

PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE

Monday, 4 September 2017

Examination of proposed expenditure for the portfolio area

INNOVATION AND BETTER REGULATION

UNCORRECTED PROOF

The Committee met at 1.45 p.m.

MEMBERS

Reverend the Hon. Fred Nile (Chair)

The Hon. S. Farlow

Mr J. Field

The Hon. B. Franklin

The Hon. T. Martin

The Hon. D. Mookhey

The Hon. P. Primrose

PRESENT

The Hon. M. Kean, *Minister for Innovation and Better Regulation*

CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS

Corrections should be marked on a photocopy of the proof and forwarded to:

**Budget Estimates secretariat
Room 812
Parliament House
Macquarie Street
SYDNEY NSW 2000**

The CHAIR: Welcome to the public hearing for the inquiry into the Budget Estimates 2017-18. Before I commence I would like to acknowledge the Gadigal people, who are the traditional custodians of this land. I would also like to pay our respect to elders, past and present, of the Eora nation and extend that respect to other Aborigines who may be present.

I welcome Minister Kean and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Innovation and Better Regulation. Today's hearing is open to the public and is being broadcast live via the Parliament's website. In accordance with the broadcasting guidelines, while members of the media may film or record Committee members and witnesses, people in the public gallery should not be the primary focus of any filming or photography. I would also remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could answer if only they had more time or with certain documents to hand. In these circumstances, witnesses are advised that they can take a question on notice and provide an answer within 21 days. Any messages from advisers or members of staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and to refer directly to your advisers seated at the table behind you.

Transcripts of this hearing will be available on the web from tomorrow morning. Finally, would everyone please turn their mobile phones to silent for the duration of the hearing? All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to office as a member of Parliament. I remind Mr Hoffman that he does not need to be sworn as he was sworn at an earlier budget estimates hearing.

PETER DUNPHY, Executive Director, SafeWork, Department of Finance, Services and Innovation, sworn and examined

JOHN TANSEY, Executive Director, Regulatory Policy, Department of Finance, Services and Innovation, affirmed and examined

MARTIN HOFFMAN, Secretary, Department of Finance, Services and Innovation, on former oath

ANDREW GAVRIELATOS, Acting Deputy Secretary, Better Regulation, Acting Fair Trading Commissioner, affirmed and examined

The CHAIR: I declare the hearing of the proposed expenditure for the portfolio of Innovation and Better Regulation open for examination. We will now commence questioning until 3.05 p.m. As there is no provision for a Minister to make an opening statement before the Committee commences questioning, we will begin with questions from the Opposition.

The Hon. PETER PRIMROSE: In September 2015, I put a question on notice, which became question 468, to the Minister for Innovation and Better Regulation about cladding. Given the non-answer, I put in a Government Information (Public Access) Act request and received the briefing note provided to the Minister by the department preparing and giving advice about the question I had asked. The analysis at the beginning of this states, "It is assumed that some buildings in New South Wales contain aluminium composite cladding but there are currently no figures available on the prevalence of the material in New South Wales. It is the responsibility of developers, builders and building owners to ensure that buildings remain safe." It then goes on to state, "Consideration is being given to whether further action is required by the New South Wales Government on this issue." This is signed on 23 September 2015 by the Acting Director of Ministerial and Executive Services, the Commissioner, and then endorsed by the Minister on 15 October 2015. What action did the Government take on cladding between this being signed by the Minister on 15 October 2015 and June this year?

Mr MATT KEAN: Thank you for your interest in this issue. During the time that you are referring to, the Government developed a wide package of fire safety reforms to improve fire safety in new and existing buildings. A number of changes tightened the requirements concerning fire safety in all stages of development, including design, construction approval and ongoing maintenance. We focused our resources on doing the things that would most effectively keep people safe. I will hand over to my secretary, who was the secretary at the time.

The Hon. DANIEL MOOKHEY: Before you do that, what were they?

Mr MATT KEAN: There were a number of things that we did. We undertook a review of the Building Professionals Act in New South Wales and as a result of that review we identified a number of ways to improve the quality and the qualifications of certifiers in New South Wales and fire safety experts. We gave Fire and Rescue NSW new powers to inspect buildings, which they did not previously have. We introduced a new fire safety process and we played a key role in advocating to the Commonwealth during that time, particularly when it came to non-compliant building products coming into the country. As part of the Building Ministers' Forum, one of the issues that we have is some of the products coming into the country. We need the Commonwealth to step up and stop these products at the borders. They are some of the things that we did.

The Hon. PETER PRIMROSE: What did you specifically do as the New South Wales Government in relation to the issue of flammable cladding per se?

Mr MATT KEAN: We invested our time and resources in the overall fire safety systems in New South Wales. Cladding in and of itself is not necessarily bad. The key thing is making sure that we have the strongest fire safety systems in the country. In New South Wales we have a multi-layered approach to dealing with fire safety. In fact, we have led the nation in a number of respects in this regard. I think it was a previous government that introduced mandatory smoke alarms. There are mandatory sprinkler systems in buildings right across the State. They are some of the things that have been focused on and that is the overall fire safety system. If I could just hand over to my secretary to expand on that.

Mr HOFFMAN: The Minister has outlined some of the action taken during that period. In addition, I point to the work through 2016. The first key piece of work that was done was to seek to interrogate various databases to identify potential buildings that may have this product.

The Hon. DANIEL MOOKHEY: Minister, returning to your earlier statement in which you said you raised this with the Commonwealth and apparently this happened at a Building Ministers' Forum, is that the only contact the Government had with the Commonwealth on this issue?

Mr MATT KEAN: You will have to forgive me because I was not the Minister who attended those Building Ministers' Forums a the time.

The Hon. DANIEL MOOKHEY: Since you have become Minister, what contact have you had with the Commonwealth?

Mr MATT KEAN: I have attended the Building Ministers' Forum, I have engaged orally with the Minister that is responsible for this area, and I have put New South Wales' position very strongly to the Commonwealth that they need to step up to the plate and do more to stop these dodgy products coming into the country.

The Hon. DANIEL MOOKHEY: Is an accurate statement of your position that predominantly the prevention of these materials is a matter for the Commonwealth and the New South Wales Government's role is secondary?

Mr MATT KEAN: No, not at all. That is exactly why I have introduced the most comprehensive fire safety measures in the country. We are leading the country as a result of the announcement that I made recently with regard to our 10-point plan to ensure that people right across this State are safe in their homes.

The Hon. PETER PRIMROSE: Post-Grenfell.

The Hon. DANIEL MOOKHEY: I was just going to ask you to state succinctly the 10 points.

The Hon. SCOTT FARLOW: There are 10 points to cover; it takes a little while.

The Hon. DANIEL MOOKHEY: Perhaps you can give us them on notice.

Mr MATT KEAN: I would be happy to talk to the Committee, as this is very important.

The Hon. PETER PRIMROSE: We do not have a long time.

The Hon. SCOTT FARLOW: You asked the question. Do you not want an answer?

The Hon. DANIEL MOOKHEY: I asked on notice.

The Hon. PETER PRIMROSE: I would like the detailed answer that the Minister has indicated he can provide and I would appreciate that being taken on notice and tabled to the Committee.

Mr DAVID SHOEBRIDGE: Do you not remember that great five-point answer before the Federal election.

The CHAIR: It is up to the Minister to decide how he wishes to answer the question.

Mr MATT KEAN: I will be very succinct and I can answer that we are undertaking a comprehensive building product safety scheme. We have done an audit of all the buildings in New South Wales.

The Hon. PETER PRIMROSE: An audit of all the buildings in New South Wales?

Mr MATT KEAN: Can I withdraw that? We have done a comprehensive audit of 178,000 building projects in New South Wales dating back to 1985.

The Hon. DANIEL MOOKHEY: Minister, when you say "we", who do you mean? Who is the "we" you are referring to in that answer?

Mr MATT KEAN: Would you clarify?

The Hon. DANIEL MOOKHEY: You say "we have undertaken an audit of 178,000 properties". When you say "we", are you referring to your department? Who are you referring to?

Mr MATT KEAN: The audit was undertaken by my department using the data analytics centre to analyse 178,000 building projects across this State dating back to 1985.

The Hon. DANIEL MOOKHEY: How many of them have flammable material?

Mr MATT KEAN: We identified 1,041 buildings that may—and I emphasise the word "may"—have cladding.

