



ACT
Government

PRIVATE BUILDINGS CLADDING SCHEME

Scheme Guidelines

July 2021



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SUMMARY OF GRANTS (REBATE) SCHEME

Opening date:	21 July 2021
Closing date:	Owners Corporations have until 21 July 2022 to apply for the Grant.
Enquiries:	<p>If you have any questions, contact the Private Buildings Cladding Team by email or phone.</p> <p>Email: claddingprogram@act.gov.au</p> <p>Phone: (02) 6205 3303</p>
Type of grant opportunity	<p>Open non-competitive.</p> <p>Applications will be assessed individually against the eligibility criteria, with funding decisions in relation to each application being determined without reference to the comparative merits of other applications</p>
When does the testing and assessment of the cladding have to be completed by?	Grantees (approved applicants) have until 20 December 2022 to undertake the testing and assessment of the cladding.
When does the Testing and Assessment Report have to be provided by?	The Testing and Assessment Report must be provided to the ACT Government via the Scheme's SmartyGrants portal within 14 days of being received by Grantees.
When will the rebate be paid?	<p>To be paid the rebate, Grantees must submit:</p> <ul style="list-style-type: none"> (a) all invoices and receipts of payment received; (b) where relevant, all receipts of payments made; and (c) all Testing and Assessment Reports received. <p>The rebate will be paid within 30 days of acceptance of all required documents.</p>
How much is the rebate?	The rebate is 50% (up to a maximum of \$20,000 ex GST) of the cost of the testing and assessment of the cladding on a building.
Defined terms	Capitalised words are defined in the Glossary at clause 15 .
Relevant websites	All websites mentioned in these guidelines are hyperlinked and are also available in full in the Website Addresses section at clause 16 .

THE GRANTS PROCESS

The grant opportunity opens

You have until 21 July 2022 to apply for a Grant.

You complete a grant application and submit the application online using the **SmartyGrants** Portal.

A member of the Cladding Team will assess your application and you will be notified of the outcome.

If your application is approved you will need to sign a Grant Agreement and submit a completed Supplier Account form and provide details of your professional services provider(s).

When all the work has been done, you need to submit all invoices, receipts of payments and all Testing and Assessment Reports. You should receive your rebate within 30 days of all required information having been received.





1. INTRODUCTION

These guidelines contain information about the Private Buildings Cladding Grants Scheme.

You should read these guidelines before completing an application.

This document sets out:

- the purpose of the grant opportunity
- the eligibility and selection criteria
- how grant applications are considered and selected
- how Grantees are notified and receive grant payments
- the steps the Grantee must undertake to fulfill their obligations under the grant
- when the Grantee will receive the rebate; and
- responsibilities and expectations in relation to the grant opportunity.

We have defined key terms (which are capitalised) in the **Glossary at clause 15.**

The Scheme has been established by the ACT Government. This grant opportunity and process will be administered by Major Projects Canberra, a directorate of the ACT Government.

An online application form is available from Grants ACT www.grants.act.gov.au.

2. THE PRIVATE BUILDINGS CLADDING SCHEME

The ACT Government is committed to ensuring the safety and well-being of all ACT residents.

Combustible cladding has been used on apartments and other buildings within the ACT and may pose an unacceptable fire safety risk if not properly installed or managed. The level of risk posed will depend on several factors including the type of cladding used and the way it is fixed to the building, the total coverage of the cladding, where it is located on the building, and fire safety systems present on the building.

The responsibility to maintain a safe premise, which may include identifying and addressing combustible cladding, is held by the building owner(s) for each building in the ACT.

Understanding the level of risk posed by combustible claddings on ACT apartment buildings will help Grantees and

the ACT Government understand the nature of any future response required.

On 21 July 2021, the ACT Government announced an assistance scheme – the Private Buildings Cladding Scheme (the Scheme) – a voluntary scheme for Grantees of eligible Class 2 (residential apartment) or mixed use (residential apartment and other uses) buildings in the ACT.

This Scheme will assist eligible Owners Corporations to ensure the safety and wellbeing of residents in eligible buildings. This grant opportunity aligns with the ACT's Wellbeing Framework to achieve wellbeing in relation to Housing and home and Safety objectives.

What does the Scheme offer?

