



Flammable Cladding

College Chronicle
Newsletter

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Australian College
of Professionals

RTO 91513

Flammable Cladding

In recent years the phrase “Flammable Cladding” has made a real impact on the strata industry.

Unfortunately for many strata owners, there has also been a very costly impact to remedy a major building defect that they were not aware of when purchasing into their strata schemes.

For many Owners Corporations, this has meant having to agree to excessive special levies to pay for the works to remove and replace the flammable cladding that was identified as being used on their buildings as well as issues faced with insurance companies refusing to insure their buildings and dealings where possible with the original owners (the developers) of the building to have a major defect dealt with in a timely manner.

For those Owners Corporations that chose to be proactive and began the remediation process at an early stage, prior to the introduction of “Project Remediate”, there may now be availability for them to apply for retrospective assistance.

Project Remediate is a project initiative by the NSW Government to assist Owners Corporations with the remediation process and costs. It is a voluntary, opt-in program that offers:

- 10-year interest-free loans to fund the remediation work
- quality assurance and program management services delivered by

experienced professionals.

Owners Corporations who began cladding remediation work on, or before, 30 June 2021 may be eligible for financial assistance as part of Project Remediate.

For Owners Corporations to be eligible, they must have:

- passed a strata resolution to enter into a contract for cladding remediation work on or before 30 June 2021, and
- agree to the terms set by the Office of Project Remediate, which includes the alignment of all cladding remediation work with the scope of work supported by Project Remediate.

Retrospective assistance will apply to the same scope of work as Project Remediate, which is cladding remediation and directly associated facade repair work.

Eligible Owners Corporations can either:

- Receive a lump sum
The owners corporation would receive a lump sum payment equivalent to the interest that would have been paid by government under Project Remediate. This amount will be based on the interest cost to government of a Project Remediate loan for the same amount spent by the Owners Corporation on eligible remediation work, or
- ‘Refinance’ with an interest-free loan
If the Owners Corporation borrowed funds using a strata loan, the loan can be refinanced with an interest-free loan provided through Project Remediate. Any refinancing, early repayment or ‘break’ costs will be paid by the Owners



Corporation. If a portion of the borrowed funds was used for other purposes, only the amount used for cladding remediation may be refinanced.

A combination of these assistance arrangements may also be applicable in some circumstances.

Strata Managers who are managing class 2 strata buildings that have identified flammable cladding on their buildings, and have already begun the remediation process prior to 30 June 2022 should investigate this extension to Project Remediate to assess if this is a viable option now open to their Owners Corporations.

Rosy Sullivan
Director | College Principal

Did you know???

Businesses with an aggregated turnover of less than \$50 million are entitled to claim a **120% deduction** for eligible expenditure, which includes external training courses delivered by a Registered Training Organisation (such as ACOP) in Australia.

This deduction is available until **30 June 2024**.

Now you know.....there is no better time to support your employees through training opportunities

From the office

This past fortnight has been one of consolidation at the College. The trainers have been busy finalising the content for the new CPD sessions which kick off next week – and off we go again for the 2023 CPD year. We have nine (9) separate topics for CPD for all the different categories of licence holder, so getting all nine (9) booklets ready is keeping everyone active. In the meantime of course, our usual licensing courses are still rolling. Our new training calendar is now released for the coming year, and it includes the opportunity for people to access fee-free government training for real estate, mortgage broking, business administration and leadership & management. This is a wonderful opportunity for those people who are not eligible for a traineeship, they can now access fully funded government training.

The College took the opportunity to close on the Monday before Anzac Day and make it a four-day weekend. Many of the ACOP team attended Anzac services and remembered those who had gone before us in fighting for our country and our way of life. A couple of short weeks in April and we all have the energy to run into May with all the new CPD training courses about to launch.

We only had one birthday during the past fortnight and that was for Michelle Ludlow, our Chief Operations Officer. She celebrated with her family and friends, and whilst it wasn't "officially" a birthday present, she did welcome a new little ragdoll kitten into her family. The videos and the photos are making us all (well most of us) very jealous.

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