accordance with your state specific requirements as well as the Australian standard. If you're not sure, the best thing to do is to get a reputable fire services contractor to meet you on site and to walk around and just double check that you're getting everything inspected and tested.

Amanda Farmer: Great advice. Are you working with buildings, Lynda, or have you been working with buildings who are working through that process of resolving these issues of answering these questions and what are you finding? Are you finding that they have cladding that they should be terrified about or the cladding's there and it's perfectly safe? Are they walking through their building and finding that their fire safety measures are not up to scratch? What's your experience on the ground?

Lynda Kypriadakis: Yes. Well, obviously everyone's asking the question. I wish I carried a recording of my answer because it's inside my throat.

Amanda Farmer: You do now.

Lynda Kypriadakis: Look, I find that these queries are largely driven by insurers. The insurer is saying, *"You've got cladding in your building, we're thinking and considering imposing limitations on claims."* This is where the inquiry is being driven from discovering. Recently, there was an insurer that was reluctant to reinsure a 10-year-old building that was 95% clad in aluminium composite panelling. We went back to the private certifier, as I said, and that private certifier for the building wrote to say that the building was completely compliant at the point of classification or occupancy permit for the building.

In that particular instance, it was a commercial building. That body corporate just said to the insurer, *"We have the mandatory certification here double checked and confirmed by the private certifier. If that's not satisfactory to you we're taking our business down the road,"* and that was all that they heard of that. There was another scheme that also had aluminium composite panelling about 20% of the exterior of that high rise building in the Brisbane CBD had aluminium composite panelling.

Exactly the same thing. The insurer at renewal said, *"People, you've got ACP, we're reconsidering the cover, et cetera,"* and we did the same thing with that. We got the private certifier involved, he wrote the letter reminding every one of the certification at the time. Again, the body corporate said, *"We don't see a problem here. If you won't ensure us we'll go down the road to someone who will."*
I'm not finding any, in my investigations, any aluminium composite panelling that is causing an issue. I heard one of the fire engineers saying just before Christmas, *"Yes, it was the Lacrosse fire and yes there was the Grenfell Tower fire. However, there's millions of other building that haven't burned down so ..."*

Amanda Farmer: That is true.

Lynda Kypriadakis: One does not make a summer. I think it's really important that our building regulators are constantly on their toes and improving our building legislation. I, for one, am very proud of the building legislation in Australia and New Zealand, the best in the world. We're modelled all over the place.

I actually went to the Grenfell Tower myself. I went to London and actually went and saw it with my own eyes. Anyone who's been to London and seen the hundreds of years old buildings there can understand how difficult it would be to get fire standards as good as they are in Australia and New Zealand where we're a young, modern country with modern buildings that have all the high tech inclusions.

Look, I just want to reassure people it's very difficult for there to be shunky building like in Australia. Hold your private certifier or registered building surveyor to account, get them to explain to you what their certification processes were at the time of construction. Because it would be highly unusual for architects and engineers not to have been very, very diligent in the designing of your building.

Amanda Farmer: Especially when it comes to fire safety. I think it's very important to go back, Lynda. As you mentioned at the beginning of the episode with the Lacrosse Building, that building did burn but everybody got out when they needed to. Buildings are designed for that purpose, they are designed to burn and to give people time to get out. That system worked, in the case of that Melbourne building.

Thank you for raising the issue of insurers, it's a really important one. I think we're going to see more and more of that. Insurers are perking up, they're used to this issue and asking builders to explain themselves. Particularly now in New South Wales (NSW), as I understand it there's some draft legislation that's been circulated for submission and it relates to requiring buildings to register if they have, what Fair Trading likes to call combustible external wall cladding, what I imagine is this aluminium composite panels. If buildings are then required to register and that information becomes accessible then the insurers are going to get very busy with those communications. It's important for buildings to have in their toolkit that knowledge and that ability to go to the people who can give the insurers some comfort, and the buildings, of course, some comfort that there's nothing wrong with the panelling that they have in place.