The Scheme supports Grantees of eligible buildings to obtain professional advice to undertake testing and assessment of the cladding on their building to:

- confirm whether their building has combustible cladding (testing of cladding);
- understand the level of safety risk to residents of the building by the presence of combustible cladding (assessment of risk);
- understand the scope of any remediation works which may be required to reduce the risk to an appropriate level, including an assessment of cost and time to complete the works; and
- understand any interim fire safety measures that should be implemented in the building while remediation works are considered.

The ACT Government will provide **financial assistance** towards the cost of obtaining this professional advice by providing a rebate to eligible Owners Corporations (50% of the cost of obtaining this advice to a maximum rebate of \$20,000 ex GST).

The ACT Government will provide **practical assistance** to Owners by providing clear information on combustible

cladding and how Owners may approach the task of remediating their building.

The ACT Government will also host a **Register of Potential Suppliers**, which is a list of professional service providers in the ACT who have met the criteria of the Register to undertake cladding testing and assessment work.

After testing and assessment - then what?

Testing and assessment is the critical first step in assessing the fire safety risk of the cladding on a building. For some buildings, the Testing and Assessment Report (the Report) may suggest fire mitigation strategies, while for other buildings the Report may recommend wholesale or partial removal of the cladding (remediation).

The ACT Government is committed to developing a remediation scheme which will provide financial assistance through concessional loans to eligible property owners needing to remediate the cladding on their buildings. Generally, participation in the testing and assessment phase will be required in order to be eligible for participation in the future remediation scheme.

3. REBATE AMOUNTS AND PERIOD OF GRANTS

Rebates of up to 50% of the costs of testing and assessment work (to a maximum of \$20,000 ex GST) are offered per building.

Grantees have until 21 July 2022 to apply for the Scheme and until 20 December 2022 to undertake the testing and assessment of the cladding.

4. ELIGIBILITY CRITERIA

4.1 Who is eligible to apply for the Scheme?

Owners Corporations of **eligible** buildings located in the ACT can apply to join the Scheme. Individual owners of apartments within a building are not eligible to apply.

Only one application can be made for each building.

An authorised representative of an Owners Corporation, such as a Strata Manager, may submit the application on behalf of the Owners Corporation and undertake all administrative steps required under the Scheme.

Eligible building types

To be an eligible building under the Scheme, a building must:

1. be a multi-use or solely residential-use building;
2. have a **rise of at least three (3) storeys** under the National Construction Code;
3. be a class 2 apartment building or involve a Cluster of buildings¹; and
4. be reasonably judged by the Owners Corporation to have cladding, which may be combustible cladding. Guidance is available from [Does my building have cladding? Might it be combustible cladding?](#)

4.2 Exceptional circumstance - discretion for Owners with non-eligible building types

Generally, the Scheme is intended to cover testing and assessment of cladding on multi use residential and solely residential apartment buildings which are three (3) storeys or above.

However, if a building does not meet the criteria (above), but the owners believe that:

- the cladding on the building poses a significant fire safety risk; and
- that the ownership structure of the building means that it is unlikely that the owners would be able to fund testing and assessment without access to the Scheme's rebate;

then the Owner may apply for admission to the Scheme.

All applications for discretionary entry into the Scheme will be considered by the ACT Government which may exercise its discretion to allow the Owner access to the Scheme.

If an Owner is seeking admission under this discretionary provision, the Owner will need to attach to the application:

- reasons why the Owner thinks the cladding on the building poses a significant fire safety risk (reasons could include age of building, numbers of exit points from the building, location of the building);
- any evidence the owners may have of the increased fire safety risk (eg photos, professional reports etc);
- reasons why the operation of the ownership structure is such that access to the Scheme is required; and
- if an Owner is in the business of providing a service or goods for profit from that building – a certified profit and loss statement for the last three years.

4.3 Can an Owners Corporation apply for the Scheme if testing and assessment has already been undertaken on their building?

The ACT Government will decide applications for retrospective access to the Scheme. Owners Corporations may only be considered for retrospective access to the Scheme if the testing and assessment they have undertaken has resulted in a written, comprehensive report (or series of separate reports) that details:

- Whether the cladding is combustible cladding;
- The level of fire safety risk posed by the cladding on the building;
- The scope of remediation works which may be required to reduce the risk to an appropriate level;
- The cost estimate of the required remediation; and
- Any interim fire safety measures that should be implemented.

Testing and assessment services that are being claimed retrospectively cannot have been undertaken prior to 27 August 2020. The company conducting the testing and assessment must meet the eligibility requirements of the Register of Potential Suppliers.

