

Submission of BCTRAG Agenda Items

Submitted by:	Bruce Curtain / Michael James	Submitted on:	02/08/19
On behalf of:	NZIA / SFPE		
Risk Title: What is the risk	Aluminium Composite Panels (ACP) Consequential implications for buildings clad in ACP where insurance is withdrawn to landlords and tenants as well as a view that H&S at Work Act may drive mass building evacuation.	Confidential data: Check if communication is to be limited to permanent BCTRAG members	<input type="checkbox"/>
Building Code Clause impacted: If known	C3.5, C3.7		
Potential impact or Harm arising from this Risk Consider the impact this risk may cause if it occurred e.g: - Financial, - Innovation stifled, - Loss of life, - Building damage, - Environmental - Productivity loss - Others....	Grenfell Tower in the UK and La Crosse in Sydney are among several high-profile ACP façade fires globally in recent years. The danger to property, and particularly occupants, from rapid and uncontrolled fire spread has been widely publicised. Recent Australian case law and anecdotal evidence indicates widespread loss of insurance implications for buildings clad in ACP. Recognising the issue for building owners and tenants (particularly body corps) the Victorian state government has made a provisional \$600m fund to partially support reclad programme, although estimates suggest 3-4 times this figure may be required. Case law has implications for all parties across the design, consenting, construction and supply chain.		
How prevalent is this risk now and in the future Consider: - impacted population - will the risk grow over time with or without intervention	Auckland and Wellington Councils have identified lists of buildings (116 and 113 respectively) typically within the CBD with potential ACP cladding. Other councils have produced similar lists but haven't publicly released them. These buildings will be primarily commercial, multi-unit residential, retail, hospitals and other major public buildings. Cost and disruption implications for a major recladding programme would be significant to the NZ economy.		
Factors influencing magnitude of risk Consider: - How urgent is addressing the risk to country or sector. - what is the opportunity cost of the risk materialising	Similar to EQP legislation the immediate evacuation of buildings may be forced through tenants taking a risk averse view of the H&S at Work Act implications for their staff. This can lead to significant business and personal disruption and relocation to other premises – if available. Risk based assessment techniques to mitigate may or may not be available to provide depending on PI insurance cover conditions.		
What caused the risk to come to your attention?	Recent UK and Australian experiences which seem to be ahead of our own NZ market/industry, but are connected by global insurance, trans-Tasman businesses, etc		
Cost Benefit Analysis	TBC		
Supporting files attached - Journal papers - Research	N/A		