Lynda Kypriadakis: Well, another way of looking at it, Amanda, combustible cladding, it can be timber, it can be fibre cement sheeting, it can be concrete, even in certain circumstances concrete and steel will burn. This is where I do get a little bit frustrated with the language around aluminium composite panelling. It is combustible but so is almost every building material under certain circumstances.

The point that I want to reiterate is that, yes, construction materials do burn, they all do in certain circumstances. This is why we have fire engineering. The fire engineer looks at all the building materials contained within the design and develops a corresponding fire protection system, taking into account the ignition dynamics, the fire loads, all of those components and then designing a corresponding fire protection system.

It only becomes an issue where the building owner retrospectively installs something else that wasn't accounted for in the original design or the builder substitutes materials midway through the construction project and doesn't get a redesign on the engineering. Those are the two, in my view, 2 vulnerable times.

Otherwise, the architect and the engineers will be working with the designed materials which, people, will all burn, so they're all combustible.

Amanda Farmer: Yes, thank you. Thank you for that clarification. I suppose if New South Wales (NSW) is developing a register the buildings have to get themselves on if they have combustible wall cladding. Then we're going to see all the buildings on this register. It's a logical follow through, isn't it? Okay, best get some submissions in on that one, I think that might have closed towards the end of February and we might be seeing some draft legislation coming out and we'll have our chance at that one.

Now, Lynda, you've been on the podcast before and you have had the book question.

Lynda Kypriadakis: I have.

Amanda Farmer: Have you got any new books to share with us?

Lynda Kypriadakis: I have a new book to share. This is one I read about, I can't remember where I read about it. Somebody said,

"Here are the top 5 titles for emerging entrepreneurs," and I said, *"I'll have a look at them."*

Amanda Farmer: You said, *"That sounds like me."*

Lynda Kypriadakis: I actually bought a half a dozen copies of one that I really liked and I gave it away to all the 20 something nieces, nephews, and children in my family around Christmas time. It's called, Finding Your Element.

Lynda Kypriadakis: It's by a fellow called Ken Robinson. It's about how to discover your talents and passions and transform your life.

Amanda Farmer: Love that.

Lynda Kypriadakis: I found it very ... It took me about an hour and a half to read the whole thing because it was very easy reading. It had interesting chapters on how to explore your own negative self-talk and how you might hold yourself back from your sacred life purpose. It's about challenging yourself and your self-criticisms and your fears so that you can overcome them and start that business that you want to have or go and start belly dancing or learning French or whatever ...

Amanda Farmer: or driving a red Mustang. Does that sound familiar, Lynda?

Lynda Kypriadakis: Maybe, maybe. I'm definitely in my element in my red Mustang, I have to say.

Amanda Farmer: Love it.

Lynda Kypriadakis: People, if you have a little dream tucked away go and get Finding Your Element and I think you'll enjoy that read. It might inspire you to venture out of the comfort zone and, yes, bring your sparkle to the world.

Amanda Farmer: I love it as you do, Lynda. Thank you for sharing that book with us, I'll make sure there's a link to that in the show notes, our listeners can check that one out. Now, before we wrap up, make sure you remind us how we can find out more about you and if there's anything you want to add.

Lynda Kypriadakis: All right, I'd love to hear from anybody who is interested. I'm at Lynda from the ABMA so just go to the website, **www.abma.com.au** and just track me down through there, that's probably the easiest way.

Amanda Farmer: Yes, and we'll make sure there's a link to that one in the show notes as well. Thank you so much, Lynda. This is exactly what I had hoped for our listeners today, that we would have this very clear summary, understanding, of what seems like what is perhaps pitched to us as a rather complex, scary issue. You have just done a fabulous job as you did at that SCA Conference last year at demystifying it for us and breaking it down into those clear, few points and giving our listeners who are living in strata, managing strata, and perhaps even working in the building sector, a path forward for how to deal with this effectively.

Lynda Kypriadakis: Yes, yes, that's right. Thank you, it's my pleasure.

Amanda Farmer: I'm sure we'll have you back again soon.

Lynda Kypriadakis: Great, look forward to it.

Amanda Farmer: Thanks, Lynda.

Lynda Kypriadakis: Bye.

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