The Hon. DANIEL MOOKHEY: Have you released the location of those buildings or have you at least informed the building owners?

Mr MATT KEAN: Yes, we have. We have written to every one of those 1,041 building owners that we identified as may potentially have cladding. Those letters have gone out. Secretary, can you give the exact dates those letters went out?

Mr HOFFMAN: It was probably three or four weeks ago now.

The Hon. DANIEL MOOKHEY: What did the letters say?

Mr MATT KEAN: We have a copy of the letter, if you would like me to table it?

The Hon. DANIEL MOOKHEY: Would you, thank you? Other than writing a letter to the thousand buildings, what else have you done? Are any of the buildings in need of immediate evacuation?

Mr MATT KEAN: What we have done is write to the buildings that we have identified that may be affected by cladding. We have asked them to check whether or not they do have cladding. Could I just take a step back? We have identified 1,041 buildings. We have done a sample audit of those 1,041 buildings to ensure that the data we pulled out of the data analytics centre is in fact accurate. We were able to crosscheck to make sure that those buildings we identify do in fact have cladding. Then we have asked building owners to get an appropriately qualified fire safety inspector to check whether or not that cladding is safe. We have asked them to do that in the context of the overall fire safety system of the building. As I said previously, you cannot look at cladding in isolation. It needs to be looked at in the context of the building's overall fire safety system.

The Hon. DANIEL MOOKHEY: Putting aside the methodology of relying on the data analytics centre to give you essentially a predictive guess, in your view, it is up to the buildings that are suspected of having the cladding to take all appropriate steps to remove it? Am I understanding your position correctly?

Mr MATT KEAN: Can you clarify that?

The Hon. DANIEL MOOKHEY: You have written a letter to the building owners of the 1,041 properties?

Mr MATT KEAN: Yes.

The Hon. DANIEL MOOKHEY: Are you relying on them to remove the cladding?

Mr MATT KEAN: No. Let us not get ahead of ourselves. What we are asking them to do is to check whether or not they have cladding. If they do have cladding, we are asking them to engage an appropriately qualified fire safety expert to check whether or not that cladding is safe in the context of the overall fire safety system.

The Hon. DANIEL MOOKHEY: Are these buildings homes?

Mr MATT KEAN: They are residential buildings, yes.

The Hon. DANIEL MOOKHEY: Are they office buildings?

Mr MATT KEAN: They could be mixed use but we are focused on residential buildings.

The Hon. DANIEL MOOKHEY: Are they retail?

Mr MATT KEAN: They could include retail. I might hand over to my department secretary to answer that.

Mr HOFFMAN: They could well include mixed use, as the Minister said, including retail on the ground levels.

The Hon. DANIEL MOOKHEY: You said you are concentrating on residential. Have you told the people living in those buildings that they might be living in a home that has suspect cladding?

Mr MATT KEAN: We have written to each of the 1,041 buildings that we have identified.

The Hon. DANIEL MOOKHEY: When you say "buildings", what are you talking about? Are you talking to the owners or the residents?

Mr MATT KEAN: We have written to the building owners: the owners' corporations and the strata committees. We have written to the 1,041.

The Hon. DANIEL MOOKHEY: If I am renting one of these properties and have a couple of children am I going to be told by the department that I might be living in a home that has suspect cladding?

Mr MATT KEAN: The first thing we have done is written to the owners' corporations and the building owners and asked them to check whether or not they have cladding.

The Hon. DANIEL MOOKHEY: Do you not agree that if people are raising a child in a house like that and the Government is aware or at least suspicious it should have a protocol in place to tell them? That is highly alarming, is it not?

Mr MATT KEAN: We do not want to alarm people.

The Hon. DANIEL MOOKHEY: I am not suggesting you write to everyone. I am suggesting you write to the people who you suspect have got the building—

Mr MATT KEAN: Which is what we have done. We do not want to get ahead of ourselves. It is important to remember that not all cladding is bad; not all cladding is dangerous. In fact, in New South Wales all of our buildings are designed and constructed with a multilayered approach to fire safety. These requirements address issues about how people get out of high-rise buildings quickly, the use of automated sprinklers and smoke alarms. There is a whole manner of things that will give people in this State confidence that the building they are living in is safe. In the event they have cladding on the building there is no suggestion that the cladding is necessarily non-compliant and there is no suggestion that the fire safety system is not able to deal with it.

The Hon. DANIEL MOOKHEY: Is your position essentially that the risk is minimal to miniscule?

Mr MATT KEAN: My suggestion is that we have the strongest fire safety systems in the country. You cannot get an occupancy certificate in New South Wales unless you meet strict fire safety standards. That is the case in New South Wales. There are a number of systems and processes to deal with this issue. We are treating the issue seriously. We have introduced the most comprehensive fire safety system in the country to make sure that people can feel safe in their homes.

The Hon. DANIEL MOOKHEY: How long do the owners of the buildings have to check?

Mr MATT KEAN: We have written to them. We have urged them to do that immediately as a matter of priority.

The Hon. DANIEL MOOKHEY: Have you put a deadline on them?

Mr MATT KEAN: We are also going to be requiring every high-rise building in this State to make a declaration that if they have cladding that cladding is safe. We will pick up every building in this State.

The Hon. DANIEL MOOKHEY: But you have said you have written to the 1,041 in which you suspect there is a problem. You have said it is up to them to figure it out. They have to hire the expert and check whether the cladding is present and then they have to figure out whether the cladding is dangerous. I am asking you: How long do they have?

Mr MATT KEAN: All of those details are in the letter. I might hand over to Mr Tansey to explain that.

Mr TANSEY: All of the recipients of the letter have also been asked to go online and register with us on essentially an online SurveyMonkey. That will start to create a feedback loop for us and it will allow us to do follow-up. For instance, if we get a large cohort of non-responses we will know who they are compared with the original mail-out list. The idea of that is that once they are registered we then ask them to provide further information about what advice they may seek and what action they may take based on that advice.

The Hon. DANIEL MOOKHEY: That is helpful, and I am glad the Government is using SurveyMonkey to track the results, but what is the deadline? When do they have to do it? What happens if they do not do it? If I get a letter saying that I own a building that happens to have cladding and I throw it in the bin what is going to happen next? Am I going to be called on that?

Mr MATT KEAN: First, there are 170,000 schemes in New South Wales and every strata scheme has to—

The Hon. DANIEL MOOKHEY: I am talking about the 1,041 properties that you have written to.

Mr MATT KEAN: I am coming to that. Every strata scheme has to complete an annual fire safety audit to make sure that the fire safety systems are appropriate and working. That work is ongoing anyway. With regard to the 1,041, we have written to all of them to ask them to come back and check whether or not they have

got cladding in the first place and then, if they do have cladding, whether or not that cladding is safe on their buildings.

The Hon. DANIEL MOOKHEY: My point is pretty straightforward. If they ignore you, what are you going to do about it?

Mr MATT KEAN: What we are saying is that there are a number of systems and processes in place to give people comfort that the building that they are living in is safe. This is an additional step that we have taken to provide comfort to people in New South Wales that if they do have cladding on their building it is safe.

The Hon. PETER PRIMROSE: Are you going to fine them if they do not respond?

Mr MATT KEAN: Let us not get ahead of ourselves.

The Hon. PETER PRIMROSE: I am not getting ahead of myself. That is what we do here. In regulation and legislation we ask people to do things. If they do not do it and they put people at risk there is a penalty. Are you proposing any sort of penalty if someone does not respond or makes a false statement to you?

Mr MATT KEAN: Every high-rise building in New South Wales will be required to make a declaration if they have cladding that the cladding is safe and there will be penalties attached to that.

Mr HOFFMAN: The Minister has already spoken of the existing requirements for annual fire safety statements. Those requirements have been upweighted through this process to give specific information about cladding. The regime that is currently in place requiring that of all strata schemes continues.

The Hon. PETER PRIMROSE: Is there a penalty?

Mr MATT KEAN: There are currently penalties in place for strata schemes that do not undertake their obligations to do an annual fire safety audit.

The Hon. PETER PRIMROSE: If there is not a penalty for people not responding to your letter please just say so.

Mr HOFFMAN: The Minister just answered the question and said there was.

Mr MATT KEAN: There are already penalties in place for strata schemes for buildings.

The Hon. PETER PRIMROSE: If someone throws the letter in the bin and does not respond in a couple of weeks, or if they give you the wrong information because they want to sell the property and do not want its value decreased because they have revealed that someone will have to do a lot of building work, you are saying there is a severe penalty in place for providing that inaccurate information? Is that correct?