¹ See definition in the [Glossary at Clause 15](#).



5. ELIGIBLE SERVICES UNDER THE GRANT

The Scheme will provide a rebate towards the cost of testing and assessment of the cladding to (a) confirm whether it is combustible cladding (b) assess the fire safety danger posed by the cladding and (c) provide options to minimise the fire safety risk posed by the cladding.

To undertake this work, the Scheme will provide the rebate on any combination of or all of the following services:

- a visual inspection and/or approved laboratory testing to confirm whether a building has combustible cladding;
- detailed expert building inspection/s to understand the level of safety risk to residents of the building by the presence of combustible cladding, to be carried out in accordance with the [Engineers Australia Fire Safety Verification Method](#);
- initial design work to scope remediation works required to address the issues identified in the detailed building inspection to at least reduce the risk to a low level and ensure new works continue to comply with the National Construction Code;
- initial costing of the scoped works, statutory costs including Building Approval, and an assessment of time to complete the works;
- identification of any interim fire safety measures that should be immediately implemented in the building; and
- the preparation of a Comprehensive Testing and Assessment Report.

6. WHAT SHOULD THE TESTING AND ASSESSMENT REPORT CONTAIN?

The Testing and Assessment Report should:

- confirm whether the cladding which has been tested is combustible cladding;
- detail the level of fire safety risk to residents of the building by the presence of combustible cladding;
- explain the scope of remediation works which may be required to reduce the risk to an appropriate level;
- provide a cost estimate of the required remediation works; and
- detail any interim fire safety measures that should be implemented in the building until remediation works are implemented.

7. HOW TO APPLY

7.1 Online process

Application for admission to the Scheme is online through the grants web portal [SmartyGrants](#).

If further assistance is required with the system, please go to the [Guide to using SmartyGrants](#) in the first instance.

There are three parts to the Scheme application:

- questions about the applicant;
- questions about the building; and
- questions about the professional service providers that the Owners Corporation is proposing to use.

In addition, Owners Corporations will be asked to include any supporting information that they may have (e.g. photos).

Owners Corporations are responsible for ensuring that their application is complete and accurate. Under section 338 of the Criminal Code 2002, giving false or misleading information may incur a fine and/or imprisonment of up to a year and may exclude your application from further consideration.

Applications will not be accepted after the closing date.

7.2 Assessment and notification of application outcomes

The ACT Government will assess each application and approve (or otherwise) admission to the Scheme. Each applicant will be advised of the outcome by email.

7.3 Review Rights

The decision of the ACT Government is final in all matters, including:

- the approval of a grant;
- the terms and conditions of the grant;
- the approval of a rebate; and
- the rebate amount to be paid.

7.4 Confidentiality

All material submitted as:

- part of an application or
- in a Testing and Assessment Report provided to the ACT Government at the completion of the services or
- as part of an invoice or
- as part of a professional service providers submission that they have the experience, qualifications, memberships, licenses and insurances to undertake cladding work will be treated **confidentially**.

Due to the sensitivities of this project and the need to protect the identity of buildings that may have a heightened risk of arson, the names and addresses of Grantees will not be posted in ACT Government public reports. However, data may be de-identified or grouped in order to provide public reporting on this Scheme.

Testing and Assessment Reports, or any components of those reports relating to fire risk which are provided to the ACT Government may be provided to ACT Fire and Rescue and other parties for their review and advice.

8. KEY RESPONSIBILITIES OF GRANTEES

8.1 Agreement between the Grantee and the ACT Government

All Grantees will be required to enter into a grant agreement with the ACT Government before they are admitted to the Scheme. Grant Agreements will set out:

- the terms and conditions of the grant;
- the length of time of the grant;
- the responsibilities of each party;
- the use of professional services providers; and
- how and when the rebate will be paid.

8.2 Key requirements of the Scheme

All grants are conditional and include terms and conditions that must be complied with in order to receive the rebate.

The key terms of the Grant Agreement are detailed below.

8.2.1 Successful applicants will be required to enter into a Grant Agreement with the ACT Government, which sets out the terms and conditions on which grant funding will be provided, including acquittal arrangements.

Once the grant has been approved, the ACT Government will send the Grantee:

- a Letter of Offer;
- the Grant Agreement;
- a Supplier Account Form seeking the bank account details of the Grantee into which the rebate shall be paid; and
- a request for details of their professional service provider.

