

23 September 2024

CIRCULAR TO RESIDENTS OF NEW ACTION SOUTH

Important Update on the Hail Remediation Project

Dear Residents,

We hope this message finds you well. We are writing to inform you about important upcoming works on our building that will enhance safety, compliance, and the overall value of our property. Below you will find detailed information about the project, its timeline, and how it may affect you.

1. Background and History

In January 2020, your building suffered damage from a severe hailstorm. The storm affected several components, including:

- **Mechanical**
 - Pipe Lagging;
 - Plant Condensers (exposed fins)
- **Various Cladding Elements**
 - Cedar Fins
 - Brushed Aluminium (sandwich panel)
 - Black Capping (east tower)

Initially, only one of the three main cladding elements requiring remediation was identified. The initial contractor addressed the mechanical damage and provided quotes for replacing the cedar cladding. However, due to changes in building regulations, reinstalling cedar is no longer permissible for buildings like yours, as it is considered combustible. Keeping the cedar would also jeopardise the building's future insurability.

2. Discovery of Combustible Cladding

Upon further investigation, it was revealed that:

- **Both the brushed aluminium cladding and the black capping on the east tower are also combustible.**
- **The cedar cladding, both damaged and undamaged, poses a fire risk under current regulations.**

A Fire Engineering Report (FER) undertaken by Warrington Fire recommended the urgent replacement of all combustible cladding to ensure the safety and compliance of our building.

3. Engagement of Build& for Project Management

Recognising the complexities involved, the Owners Corporation engaged **Build&** to represent your interests. Build& has been instrumental in:

- **Defining the full scope of work required.**
- **Conducting due diligence and coordinating necessary approvals, including from the National Capital Authority.**

- **Engaging with the original architects, Fender Katsalidis, to address moral rights concerns and ensure design integrity.**
- **Drafting contracts and justifying the scope to your insurer.**
- **Adhering to the ACT Private Buildings Cladding Scheme for potential funding options.**
- **Managing the procurement process and negotiating with contractors.**

4. Selection of Duratec and RFT Process

A formal Request for Tender (RFT) was conducted, involving both approved builders under the ACT Private Buildings Cladding Scheme and other reputable contractors. **Duratec** was selected based on:

- **Compliance with RFT requirements.**
- **Offering the best value for money.**
- **Being on the approved list of builders, ensuring eligibility for potential funding assistance.**

Build& provided a comprehensive recommendation report, outlining the selection rationale and risk management strategies.

5. Scope of the Project

The project has evolved from addressing hail damage to a comprehensive cladding replacement initiative. The scope includes:

- **Replacing all cedar cladding with a non-combustible aluminium equivalent that maintains the original aesthetic, including the northern cedar “fins” and balcony areas.**
- **Replacing all brushed aluminium cladding with a non-combustible equivalent that resembles the original design.**
- **Replacing the black capping on the east tower, which will also resolve ongoing water ingress issues.**

6. Funding and Owners Corporation Liability

The project will be funded through two separate models:

- **Insurance Coverage:** A portion of the cladding replacement is covered by your existing insurance policy.
- **Owners Corporation Liability:** The remaining costs will be the responsibility of the Owners Corporation. Decisions on how to fund this liability will be made in upcoming meetings.

Both contracts are undertaken on a Design and Construct basis for the value of the contracts.

Total Project Values:

- Insurance: **\$2,460,839.89 ex GST**
- ACT Private Buildings Cladding Scheme: **\$1,562,264.71 ex GST**

7. Project Timeline and Phasing

- **Expected Start Date:** November 2024
- **Anticipated Duration:** Approximately **10 months** from commencement.

Phasing:

- **Facade Work:** Teams will work on different sections simultaneously to expedite completion.
- **Balcony Replacement:** A dedicated team will coordinate access to individual apartments to replace balcony cladding.

8. Impact on Residents

We aim to minimise disruptions as much as possible. Here's what to expect:

- **Access:** All building and car park access will be maintained to the best of the builder's ability.
- **Noise and Dust:** Work will adhere to EPA guidelines, with noise restricted to standard working hours. Dust control measures will be in place.
- **Scaffolding:** There will be noticeable scaffolding, particularly on the northern side for the cedar fins replacement.
- **Security:** Appropriate security measures will be implemented to ensure resident safety.

9. Cooperation Required

We kindly request cooperation from all residents, especially those:

- **From Ground Floor to Level 3 Units to the north and those to the west.**
- **With Balconies (for cedar replacement).**

Our team will coordinate with you to schedule access to your units when necessary. Advance notice will be provided to ensure minimal inconvenience.

10. Communication Plan

We are committed to keeping you informed throughout the project:

- **Regular Updates:** Expect frequent communications via email and notices posted in common areas and lifts.
- **Meetings:** Information sessions will be scheduled at the AGM to address any questions or concerns. The EC will delegate a representative to attend routine Project control group meetings to be continuously informed as well as provide feedback from the Owners Corporation where necessary.
- **Point of Contact:** For any immediate concerns, please contact Grady Strata.

11. Alternative Cedar Product Selection

An aluminium product that closely resembles the original cedar has been selected to maintain the building's aesthetic appeal while ensuring compliance and safety.

1. **Product Details:** Samples and specifications will be available for viewing in the building foyer soon.
2. **Architectural Integrity:** Fender Katsalidis has been consulted to ensure the new material aligns with the building's original design intent.

12. Preservation of Interior Timber

We want to assure you that **the timber inside the foyer will remain unchanged**. This has been a common question, and we understand the importance of this feature to the building's character.

13. Build& Project Management and Superintendency Role

Build& will continue to:

- **Oversee the project's progress and quality.**
- **Manage communications between all stakeholders.**
- **Ensure compliance with all contractual and regulatory requirements.**
- **Represent the Owners Corporation's best interests throughout the project.**

14. Approvals and Compliance

All necessary approvals are being obtained, including:

- **National Capital Authority permissions (already attained)**
- **Compliance with the ACT Private Buildings Cladding Scheme. (pending AGM direction)**
- **Adherence to updated Building Code regulations (since 2016).** Once approved to proceed we will seek Building Approval.

We appreciate your understanding and cooperation as we undertake these essential works. Our collective efforts will result in a safer, compliant, and aesthetically pleasing building that we can all be proud of.

If you have any questions or require further information, please draft your questions and issue them in preparation for the AGM.

Kind regards,



Josh Hogan

Partner | Build& Pty Ltd