Mr MATT KEAN: What I am saying is that this is part of a multilayered approach in New South Wales to deal with fire safety, whether it be cladding or any other issues relating to fire safety.

The Hon. PETER PRIMROSE: Let us hope the layers do not suddenly burst into flames while you are waiting for these answers.

The Hon. DANIEL MOOKHEY: What is the average occupancy of those buildings? How many people are living in them?

Mr MATT KEAN: I am not sure that I have that information available to me now.

The Hon. DANIEL MOOKHEY: When you did the audit and had the Data Analytics Centre look at this it never told you how many people are living in those buildings that may or may not have suspect cladding?

Mr MATT KEAN: It is important to remember that we use the best information available to us. You compare that with the audit process of the Labor Government in Victoria that spent 12 months and \$1 million and looked at 179 buildings in the whole of Victoria. We were able to look at 178,000 buildings projects across New South Wales.

The Hon. DANIEL MOOKHEY: I am not disputing the methodology. I am asking for additional detail. You have told us that 1,041 buildings might have this cladding. I want to know how many people are living in them.

Mr MATT KEAN: I suggest that you stop scaremongering. We have a process in place. We have systems and processes to provide people with comfort in this State that the buildings they are living in are safe. This is part of an overall multilayered approach to dealing with fire safety in this State. I have introduced the toughest fire safety standards in the nation.

The Hon. DANIEL MOOKHEY: I accept that you have said that before. Everybody saw those horrific images from Grenfell Tower. Surely you would agree with me that it is incumbent upon you as a Minister to take every step possible to alleviate anxiety after people saw these same systems fail there. I am asking you very simple questions. How many people are at risk, why have you not told them and when are you going to ensure that the builders you are relying upon meet the obligations that the New South Wales Government has set for them?

Mr MATT KEAN: What I can tell you after Grenfell is that we introduced the toughest fire safety standards in the country. I introduced my 10-point plan to give people comfort that the buildings they are living in, whether they have cladding or not, are safe in this State. That is why—

The Hon. PETER PRIMROSE: But you will not tell them that they are living in a building that may be unsafe.

Mr MATT KEAN: Mr Chair, I am trying to answer the question.

The Hon. PETER PRIMROSE: We are running out of time.

The CHAIR: Let the Minister finish his sentence.

The Hon. PETER PRIMROSE: Will you tell people that they are living with a potential time bomb?

The Hon. SCOTT FARLOW: The Minister is trying to answer your question.

The Hon. PETER PRIMROSE: I wish he would just tell us whether he is telling the people who live there.

Mr MATT KEAN: We are. We have written to the 1,041 building owners and strata schemes that we have identified that may have cladding.

The Hon. PETER PRIMROSE: The building owners have an interest in keeping it secret and you are part of this cover-up.

Mr MATT KEAN: You are scaremongering. It is important to remember—

The Hon. PETER PRIMROSE: I have been raising this for three years.

The Hon. BEN FRANKLIN: Point of order—

The Hon. PETER PRIMROSE: For three years I have been raising it with this Government and you will not do anything about it. You are still doing nothing about it.

The Hon. BEN FRANKLIN: The Opposition's time has expired. They will have another opportunity.

The CHAIR: We will move to questions from Mr Shoebridge.

Mr DAVID SHOEBRIDGE: Has one of the 1,041 buildings that you have identified as potentially having this dangerous cladding had that cladding removed? Even one?

Mr MATT KEAN: As I said in my earlier statement, cladding in and of itself is not necessarily dangerous.

Mr DAVID SHOEBRIDGE: My question was really simple. There are 1,041 buildings with potentially hazardous flammable cladding. Has a single building—even one—under your watch had the dangerous cladding removed?

Mr MATT KEAN: The work is being done at the moment to identify whether this cladding is dangerous—

Mr DAVID SHOEBRIDGE: Minister, you have sent out some letters. I want to know whether any dangerous cladding has been removed since the Grenfell Tower disaster. It is a simple question: Have you removed the cladding from a single property?

Mr MATT KEAN: I will refer to my secretary in a second, but what I will say is that we have not been alerted—

Mr DAVID SHOEBRIDGE: Just answer the question. Have you removed the cladding from a single dangerous building?

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: Mr Shoebridge, the Minister is trying to answer the question. Let him answer it.

Mr DAVID SHOEBRIDGE: No, he is not; he is trying to obfuscate.

The Hon. PETER PRIMROSE: He is obfuscating, like he has been doing for three years.

Mr MATT KEAN: Mr Shoebridge what I am trying to say is that with regard to the process we have set up we are trying to identify whether or not buildings have that in the first place. If they do we have asked them to undertake a fire safety inspection to check whether that cladding is dangerous in the context of the overall fire safety scheme.

Mr DAVID SHOEBRIDGE: It was a simple question, Minister. Is the answer yes or no?

Mr MATT KEAN: I am not aware of any buildings that have been identified as dangerous, but I will hand over to my secretary.

Mr HOFFMAN: I am not aware of any building having removed cladding.

Mr DAVID SHOEBRIDGE: With all this activity—the audit, the 178,000 properties done, the letters that you have sent off—not a single residence anywhere in this State has been made safer as a result. Do you not find that a problem? Government is not there to send letters; government is there to make properties safe to live in, and you have not done it.

Mr MATT KEAN: You are missing the point. Not all cladding is dangerous, and not all cladding that is non-compliant is dangerous in the overall context of the fire safety system. We have a multi-layered approach in dealing with fire safety in this State.

Mr DAVID SHOEBRIDGE: Has your department not done the most basic thing—

Mr MATT KEAN: That is exactly what we are doing. We have the toughest fire safety standards in the country.

Mr DAVID SHOEBRIDGE: And you do not know which buildings have dangerous cladding on them.

Mr MATT KEAN: Our building code protects consumers in this State—protects residents in this State. You cannot get an occupancy certificate in New South Wales unless the building is safe.

Mr DAVID SHOEBRIDGE: Let us go to the occupancy certificate.

Mr HOFFMAN: I could add something to that.

Mr DAVID SHOEBRIDGE: Let us go to the occupancy certificate, and then I will come to you, Mr Hoffman. The occupancy certificate is normally obtained by developers who choose and pay for their own private certifier. There is a definite conflict of interest. Are you saying that a private expert, paid for by the developer, is what stands between residents in New South Wales and a dangerous building?

Mr MATT KEAN: With regard to certifiers, I am sick and tired of hearing stories about the lack of independence of certifiers in this State—

Mr DAVID SHOEBRIDGE: The ones that are chosen and paid for by the developers?

Mr MATT KEAN: That is why, as part of my 10-point plan we are cleaning it up. It is a disgrace that the certification system in New South Wales has been allowed to occur for this long.

Mr DAVID SHOEBRIDGE: That is what you are telling us is keeping these 178,000 properties safe. That is what you are telling us residents should go to sleep in—

Mr MATT KEAN: No, what I am telling you is—

Mr DAVID SHOEBRIDGE: —thinking that if they are living in one of these 1,041 properties the private certifier is keeping them safe. It is not.

The Hon. SCOTT FARLOW: Point of order—

The CHAIR: Mr Shoebridge, you should be asking questions and not making speeches.

Mr MATT KEAN: What I am saying is that we have a multi-layered approach to dealing with fire safety in this State. We have fire alarms and we have sprinkler systems that are mandated. We have building designs that contribute to keeping people safe. We have a number of things that will protect citizens right across this State, whether or not they have cladding on their buildings. Certification is one part of it. I agree with you—the certification system needs to be cleaned up. That is exactly why I announced, in my 10-point plan, that we will have the toughest oversight to ensure the independence of certifiers in this State from developers.

Mr DAVID SHOEBRIDGE: The best evidence that I have seen coming from building experts says that the only way to determine which buildings contain combustible cladding is to cut off a piece of the building and send it to the lab for testing. Is that the expert advice you are getting?

Mr MATT KEAN: If we were to cut off every bit of cladding right across the State it would take decades—a century—to do.

Mr DAVID SHOEBRIDGE: I have a simple question: Is the advice you have received that you have to cut off a bit of the cladding and send it to a lab for testing? Is that the advice you have received or have you received other advice?

Mr MATT KEAN: Can you repeat the question?