The Grantee must execute the Grant Agreement, complete the Supplier Account Form, provide details of their professional services provider and return all information and documentation to the ACT Government within 14 days of receiving the Letter of Offer, via the [SmartyGrants](#) portal.

8.2.2 After the Grantee has entered into the Grant Agreement they must organise an eligible service provider to test and assess the cladding before 20 December 2022.

8.2.3 To be paid the rebate, the Grantee must provide to the ACT Government a copy of:

- all invoices received from their building professional/s for the testing and assessment of the cladding

- the receipt of these payments; and
- all testing and assessment reports from their building professionals for the testing and assessment of the cladding.

8.2.4 The ACT Government will not pay the rebate until and unless all Testing and Assessment Reports have been submitted.

8.2.5 The invoice/s and receipt/s must be provided via the [SmartyGrants](#) portal and be properly rendered in that it includes:

- the name and address of the building on which the testing and assessment was done
- the name of the building professional and their ACN, ABN or ARBN number
- the contact details of the building professional
- any GST payable; and
- sufficient details as to services provided and the costs incurred.

8.2.6 The ACT Government will rebate 50% of the value of all receipts (up to the maximum rebate of a total of \$20,000 ex GST) into the nominated account of the Grantee following receipt of all required information.

9. RELEVANT TIMEFRAMES

Grantees have until 21 July 2022 to apply for admission to the Scheme.

Grantees have until 20 December 2022 to:

- engage the required professionals; and
- receive all Testing and Assessment Report(s).

Grantees may submit all Testing and Assessment Reports received when they submit their invoices and/or receipts for the payment of the rebate payment.

Program Timetable

DATE	MILESTONE
21 July 2021	Applications open for the Scheme
21 July 2022	Applications close
20 December 2022	All services must be completed

10. PROFESSIONAL SERVICE PROVIDERS

10.1 Ensuring professional service providers are appropriately skilled

Professional service providers utilised by Grantees must be appropriately skilled, qualified and insured to provide services under the Scheme.

Grantees are able to propose their choice of professional service providers if they are successful in admission to the Scheme.

Major Projects Canberra hosts, on its website, a Register of Potential Suppliers (the Register) who are able to undertake cladding services. These companies provide relevant professional services in the ACT to address cladding testing and assessment, and have qualifications, experience, and insurance coverage relevant for cladding work.

The Register contains project managers, fire engineers, architects, façade and structural engineers, building surveyors/certifiers, and quantity surveyors.

If a Grantee chooses a professional service provider(s) from the Register, this professional service provider(s) will be considered automatically able to provide services to Grantees.

Grantees who are not using professional service providers from the Register, will be required to provide the Cladding Team with details of the professional service provider(s) they intend using.

These professional service providers will be required to satisfy the ACT Government that they meet the requirements of inclusion on the Register before being able to provide services under this Scheme.

Professional service providers not on the Register will be required to provide proof of:

- the experience of relevant staff – by providing resumes for each staff member likely to be contracted by the Grantee, as a result of the Scheme;
- the qualifications of relevant staff;
- appropriate levels of insurance; and
- memberships of relevant professional bodies.

10.2 Negotiation to provide services from professional service providers on the Register

It is the responsibility of each Grantee to choose its own professional service providers to meet the needs of each building.

The ACT Government does not warrant the services of any providers on the Register and Grantees are to undertake their own due diligence and make enquiries to satisfy themselves before committing to a contract of services.

The ACT Government has not negotiated any set rates with any professional service provider – rates must be negotiated, as per normal commercial practice, between a Grantee and a professional service provider.

The ACT Government is not responsible for any failure to provide services or failure to pay between contracted parties.

11. OUTCOMES AND HOW THIS WILL ASSIST IN FUTURE REMEDIATION WORK

The expected outcome from the Scheme is that participating Grantees of buildings with combustible cladding will:

- undertake a detailed inspection of their building; and
- receive a Testing and Assessment Report (the Report) which details the level of risk the cladding may pose, next steps to mitigate the potential fire risk, and details the likely cost of rectification work.

The Report can be used by Grantees to identify risk and prioritise remediation of buildings according to the risk level posed by the cladding.

The Report can be used to provide accurate information to residents and potential purchasers of apartments.

The Report can also be used by Grantees to discuss insurance options with insurers and ensure that remediation actions taken will result in the building being able to be fairly insured without cladding caveats.

A copy of any Report produced under this Scheme will be required to be provided by the Grantee to the ACT Government.

