

Bankstown fire building residents still given no date to return

Our reporters
10 October 2012

Anxious apartment owners from the Euro Terraces complex involved in the September 6 fire attended an emergency general meeting convened by the strata management last Sunday, hoping for information on when they, or their tenants, would be able to return to their homes.

After a month of living without decent alternative accommodation, the owner-occupiers, as well as the building's tenants, are increasingly frustrated. Other apartment owners, who lease out their units, face financial difficulties because of the loss of the rental income they need to pay off their mortgages.

While waiting for Sunday's meeting to commence, residents again voiced their anger over the refusal of government and council authorities to organise alternative accommodation. One unit owner said he had been housed in a motel for three days, then left to find his own housing. Since then, he had been sleeping on the floor of his brother's house.

A Somali woman, who had been living in the building under the federal government's National Rental Affordability Scheme, tried to attend the meeting, but was excluded because she was not a unit owner. She and her daughter were living in a motel room, organised by the Mission Australia charity, but had been told they would have to find their own accommodation from October 20.

The woman spoke about the trauma of the September 6 fire, when she and other residents found themselves caught inside their apartments by the dense smoke that had been trapped by the building's atrium roof. "The smoke was so thick that I could not see anything inside my apartment," she said. "I was there for an hour before I was rescued by the fire brigade. I thought that maybe it was my day to die."

The Somali woman said that during the nine months

she had lived in the building, the fire alarm had kept going off constantly. As a result, on the day of the fire, she had only realised the danger that she faced after she had begun to smell smoke. "The alarm had kept going off all the time," she said, "so many times that I cannot recall exactly. It was happening right up until the day of the fire."

The strata management and owners' strata committee told Sunday's meeting they were unable to give any definite timeframe for the reopening of the building, which has been shut by order of the Bankstown City Council. The strata committee said the roof of the building's atrium had to be removed, as ordered by the council on September 13. This reconstruction work is likely to take a considerable time.

A strata committee representative rejected a written request by a resident owner for the WSWs to attend Sunday's meeting.

An owner-occupier told the WSWs after the meeting: "The council has ordered that the roof has to be removed and some other issues. Up until now, there is not a single definite answer on when residents are allowed to return. No information was given about the original builder, the current repairer, or the insurance. Another meeting will be held in near future to give another update to all residents.

"In summary, nothing was new from the meeting. It was just another 'let's hope,' 'maybe,' or 'I don't know.' It looks like the owners will have to bear all the costs."

The 96 apartment owners and their tenants now face further delays, mounting expenses and possible legal and insurance disputes. Bankstown City Council approved the building's construction in 2003, but has

washed its hands of any responsibility for the fire safety flaws that have been discovered, including the lack of internal sprinklers, the dangerous atrium roof, faulty alarms and inadequate fire resistant doors.

On September 10, the council issued an “emergency order” preventing the building from being occupied until New South Wales Fire and Rescue issued a fire safety certificate. Three days later, it issued additional orders on the building’s owners and strata management, including the “removal of atrium roof and horizontal louvres” and “making safe the electrical system on balconies (powerpoints).”

These orders made no mention of sprinklers, alarms and fire doors, leaving it unclear whether any fire safety certificate will address these issues, which also affect the residents of the 50 units in adjoining Building A. Nor was there any mention of any previous fire safety orders issued by the council, and whether they were enforced.

After Sunday’s strata meeting, unit owners expressed many concerns to our reporters, including about the flimsy apartment doors—which were supposedly certified fire resistant—and the committee’s advice that they must apply to the insurance company to cover their losses.

Insurance companies are notorious for their refusal to cover, or fully compensate, victims of such disasters, including the recent Queensland floods and Victorian bushfires. There are likely to be disputes between the council, the strata committee and the strata insurance company, CHU Underwriting Agencies, over who is liable for the rectifications and other costs.

CHU’s residential strata insurance plan, which is available on its web site, has a limit of just 15 percent of the sum insured, or up to \$1,500 per unit, on claims for rental losses and temporary accommodation. It has many exclusions, including for “non-rectification of an insured property defect, error or omission that you were aware of, or should reasonably been aware of.”

This clause may be invoked to shift the liability onto the owners themselves, even though they bought their units on the understanding that the council had approved the development. The Euro Terraces complex was constructed by the Silky Group, a Sydney company, with the aid of federal and state government subsidies. When Euro Terraces was put on the market in 2009, the apartments were advertised as having

“good fire and shock proof quality.”

Every aspect of the fire tragedy—from the shoddy and unsafe construction, to the governments, local, state and federal, that facilitated it, and the role of the insurance industry—demonstrates the complete subordination of the basic social right to safe and affordable housing to the interests of corporate profit. All residents, and working people and students concerned about the critical issues raised by the fire, are urged to attend a public meeting called by the Socialist Equality Party in Bankstown on October 15. [Click here](#) for meeting details.



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