Mr DAVID SHOEBRIDGE: The only way to determine which buildings contain combustible cladding is to cut off a piece of the building and send it to a lab for testing.

Mr MATT KEAN: No, that is not the only way to determine whether a building has combustible cladding.

Mr DAVID SHOEBRIDGE: How else? If some poor residents are listening to this and they have not seen the letter because it has gone to the building manager, how do they tell whether or not the cladding is combustible?

Mr HOFFMAN: I could certainly add to that. The issue is not whether or not any particular piece of a building is combustible. The test and the concern is whether the fire safety system of the building as a whole is adequate and sufficient. Wood is combustible—you can test that by burning it—but we use wood in buildings as part of an overall fire safety system. It is the same as this.

Mr DAVID SHOEBRIDGE: Mr Hoffman, you are deliberately understating the issue.

Mr HOFFMAN: I am trying to answer the question.

Mr DAVID SHOEBRIDGE: This is material that is dangerous. It burns very hot. It burns at a couple of thousand degrees.

The Hon. BEN FRANKLIN: Point of order—

The CHAIR: A point of order has been taken. Mr Shoebridge has asked a question. He should let the secretary answer the question.

The Hon. BEN FRANKLIN: Mr Hoffman made it very clear that he was going to finish the answer.

Mr HOFFMAN: I also wanted to point out in the context of the overall building safety system that there were statements and questions earlier around the same systems in Grenfell Tower failing. It is important to have on the record that there are significant differences in New South Wales as compared to the systems in place for the Grenfell building. That building simply could not exist in New South Wales because of a lack of sprinklers, a lack of fire alarms, having only one fire exit versus two, a lack of compartmentalisation, et cetera. It is inappropriate to suggest that there are Grenfell buildings in New South Wales on that basis.

Mr DAVID SHOEBRIDGE: Mr Hoffman, do you accept that your comparison of the aluminium cladding with wood grossly understates the risk of aluminium cladding when the best experts are telling me that this material, "burns very hot—a couple of thousand degrees Celsius"? They say, "It is a small amount of fuel but it creates fires beyond anything we have ever modelled." It is not wood; it is super dangerous. You are suggesting there is a comparison with wood which understates the risk and for me is a greatly troubling indication of your priorities.

Mr HOFFMAN: I never suggested that it was equivalent to wood. What I was suggesting was that you consider building safety in the context of the overall building fire safety system. I gave an example that wood is also combustible. I fully accept that it burns at a lower temperature than aluminium cladding, but you consider the use of cladding as to where it is located, how it is applied, what other systems go with it in the form of internal or external sprinklers, and so on. That is the way building safety is assessed, not the combustibility and temperature of any particular components of the building.

Mr DAVID SHOEBRIDGE: Minister, why will you not send notification to the individual occupants of strata buildings and let them know that their properties are amongst the 1,041 identified with potentially dangerous cladding? Why will you not tell the people who live there?

Mr MATT KEAN: We are telling the people who live there. We have written to the 1,041 building managers in strata schemes right across the State where we have identified buildings that may be affected by cladding. Not all those buildings will be affected by cladding. Of those buildings that are affected by cladding, not all that cladding will be non-compliant. So we need to do the work to work out what buildings are potentially clad with non-compliant cladding and then we will consider all our options.

Mr DAVID SHOEBRIDGE: Minister, have you done the most basic due diligence by reviewing the aluminium cladding that is currently on the market and testing to see whether or not it is compliant?

Mr MATT KEAN: Fair Trading officers are proactively out there in the marketplace every day of the week looking for non-compliant cladding.

Mr DAVID SHOEBRIDGE: Which building products have been identified as non-compliant? Can you give us a list now so we can tell the people of New South Wales what building products are non-complaint, and that they should not put them on their properties?

Mr HOFFMAN: I am happy to take on notice that question about a list of specific products.

Mr DAVID SHOEBRIDGE: Why is there not a list prominently on your website? Why do we have to get it on notice? Surely this is some of the most important information you can get out. Why is it not prominent on your website right now?

Mr MATT KEAN: We will table that evidence and we can put it on the website.

Mr DAVID SHOEBRIDGE: Can you put it on this afternoon?

Mr GAVRIELATOS: We can put information on the website as required.

Mr DAVID SHOEBRIDGE: You have identified building products that are dangerous and highly flammable, and you have not even put it up on the website. It could be being installed this afternoon. How is that happening?

Mr MATT KEAN: I will come back to the Committee with that information, and I will see whether we can get it up on the website this afternoon.

Mr HOFFMAN: It is also important to add that we are going down this premise that the cladding, in and of itself, is wrong or non-compliant—that there is a particular brand which you should or should not use, et cetera. A list of particular brands is not appropriate, or the way it works.

Mr DAVID SHOEBRIDGE: You have identified aluminium cladding that can burn at a couple of thousand degrees Celsius and you are saying that is fine? You are not going to scare the horses by telling people not to install it. That is outrageous.

Mr MATT KEAN: Can I just clarify? Like the name of brands, these things change all the time—for example, today I was out crushing phone chargers that looked like Apple phone chargers. They were named Apple phone chargers but they had nothing to do with Apple. This stuff is coming in from China. We need to stop it at the borders.

Mr DAVID SHOEBRIDGE: You could start by stopping it at hardware shops this afternoon.

Mr MATT KEAN: Absolutely.

Mr DAVID SHOEBRIDGE: That would be a good start.

The CHAIR: Mr Shoebridge, your time is up. Can the Government estimate how much ticket scalping has inflated the cost of tickets to events in New South Wales.

Mr MATT KEAN: We have heard some shocking examples of people being ripped off when purchasing tickets online. Recently I issued an urgent public warning about the dodgy ticket seller viagogo. We have seen examples of genuine fans getting ripped off to the tune of 500 per cent when purchasing tickets using that platform. Consumers are sick and tired of logging onto ticketing websites to buy tickets to an event only to find that all tickets have been sold out within minutes. If you are a genuine fan you can struggle to get tickets because people are using ticketbots technology to sweep up all the available tickets. Then they are putting them up on a secondary ticket selling website like viagogo at massively inflated prices and, on the off chance you are lucky enough to get a ticket, you are likely to be paying through the nose for it.

The CHAIR: What are you doing about that?

Mr MATT KEAN: Last week I issued an urgent public warning, using the powers that I have as the fair trading Minister in New South Wales, to alert people about using a dodgy secondary ticket selling website like viagogo. The footy finals are coming up—unfortunately, my team did not make it; they have had a pretty rough season—the Ashes are coming up and I know the Hon. Scott Farlow is very excited about the Sia concert that is coming up.

Mr JUSTIN FIELD: He is more into the Wiggles.

Mr MATT KEAN: He does have two very beautiful kids. We want to make sure that genuine fans are able to get access to tickets and at a fair price. We will be saying more about that in the coming weeks and months but in the meantime I have issued an urgent public warning that when people are buying tickets online we want them to make sure they are buying tickets from an authorised primary ticket seller—for example, Ticketek—as opposed to these dodgy secondary markets. Can I just give a consumer warning? Firstly, if people are purchasing tickets online they should always use an authorised primary ticket selling website; it is important to pay via credit card, that way they can get a chargeback if there is a problem; and always—I know the Hon. Ben Franklin always does this—check the terms and conditions before purchasing the ticket.

The CHAIR: Can you bring in regulations to prevent people buying in block numbers—1,000 tickets at a time—so that people are only allowed to purchase one to three tickets to an event?

Mr MATT KEAN: With your help, Mr Chairman, I think that we can clean up ticket scalping in this State. Yes, I am very keen to work with all members of Parliament who are interested in clamping down on these unscrupulous business practices that are currently happening in the marketplace.

The CHAIR: We have talked another problem dealing with cladding—namely, asbestos. As the Minister knows, I chaired an inquiry into loose-fill asbestos. Can you update the Committee on the Government's loose-fill asbestos program and the action you are taking?

Mr MATT KEAN: This is a massive issue not only in New South Wales but also right across the country. We all remember that at one point in time asbestos was the wonder product—it was used to insulate homes and it was used in building products. It was only later that we found out that it is deadly. Fortunately, asbestos is no longer used in building materials but, unfortunately, it is still present in various forms in some buildings in New South Wales. One of those forms is loose-fill asbestos. Loose-fill asbestos was used as an insulation material during the 1960s and 1970s. Recently I visited the small town of Holbrook, near Albury. That town has been hit the hardest by loose-fill asbestos—something like 34 of the 1,200 homes in the area have loose-fill asbestos. We found out that one of the former directors of Mr Fluffy was living in Holbrook and selling the product to that community. People unwittingly had this product installed in their homes without knowing what it was and what effect it would have on their health.