Each Report will be reviewed by ACT Fire and Rescue in order to advise Government on the risk profile of apartment buildings in the ACT. Information in the reports may be used by the ACT Government to develop the remediation scheme to assist eligible property owners. The Reports will not be publicly released.

12. PROCESS FLOWCHART



13. ACCESSIBILITY INFORMATION

The ACT Government is committed to making its information, service, events and funding opportunities accessible to as many Canberrans as possible.

If you have difficulty reading a standard print document and would like to receive this publication in an alternative format – such as large print or audio – please telephone **(02) 6205 3303**.

If you are deaf, or have a hearing or speech impairment, contact us through one of the following:

- National Relay Service (NRS) www.relayservice.gov.au then ask for **1800 199 090**.
- TTY users phone **133 677** then ask for **1800 199 090**.
- Speak and Listen users phone **1800 555 727** then ask for **1800 199 090**.

For interpreting assistance in languages other than English, telephone the Translation and Interpreting Service on **13 14 50**.

14. QUESTIONS?

Additional information can be obtained from the website of the ACT Cladding Rectification Program at www.act.gov.au/majorprojectscanberra/our-projects/act-cladding-rectification-program.

If you would like to talk to a staff member, please contact us on **(02) 6205 3303** between 9.30am and 5pm daily. You can also email us at CladdingProgram@act.gov.au.

For media enquiries please contact Major Projects Canberra at MPC.Media@act.gov.au.

15. GLOSSARY

TERM	DEFINITION	SOURCE OF DEFINITION
Class 2 buildings	Class 2 buildings are apartment buildings. They are typically multi-unit residential buildings where people live above and below each other. Class 2 buildings may also be single storey attached dwellings, where there is a common space below.	National Construction Code, Building Classifications
Cluster of buildings	A cluster of buildings is defined as a tight grouping of residential dwellings with the potential for fire spread between buildings posing a high risk, should a fire event occur.	
Grant	An arrangement where money is provided to a recipient as financial assistance by the Territory for a specified purpose that enables the recipient to achieve goals and objectives that are consistent with Territory policy.	Administration of Government Grants in the ACT policy
Grants ACT	The website on which all ACT grant opportunities are advertised.	
Grant activity/s	Refers to the tasks/services that the grantee is required to undertake or ensure is undertaken	
Grant Agreement	Sets out the relationship between the parties to the agreement, and specifies the details of the grant	
Grantee	An Owners Corporation or Owner which has applied for a Private Buildings (Rebate) Grant and has been approved.	
Major Projects Canberra (MPC)	Major Projects Canberra is a directorate of the ACT Government and was established on 1 July 2019 to lead the procurement and delivery of the ACT'S infrastructure program.	
Owners	An Owner is the registered proprietor of the lease of the unit and includes a part-owner.	
Owners Corporation	Owners Corporations are established under section 8 of the <i>Unit Titles (Management) Act 2011</i> . Collectively the owners corporation is responsible to carry out tasks required under relevant laws including the maintenance of common property, infrastructure, and shared amenities.	
Professional Service Provider	A person who has the qualifications, experience, licences, insurances and memberships to undertake cladding works in the ACT.	
SmartyGrants	SmartyGrants is a grants management system used by the ACT Government. It helps grant recipients and granting organisations to record and track all the details around grant transactions.	
Strata Manager	Strata Managers are individual employees of a Strata Managing Agency. The Agency is engaged by the Owners Corporation to manage the day-to-day affairs of the Units Plan under direction of the Executive Committee and Owners Corporation.	
Supplier Account Form	A form which requires details of the nominated bank account into which a Grantee wants their rebate paid.	
Testing and Assessment Report	A report provided by building professionals engaged by an Owners Corporation or Owner which details: <ul style="list-style-type: none"> • whether a building has combustible cladding; • the fire safety risks posed by the cladding; • options to mitigate the risks posed by the cladding and recommended way forward; and • costs of each option. 	

16. WEBSITE ADDRESSES

WEBSITE	ADDRESS
SmartyGrants	smartygrants.com.au
Major Projects Canberra	www.act.gov.au/majorprojectscanberra
Act Cladding Rectification Program	www.act.gov.au/majorprojectscanberra/our-projects/act-cladding-rectification-program
Grants ACT	www.grants.act.gov.au
National Relay Service	www.relayservice.gov.au
Engineers Australia Fire Safety Practice Guides	www.engineersaustralia.org.au/FSVM



