

Australia: Opal Tower builder stops paying hotel fees for some evacuated residents

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Icon, the construction firm which built Opal Tower in Sydney Olympic Park, has cut off hotel fee payments for 20 percent of residents in the apartment block who were evacuated last month despite not providing residents evidence the building was safe, nor responding to residents' concerns.

On Monday Icon said Cardno, the engineers for body corporate, had completed a report confirming the 74 apartments could be reoccupied, but this report has not been made public and apartment owners and residents state they have not received it. This also coincides with growing signs of anger among residents.

The builder had previously announced two weeks ago that it would end accommodation payments to a number of residents but was forced to extend payments after Cardno had said the building was not safe.

Despite ongoing uncertainty over the safety of the building, some residents have already been compelled to return.

A photo posted on the Opal Tower Sydney Residents Facebook group last Monday showed seventeen apartments on one side of the building with internal lights on, indicating that they are occupied. As of last week only about sixty residents, out of approximately 600, had reoccupied the building.

The 36-floor, 397 apartment building was temporarily evacuated on December 24 last year. It was fully cleared on December 27 after cracks were found in the wall panels of recessed atriums on level 10.

A subsequent investigation has identified problems on five levels, including cracking in concrete floor slabs, concrete wall panels and the hob beams they rest on.

Residents only began moving into the newly-completed building during 2018. Some 120 of the apartments cannot be reoccupied while repairs are

completed. Some may lose a square meter, or approximately one percent, of their floor space to allow for repairs.

On Tuesday, the *Daily Telegraph* reported that residents had written a letter calling for Prime Minister Scott Morrison and New South Wales (NSW) Premier Gladys Berajiklian to intervene and address their plight. The letter stated: "All residents have already experienced enough serious mental and financial stress during this crisis."

The letter denounced moves to force residents to reoccupy the building, stating: "We should not be further subjected to the noise and dust, heavy machinery, loose construction materials, and the large amount of workers moving in and out of our building while Icon fixes problems that should have never been there in the first place... Our residents do not want to move back until all rectification works are completed."

Residents have also expressed concern on social media. A student nurse sent a letter to Icon, which she shared on Facebook last Sunday. It stated: "I demand to receive an official safety certificate for my apartment, instead of just mere confirmation from Cardno or any other engineers that the apartment is ready to be occupied." The letter concluded that she would not reoccupy her apartment until "the entire building is fixed and delivered as new."

Lee Hoe Gui, another resident, wrote on Facebook on Monday: "No one can guarantee the safety of lives at this stage." She asked: "Why do we have to take the risk?" She noted that construction workers engaged in repairs were using lifts alongside residents who have reoccupied the building, commenting: "What if the steel plate drops on a kid's feet? Dangerous!"

On January 11, Cardno objected to the recommendation of Icon's engineers, WSP and

Rincovitch Partners that the building was safe to reoccupy except for apartments adjacent to areas requiring repairs. Cardno asked for further information.

The government report released on January 14 also found that reoccupation was unsafe and asked for the repair plan to be independently checked. It stated that the building was not at risk of falling, but identified issues with the design and major damage to the structure.

The crisis at Opal Tower is a sharp expression of a decline in building quality across Australia, particularly in New South Wales.

Developers, builders and sub-contractors have all sought to minimise costs and construction times during the boom in residential property over the past 20 years. A 2012 survey by UNSW of 1,500 owner corporations showed that 85 percent of dwellings constructed since 2000 have defects, compared to 70 percent overall.

State authorities have sought to scapegoat “cowboy certifiers,” when poor building practices have come to light. In reality, successive state and federal governments, Labor and Liberal-National alike, have gutted building regulations and enforcement measures. This has allowed property developers and construction firms to make record profits, at the expense of the safety of ordinary people.

Earlier this month, Michael Lambert, a former secretary of the NSW Treasury who wrote a 2015 report into the building industry, told the *Sydney Morning Herald* that the defects at Opal Tower “are likely just the top of the iceberg.”

Lambert noted the government had ignored most of the 150 recommendations he had made, except those relating to fire safety. His report found that “the incidence of building defects is significant” and “the incidence appears higher in NSW than elsewhere.”

The corporate and financial elite is deeply fearful that public exposures of widespread building defects and safety issues will accelerate the slowdown of the inflated property market, which has played the key role in fuelling the growth of the construction industry.

Martin North from Digital Finance Analytics told the Australian Broadcasting Corporation on Monday that “some people who are contracted to buy off the plan may well walk away,” as a result of the events at Opal Tower. “Forward demand was already shrinking, and there is no doubt we will see considerable slides in

prices,” he said.

Owners of apartments in Opal Tower face major financial difficulties, for which there is no indication they will receive any compensation. Prices of apartments have already been marked down by around 14 percent, with warnings that final falls in value may be up to 50 percent. Mercenary investors have reportedly sought to capitalise on the crisis, by offering owners marginal sums for their property.



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