As a result of the knowledge that we now have, the New South Wales Government has moved to introduce a program to buy back houses affected by loose-fill asbestos. There are two options for affected home owners—they can have the Government purchase the house and land at market value, as if it is free from loose-fill asbestos, or the Government can purchase the house but the owner retains ownership of the land. Currently free testing is happening to identify houses affected by loose-fill asbestos. I can report to the Committee that so far 59,912 properties have been tested across New South Wales but we still have a way to go. We have another 18,056 properties in New South Wales to be inspected and we are hoping that we can complete the testing by 31 December 2017. Of the properties tested, we have found 140 properties contain loose-fill asbestos in this State. The Government is moving to remediate those homes or purchase them back. We have a comprehensive package to deal with this issue. We have provided \$278 million, which was booked in the prior year's accounts, 2015-16 financial statements, and the primary expense is the purchase and acquisition of those properties.

We have also done a number of other things to assist home owners who have been affected by loose-fill asbestos. We have provided assistance for relocation—\$14,000 to help people relocate, moving costs and things like that; \$5,000 to replace soft furnishings, asbestos fibres infest beds and lounges, et cetera; we are trying to make it easier for people to set up a new house; and \$10,000 for investor assistance and stamp duty concessions on a subsequent property purchased in New South Wales. It is important to remember that the New South Wales Government did not cause this problem. Loose-fill asbestos was introduced by operators like Mr Fluffy and asbestos was used by outfits like James Hardie.

Although the Government did not cause the problem, we are acting—and I appreciate the support of all political parties—to ensure that not only is the health of home owners protected but also the value of their biggest assets, their homes, is underwritten and safeguarded. As I said, I recently went to Holbrook, which has been hit very hard by this issue, to listen to the concerns of the residents and the challenges they face. I responded with additional financial assistance for that community. The testing is ongoing. We still have a lot of

work to do but we will do whatever it takes to ensure that we remove loose-fill asbestos from residential properties right across this State. This will give comfort to existing and future home owners who may inadvertently find themselves in a property that has loose-fill asbestos. Mr Hoffman, do you wish to add anything?

Mr HOFFMAN: With reference to the 18,000 properties still to be inspected, our intention is to complete that by the end of this calendar year. Some may slip over into 2018 but we will have assurance to those home owners almost completed by the end of this calendar year.

The CHAIR: You will be pleased to know that the Northern Beaches Council set up a testing procedure and offered free testing. I took them up on that and I got a clearance.

Mr MATT KEAN: Did they find anything?

The CHAIR: There is no loose-fill asbestos in my house so I am very pleased.

Mr MATT KEAN: There are a number of local government areas [LGAs] that are affected by this right across New South Wales. Certainly, in my community of Hornsby we have found one house that has had a positive test result in the Hornsby LGA. I know in Ku-ring-gai, where the Hon. Scott Farlow lives, there is one property and recently we found some additional properties in Tamworth, which I know the Hon. Ben Franklin would be very interested in. They had a different form of asbestos. We originally made the program available for two types of asbestos, amosite and crocidolite, and we have expanded that to include chrysotile. Am I correct in saying that?

Mr HOFFMAN: Yes, that is right.

Mr MATT KEAN: I got all three right, okay.

The CHAIR: Good.

Mr MATT KEAN: We are doing everything that we can regarding loose-fill asbestos to remove it in New South Wales, to protect public health, and to underwrite the value of people's homes.

The CHAIR: Thank you for that.

The Hon. PETER PRIMROSE: Minister, you are the lead Minister for the cladding task force. Is that correct?

Mr MATT KEAN: That is correct. My secretary sits on the cladding task force and is the chairman of it.

The Hon. PETER PRIMROSE: Thank you. How many times has the task force met?

Mr MATT KEAN: The task force has not met to date.

Mr HOFFMAN: No, we have.

Mr MATT KEAN: It has met?

Mr HOFFMAN: Absolutely. The task force has met. I can take on notice the exact number of times. Basically it has met weekly or fortnightly since June.

The Hon. PETER PRIMROSE: Minister, how many times have you attended?

Mr MATT KEAN: I have not attended the task force. That is why I made that statement earlier, sorry.

The Hon. PETER PRIMROSE: Thank you. Are you aware—and I ask your secretary as well—of correspondence between the Commissioner of Fire and Rescue and the Secretary for Planning dated February 2016 regarding the risks posed by aluminium cladding?

Mr MATT KEAN: I am sorry, can you refer to the letter again?

The Hon. PETER PRIMROSE: This was a letter—correspondence—between the Commissioner of Fire and Rescue and the Secretary for Planning dated February 2016 regarding the risks posed by aluminium cladding. Has that been considered by the task force?

Mr MATT KEAN: I should just clarify that I obviously was not the Minister when that letter was written, but I might just hand over to my secretary.

Mr HOFFMAN: It may have been, but I do not immediately recall it, not having it in front of me, Mr Primrose.

The Hon. PETER PRIMROSE: Okay. Minister, can I go back to the response prepared as a briefing for the then Minister for Innovation and Better Regulation. In considering the Government's policy, which was signed off by both the secretary and the Minister in approaching the concerns that I and others were raising back in October 2015 about cladding and the issues about its flammability, the comments made and signed off by the Minister are: "Calls for any greater intervention need to be balanced against the regulatory burden and supply chain disruption that could result as well as the potential stifling of positive innovation". Do you stand by that?

Mr MATT KEAN: No, absolutely not. What I stand by is that we need to do whatever it takes to keep people safe in this State. I should just add, with regard to Minister Dominello, who was the Minister at the time, that this is the guy that built the Data Analytics Centre that has provided us with the ability to do the most efficient and effective audit of buildings that may be affected by cladding in New South Wales.

The Hon. PETER PRIMROSE: I appreciate your need to defend him, but what I read from this is this attitude of freewheeling market forces and not interrupting the supply chain, which could stifle positive innovation. Is that why the Government did nothing for so long in relation to this issue, despite it being raised by everyone with concerns?

Mr MATT KEAN: I reject the premise of your question, Mr Primrose, respectfully. The Government has focused our resources and energy on making sure that we did the things that would most protect people in New South Wales, and that included reviewing the Building Professionals Act, giving Fire and Rescue NSW additional powers to be able to go in and inspect buildings, strengthening the qualifications of certifiers and fire safety inspectors, introducing a new fire safety process and advocating to the Commonwealth our position. This is in addition to—

The Hon. PETER PRIMROSE: But, Minister, this says that you regarded doing something about this issue as a regulatory burden, a supply chain disruption and that government intervention would stifle innovation. At the moment, your action consists of writing letters to the owners of buildings. You have just repudiated the position that the former Minister took and apologised. What is your attitude now? If the former Minister and the former director of the department got it so wrong and nothing happened, what is your position now?

Mr MATT KEAN: Mr Primrose, my position is what it has always been and that is that we have to have the toughest fire safety standards in the entire country. That is why I introduced my 10 point plan—to protect consumers and have the strongest fire safety measures in the land. That compares favourably to Victoria and all the other States and Territories. We are doing everything that is necessary to protect people in New South Wales.

The Hon. DANIEL MOOKHEY: Minister, on what date did you enhance your 10 point plan?

Mr MATT KEAN: My 10 point plan was announced in July, I hope. Do you have the exact date?

Mr HOFFMAN: The twenty-eighth.

Mr MATT KEAN: The twenty-eighth of July.

The Hon. DANIEL MOOKHEY: That is five years after your Government came to power and four years after the first aluminium cladding building went up.

The Hon. PETER PRIMROSE: And two years after I expressed concerns about it.

Mr MATT KEAN: Mr Mookhey, I was not a Minister five years ago.

The Hon. DANIEL MOOKHEY: No, Minister: I have not finished the question.

The Hon. SCOTT FARLOW: Still, he was becoming a Minister; it was his strong suit.

The Hon. DANIEL MOOKHEY: I am sure he would have loved to be. But, given that we saw the United Kingdom cite a Melbourne-based building as being the basis of their early intervention ahead of Grenfell, why did it take your Government five years to act?

Mr MATT KEAN: It did not take the Government five years to act. The Government was focusing its energy and resources on doing things that would actually improve our overall fire safety systems in New South Wales; that would actually make sure that people are safe in their homes in this State. That is exactly why we did a comprehensive review—

The Hon. PETER PRIMROSE: They still are not.

Mr MATT KEAN: —of the Building Professionals Act in New South Wales. That is why we are strengthening the qualifications of the certifiers and fire safety practitioners in New South Wales. It is why we stood up to the Commonwealth and told them that we need them to take a leadership role in stopping non-performing products coming into the country.

The Hon. DANIEL MOOKHEY: When you became Minister, were you at all disappointed that it fell to you to have to organise rapidly the 10 point plan and announce it and that your predecessor, as Minister, had not done the most basic due diligence that you would expect of anybody once they saw what happened in Melbourne?

Mr MATT KEAN: My focus was ensuring that we have the toughest fire safety standards in the country—

The Hon. PETER PRIMROSE: Your predecessor did nothing.

Mr MATT KEAN: —which is why I am so proud to have introduced my 10 point plan—

The Hon. PETER PRIMROSE: He did not want to interfere with the market.

Mr MATT KEAN: —to make sure that consumers and residents right across New South Wales were safe in their homes. I am proud of that fact.

The Hon. PETER PRIMROSE: They are still not safe.

The Hon. DANIEL MOOKHEY: Minister, if you were of the view—

Mr MATT KEAN: I am going to continue to make sure that residents are protected and can go home safely at night every day of the week in this State.

The Hon. PETER PRIMROSE: A stern letter.

The Hon. DANIEL MOOKHEY: Minister, why have you not attended any of the meetings of the task force?

Mr MATT KEAN: Because I have introduced the most comprehensive set of fire safety measures in the country.

The Hon. PETER PRIMROSE: You are the lead Minister.

The Hon. DANIEL MOOKHEY: Is the task force responsible for ensuring that the building owners reply to your stern letter? Is it the task force that is the agency or the body of government that is organising the response to this? Is that where the work is being driven?

Mr MATT KEAN: The Department of Fair Trading is overseeing this process.

The Hon. DANIEL MOOKHEY: Is that the task force?

Mr MATT KEAN: It is the Department of Fair Trading.

Mr HOFFMAN: The task force is then a combination of agencies: Fire and Rescue, the Department of Planning and Environment in particular with representatives of central agencies as well. Those agencies will be using their particular powers under their relevant legislation for the necessary action.

Mr MATT KEAN: Can I just clarify as well, Mr Mookhey, that the task force is about having a whole-of-government response to this issue. Fair Trading is responsible for—

The Hon. DANIEL MOOKHEY: But, Minister, do you not agree that if you turned up to the meeting, all of the New South Wales Government would get the message that this is a top priority; that it is our responsibility; that if the cladding is unsafe, to get it out; that this is being taken seriously by the highest levels of government; and that you had better perform. Why, then, are you not turning up? Why is that message not being sent to the task force?

Mr MATT KEAN: Let me be very clear for you, Mr Mookhey. I have sent the strongest possible message to my department, to the whole of government and to citizens right across this State that we will have, under my watch, the toughest fire safety standards in the country.

The Hon. PETER PRIMROSE: But you could not be bothered turning up to the meeting.

Mr MATT KEAN: The toughest fire safety standards in the country!

The Hon. PETER PRIMROSE: You are the lead Minister.

The Hon. SCOTT FARLOW: The Minister is answering the question.

Mr MATT KEAN: We are rolling out a 10 point plan, which includes a comprehensive building product safety scheme—

The Hon. PETER PRIMROSE: A 10 point plan and stern letters, but you would not go to the task force meetings.

Mr MATT KEAN: —an audit of the buildings; we are writing to the building owners; getting Fire and Rescue NSW to target inspections—

The Hon. SCOTT FARLOW: Listen to the Minister, Peter. Listen to the Minister.

Mr MATT KEAN: —of buildings identified; we are creating a new fire safety declaration requiring all high-rise buildings in New South Wales to sign off and inform local government in New South Wales and Fire and Rescue.

The Hon. DANIEL MOOKHEY: Yes, we understand that you have written a stern letter and you have asked them to write one back.

Mr HOFFMAN: Let me just answer that particular question.

The Hon. PETER PRIMROSE: A stern letter, which no-one is monitoring.

Mr HOFFMAN: It is very important to say—

The Hon. DANIEL MOOKHEY: But can I just ask—

The Hon. PETER PRIMROSE: You are using a SurveyMonkey.

Mr HOFFMAN: Let me just answer the question about the task force.

The CHAIR: We will have one person at a time asking questions—

The Hon. DANIEL MOOKHEY: Thank you, Mr Chairman, for your kindness.

The CHAIR: —not two.

Mr HOFFMAN: It is important to note that the task force is an officials task force. It is not appropriate to criticise the Minister for not attending an officials task force.

The Hon. DANIEL MOOKHEY: Of course it is.

Mr HOFFMAN: He is fulfilling his role. Let me assure you, as the chair, I am in regular discussions with the Minister. I am in no doubt as to the importance that the Minister places on the issue, as are the other members of the committee with respect to their Ministers.

The Hon. PETER PRIMROSE: Why do you not attend if this is important enough? You have not attended one meeting of the cladding task force.

The Hon. BEN FRANKLIN: The secretary has just answered that exact question.

The Hon. PETER PRIMROSE: I am asking the Minister, why have you not attended?

The Hon. BEN FRANKLIN: You can waste your time asking the same question again just to score your cheap political points.

The Hon. PETER PRIMROSE: My cheap political point, as you put it, relates to an issue that is important to New South Wales—

The Hon. BEN FRANKLIN: Of course it is an important issue and that is why we are dealing with it so seriously. That is why he has his plan, that is why he is legislating, that is why we have the strongest standards in the country.

The Hon. PETER PRIMROSE: You had your chance and you will not ask questions.

The Hon. BEN FRANKLIN: I was just interjecting, to use your words, Mr Primrose.

The CHAIR: Order! Members will cease interjecting. Let the Minister answer the question.

The Hon. PETER PRIMROSE: Why will you not attend?

Mr MATT KEAN: There is no room for doubt from anyone in this State about my commitment to ensuring that we have the highest fire safety standards in the country, that people in New South Wales can feel safe, whether they live in a high-rise apartment or any other building.

The Hon. PETER PRIMROSE: The former Minister said it is not a problem and now you are saying it is not important enough for you to attend the meeting.

Mr MATT KEAN: That is not what I am saying at all. Can I just clarify one thing? This is an officials meeting; I represented our State at the Building Ministers' Forum, standing up to the Commonwealth, telling them that they have got to crack down on what is coming into this country, they have got to stop this stuff at the borders. We do not have border force protection in New South Wales. We are doing everything we can in New South Wales and we need the Commonwealth to step up to the plate and back our plan to protect New South Wales citizens.

The Hon. DANIEL MOOKHEY: And did they say they would?

The Hon. PETER PRIMROSE: Did they do that?

Mr MATT KEAN: The Commonwealth said that they would crack down on the borders.

The Hon. DANIEL MOOKHEY: What are they going to do?

The Hon. BEN FRANKLIN: Let him answer the question. He has said literally one sentence.

Mr MATT KEAN: They cannot do that soon enough. So I have taken our 10-point plan to the Commonwealth, they are backing it in and now it is up to them to deliver.

The Hon. DANIEL MOOKHEY: Mr Secretary, on notice, are you able to provide us the agencies that are represented on that task force and the frequency of its meetings? I will not ask for the officials because it will probably breach privacy, but at least tell us on notice the agencies that are there.

Mr HOFFMAN: Certainly, Mr Mookhey, I can do that.

Mr MATT KEAN: I think we have made that public already.

The Hon. DANIEL MOOKHEY: We need it on the record as part of your evidence. Minister, if unsafe cladding is found in high-rise buildings who will pay to clean it up?

Mr MATT KEAN: If, as you say, unsafe cladding is found—firstly, let us go through the process. Not all cladding will be unsafe and we are asking people—

The Hon. DANIEL MOOKHEY: Minister, we went through the process. We have limited time.

Mr MATT KEAN: —to do a check to ensure that the fire safety system is appropriate.

The Hon. DANIEL MOOKHEY: Have you resolved that question? Do you have an agreed Government position as to who will pay to remove the unsafe cladding?

Mr MATT KEAN: There are existing remedies and statutory warranties in place to deal with building defects.

The Hon. DANIEL MOOKHEY: What are they?

Mr MATT KEAN: For example, a fault in a fire safety system has been classed by this Government. We made some reforms to class a fault in a fire safety system as a major fault—therefore, increasing the statutory warranty period for fire safety systems to six years.

The Hon. PETER PRIMROSE: Is cladding included in that? Remember, we are talking about cladding. Is that included and regarded as part of the fire safety system?

Mr HOFFMAN: Yes.

The Hon. DANIEL MOOKHEY: Is there a deadline for the unsafe cladding to be removed? We went through the first part of the process about when the letter will be sent, what they have to do when they receive the letter, when they are to reply, how they have to register through SurveyMonkey. We heard all that. But is there a deadline to remove the unsafe cladding from these buildings if it is unsafe?

Mr MATT KEAN: You are talking hypotheticals.

The Hon. DANIEL MOOKHEY: I am not talking hypotheticals. There are thousands of people who are living in these buildings. The most basic question they are going to ask is how long do they have to get rid of it?

Mr MATT KEAN: As I said, just because it is cladding does not mean that it is unsafe. Do you have an example of a building where you have identified unsafe cladding?

The Hon. DANIEL MOOKHEY: Actually, I have got 1,041—you told me.

The Hon. BEN FRANKLIN: No, that is not what he said at all.

The CHAIR: They were not declared unsafe.

The Hon. SCOTT FARLOW: You are scaring people. You are scaremongering.

The Hon. BEN FRANKLIN: You are scaremongering. This is outrageous, Mr Mookhey.

Mr MATT KEAN: The reality is just because there is cladding on a building does not mean it is unsafe.

The Hon. DANIEL MOOKHEY: Is there any time limit on how long this whole process is going to last? Is that an indefinite process that could continue forever? When are we going to be in a position to provide the public with certainty that all the checks have been done? You have described the process. If you get to the point where an independent expert has told a strata that there is unsafe cladding in their building, how long do they have to get rid of it? Is there a policy in place to resolve that question?

Mr MATT KEAN: There has been no identification of unsafe cladding at this point in time. I am not going to engage in hypotheticals. When we find a building with unsafe cladding then we will consider that in the context of its overall fire safety system, and that is what I said from the start of this testimony.

The Hon. DANIEL MOOKHEY: I go back to my earlier point. If you have no deadline for them to get back to you, how do we know when that is going to happen?

Mr MATT KEAN: You have not identified a building that has unsafe cladding. If you could identify a building that has unsafe cladding—

The Hon. DANIEL MOOKHEY: That is the point: neither have you. The point is that you have said to us that you suspect that there are 1,000 buildings that may have unsafe cladding and you have written to them and said—

Mr MATT KEAN: I did not say that they may have unsafe cladding; I said they may have cladding.

The CHAIR: He never said that. You are misquoting the Minister.

The Hon. PETER PRIMROSE: You are the Chair; let us ask the question. You will get your turn.

The CHAIR: You should not misquote the Minister.

Mr JUSTIN FIELD: If one of the concerns is that building owners or strata managers may not be taking this letter seriously, why not just make a list of the buildings public so the people who live in them or owners who are deeply engaged in the strata management can take that up with either the owners or with strata management and make sure there is a response? They can get the checks done and they can get that certainty quickly. Why not just make that list public?

Mr MATT KEAN: That is exactly why we have written to every building owner that we have identified that may be—

Mr JUSTIN FIELD: But there is a very good reason why you might take another approach: so that if strata managers or owners do not take it seriously, then the people who live there can take it up with the owners and ensure we get a quicker response to those concerns.

Mr MATT KEAN: We are not going to engage in scaremongering. We do not know—

Mr JUSTIN FIELD: It is not scaremongering; it is just giving people information.

Mr MATT KEAN: What I am saying is that just because a building has cladding does not mean that it is not safe.

Mr JUSTIN FIELD: I did not say that it did; you do not need to worry about that. But what about giving them some agency in making sure these matters are dealt with by the people who own or manage the building?

Mr MATT KEAN: Because what I am saying is that we need to identify whether or not a building has cladding in the first instance and then if it does have cladding whether or not that cladding is safe and fit for purpose, and that needs to be reviewed in the context of the overall fire safety scheme of the building.

Mr JUSTIN FIELD: I understand all of that. The people who live there are going to have the most interest in making sure those buildings go through that process to identify it and to look for a solution as quickly as possible. You are taking the longest possible route. I suggest a quicker one would be a public statement of where those buildings are.

Mr MATT KEAN: Can I suggest respectfully that what we are doing to catch all those properties that may have cladding on them is that we are requiring them to undertake a fire safety declaration: to check the cladding, to declare that it is safe, to make that declaration to the appropriate authorities. And that will capture all the buildings, not just the 1,041 that we have identified but any additional buildings.

Mr JUSTIN FIELD: Are any of them government buildings?

Mr MATT KEAN: As part of our 10-point plan we have directed all government agencies to check all of their buildings in New South Wales. We started with social housing. We have completed the work with regard to social housing in New South Wales, is that correct, Mr Hoffman?

Mr HOFFMAN: Yes, in terms of coming back from the Department of Family and Community Services.

Mr MATT KEAN: And we are doing it across all government buildings.

Mr JUSTIN FIELD: I am going to move on to something else, Minister. How do you justify the \$143 million a year cost to motorists of the ethanol mandate in New South Wales?

Mr MATT KEAN: Firstly, I assume you are referring to The Greens analysis.

Mr JUSTIN FIELD: Those figures came from the Australian Competition and Consumer Commission's [ACCC's] own modelling.

Mr MATT KEAN: That is not where those figures came from.

Mr JUSTIN FIELD: That was the modelling that was used.

Mr MATT KEAN: That was not in the ACCC report. That was the analysis done by The Greens, leaked to the *Sydney Morning Herald* by The Greens. Did you leak that information, Mr Field?

Mr JUSTIN FIELD: Have you done your own modelling, Minister?

The Hon. BEN FRANKLIN: Point of order: This should be questions and answers rather than a chat.

Mr JUSTIN FIELD: It seemed like I was asking questions and answers were coming. I am just clarifying the question. Have you done your own modelling, Minister?

Mr MATT KEAN: With regard to?

Mr JUSTIN FIELD: With regard to the mandate and how much it is costing motorists.

Mr MATT KEAN: We have done some modelling on this. Mr Chair, if I could elaborate on what it is costing motorists? If you have a car that takes a 40-litre tank of petrol and you fill up using E10 once a week over the course of a year as opposed to using Premium 98, you will save \$416 at the bowser every year. If you fill up using premium 95, you will have saved \$309 at the bowser every year. In fact, if you have used E10 as opposed to regular unleaded you would have saved \$41 last year. Yes, we have done modelling that says that consumers are better off when they use E10 at the bowser.

Mr JUSTIN FIELD: I think we are talking about different modelling. How many applications for exemptions under section 15—

Mr MATT KEAN: Forgive me for not relying on The Greens' modelling that was leaked to the *Sydney Morning Herald*.

Mr JUSTIN FIELD: You have to put it in a bigger context. How many applications for exemptions under section 15 of the Biofuels Act have you received since 1 January?

Mr MATT KEAN: I think we have received 179 applications for exemption. Is that correct?

Mr HOFFMAN: That is right, yes.

Mr JUSTIN FIELD: What percentage of the businesses that are subject to the minimum biofuels requirement have applied for an exemption? Do you know?

Mr MATT KEAN: I do not have that information in front of me. I will hand over to Mr Hoffman.

Mr HOFFMAN: What percentage of the—

Mr JUSTIN FIELD: You said 179 in answer to my previous question. How many businesses in New South Wales are subject to the minimum biofuels requirement? I am trying to work out the percentage of those businesses that have applied for an exemption.

Mr MATT KEAN: We can take that on notice.

Mr HOFFMAN: We will take that question on notice.

Mr JUSTIN FIELD: Minister, how many exemptions have you granted out of those 179 applications?

Mr MATT KEAN: Can I say that I take recommendations from the expert panel that reviews all the exemptions, in line with the legislation. They make recommendations as to whether or not businesses meet the criteria to gain an exemption. I then will take the advice of the expert panel, as I am required to do, and will grant the exemption.

Mr JUSTIN FIELD: How many of those 179 have been granted?

Mr HOFFMAN: All of them were granted.

Mr JUSTIN FIELD: How many of those were because it is uneconomic for their business to comply with the minimum biofuels requirement? I understand that is one of the options when they make an application.

Mr HOFFMAN: That is one of the criteria, yes.

Mr JUSTIN FIELD: How many of those 179 were granted on that basis?

Mr HOFFMAN: We do have that analysis, and I am happy to provide that on notice.

Mr JUSTIN FIELD: What happens next for businesses being granted an exemption? I assume that the exemption is for a certain period.

Mr HOFFMAN: The exemption is for a period, yes, either prospective or retrospective.

Mr JUSTIN FIELD: What is the standard period for the exemption?

Mr HOFFMAN: The returns and the considerations are done on a quarterly basis.

Mr JUSTIN FIELD: At the end of the quarter, do they need to reapply?

Mr HOFFMAN: Yes, that is right.

Mr JUSTIN FIELD: You have probably already received further applications in that time?

Mr HOFFMAN: Yes, the department has received applications. We have up until 30 June, so we are waiting until the end of the September quarter.

Mr JUSTIN FIELD: If people do not apply for an exemption they could currently be subject to a fine for not meeting the minimum biofuels requirement. Is that correct?

Mr HOFFMAN: Yes.

Mr MATT KEAN: That is correct, yes.

Mr JUSTIN FIELD: Have any been fined?

Mr HOFFMAN: No.

Mr JUSTIN FIELD: Are any investigations going on into businesses that fail to comply with the minimum biofuels requirement?

Mr HOFFMAN: Yes, the compliance and enforcement area of Fair Trading is involved in this and in helping to understand the conduct of the market, which also leads to consideration of requests for exemptions.

Mr JUSTIN FIELD: How much has the Government spent on its E10 Fuel for Thought advertising campaign so far, and how much is budgeted to be spent?

Mr MATT KEAN: So far we have spent—is there a specific thing that you are looking at, such as media buy? What are you after?

Mr JUSTIN FIELD: I do not know the components of your E10 Fuel for Thought advertising campaign. If you are happy to provide the information broken down, that would be great.

Mr MATT KEAN: As you know, the community awareness campaign debunking the myths surrounding E10 was part of the Biofuels Amendment Bill announced by Minister Dominello in his second reading speech in 2016. You are probably aware that there was an Independent Pricing and Regulatory Tribunal [IPART] report, which supported a number of ways that the Government could increase the uptake of ethanol or E10 in New South Wales.

Mr JUSTIN FIELD: Minister, given that time has run out, will you take on notice my question regarding how much has been spent on that ad campaign?

Mr MATT KEAN: I am happy to come back to you on the media buy, yes.

Mr JUSTIN FIELD: How much has been spent on the advertising campaign, the media buy and other things? I am happy to see it all.

Mr HOFFMAN: Yes.

The CHAIR: We look forward to the media buy report. Could you outline the practical values of the ethanol subsidy, especially regarding pollution?

Mr MATT KEAN: I certainly can. The Government, you will be shocked to hear, does not rely on The Greens for its policy analysis.

Mr JUSTIN FIELD: Maybe you should.

Mr MATT KEAN: Unlike the Productivity Commission, we focused on a broad range of considerations when backing the biofuels mandate. They include saving consumers money at the bowser. We know that ethanol is the cheapest component of blended fuel, using the by-product of agricultural waste. E10 is competitive and it dilutes our dependence on foreign oil. It is very interesting to hear The Greens defending big oil—

Mr JUSTIN FIELD: Where is the defence of truth?

Mr MATT KEAN: It makes productive use of an agricultural waste product, so it is an important renewable energy source. That is again why I am shocked that The Greens do not support renewable energy. It also supports regional jobs. I was interested in a press release that I saw on Mr Field's website, which talked about the importance of regional jobs, particularly on the South Coast. I am surprised that he is not more supportive of the jobs being created as a result of this industry on the South Coast.

Mr JUSTIN FIELD: Do you not recognise the monopoly provided by your subsidy, Minister?

Mr MATT KEAN: It is also a cheaper and cleaner alternative at the bowser. Those are some of the policy objectives that the Government is focused on and why we are supporting the biofuels mandate.

The CHAIR: You mentioned your 10-point plan a number of times. Could you table the plan and perhaps highlight one or two of the most important aspects of that plan?

Mr MATT KEAN: With respect, I would love to outline the entire 10-point plan, if that is alright, for the benefit of this Committee.

The CHAIR: No, I just want one or two of the important aspects.

Mr MATT KEAN: As I said, it is the most comprehensive fire safety package in the nation. It is about keeping people as safe as possible in their homes. We will do this by taking unsafe building products off the shelves. We have identified buildings with unsafe cladding, and we have notified them. We will only have people with the necessary skills and experience certifying buildings and signing off on fire safety. In addition to that, we will introduce legislation to remove dodgy building products from the supply chain. That will mean that if you sell, distribute or install dodgy products, there will be serious consequences. I am happy to table the 10-point plan; I will even table my media release announcing the most comprehensive set of fire safety standards in the country.

The CHAIR: You have previously stated in the media that you note that quad bikes are the biggest killer on New South Wales farms. That seems to be true. What are you doing about that issue?

Mr MATT KEAN: You are absolutely right; quad bikes are the biggest killer on our farms, not only in New South Wales where we have had 32 deaths since 2011 but also right across the country. There have been 116 deaths from quad bike accidents right across Australia since 2011. You are no doubt aware of the coronial inquest into this matter. It made a number of recommendations. I am pleased to say that New South Wales continues to have the most comprehensive approach to quad bike safety, because this is certainly one of my top priorities, as well as being one of the top priorities of this Government. We have rolled out a high-impact public awareness campaign around the dangers of quad bikes. We are trying to bring about cultural change and getting people to change their attitudes when it comes to using quad bikes.

We have run a regional media campaign comprised of confronting new material to raise awareness about the dangers of quad bikes with the aim of reducing the number of people injured or killed. In addition, it is important to remember that quad bikes are not toys. We have run a television advertising campaign around that fact, featuring Amber Thomas, who is now 19 but who was 14 at the time she had an accident. She is from Tamworth. We have received more than 161,000 YouTube views. The campaign also features Mr Graham Brown, who is 70 years old and is a very experienced farmer and user of quad bikes. He had an accident, and we used him as part of the community awareness campaign.

We have also rolled out a \$2 million safety improvement campaign. That campaign has been about providing safety equipment, so rebates to retrofit an existing vehicle or upgrades to a safer side-by-side vehicle. We know that using a side-by-side is far safer so we are encouraging people to upgrade. In addition to that, we are encouraging people to undertake the free training that the New South Wales Government has provided. I know the Hon. Ben Franklin is very passionate about this, being a National Party member of Parliament. If you complete the free training program we will also throw in, not a set of steak knives, but a free helmet because we know that head trauma is a major cause of injury and death.

The CHAIR: The Committee clerks advise me that they would like you to table two documents that you referred to. Apparently you do not have copies there. Could your staff provide them so they could be tabled?

Mr MATT KEAN: When do you need them by?

The CHAIR: Get them to us as quickly as you can. You could table those documents at the next estimates hearing if they are not here by 3.00 p.m.

Mr HOFFMAN: Could the clerk indicate the documents we referred to?

The CHAIR: The 10-point plan and the media release.

Mr MATT KEAN: Mr Field's question as well.

The Hon. DANIEL MOOKHEY: My media release. You can table that if you want to.

Mr MATT KEAN: Which one?

The Hon. DANIEL MOOKHEY: That media release you read on my website.

Mr MATT KEAN: I will table that. It is on your website.

The CHAIR: The 10-point plan appears to be arriving.

Mr JUSTIN FIELD: Twenty-seven per cent youth unemployment in the Shoalhaven.

The CHAIR: That is sufficient. The media release includes a 10-point plan.

Mr HOFFMAN: To assist Mr Field, I can now answer a question I took on notice. It will save my hardworking staff from following up on a question on notice. There are 1,091 volume fuel service stations in New South Wales out of a total of 2,242 service stations in New South Wales.

The Hon. DANIEL MOOKHEY: Before we conclude we should note the Minister has broken the estimates record for the longest reply to a question—seven minutes.

Mr MATT KEAN: I cannot believe that is the record. I can go longer on the 10-point plan if you like!

The CHAIR: I thank the Minister and his staff for their attendance.

(The witnesses withdrew)

The Committee proceeded to deliberate.