



The Honourable Kevin Anderson MP
Minister for Better Regulation and Innovation

Mr David Shoebridge, MLC
Chair, Public Accountability Committee
Parliament House
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Dear Chair

Re: update to the Public Accountability Committee regarding the Cladding Product Safety Panel

The Liberal-National Government has committed to a landmark project in the 2020-21 NSW Budget to remove combustible cladding in the most at-risk residential apartment buildings across the State. As Minister for Better Regulation, I announced the formation of Project Remediate, a three year program that will provide interest-free, 10-year loans, to Owners Corporations to enable and fast-track the safe removal of high-risk cladding. Project Remediate is already working flat out to stand up the various work streams so we can begin to take unsafe cladding off high risk buildings in a safe, insurable, affordable and consistent manner.

A key supporting role for Project Remediate is the work of the Cladding Product Safety Panel (CPSP or Panel), whose role is to support the removal of unsafe cladding in NSW by providing advice to Government on the suitability of cladding products and external wall assembly methods.

Given the Committee's interest in the issue of combustible cladding, I write to provide you an update on the Panel's work undertaken to date and, in particular, its approach to removal of product and replacement product recommendations it will be making as part of its work to support Project Remediate.

CPSP membership

The CSP has expertise in fire safety engineering, product testing, building surveying and certification, and construction and building insurance. I appointed the following panel members on 29 July 2020:

- Chair - Professor Mark Hoffman
- Member - Mr Stephen Durnford, NSW Department of Customer Service
- Member and Deputy Chair - Dr Marianne Foley, building and construction expert
- Member - Mr Allan Harriman OAM, fire safety engineering expert
- Member - Mr Robert Marinelli, building surveying and building work certification expert
- Member - Mr Stephan Netting, Fire and Rescue NSW
- Member - Professor Bijan Samali, fire safety engineering expert
- Member - Mr Corey Nugent, Insurance Council of Australia

Activities the Panel is currently working on for its advice to Government

The CPSP has a detailed work plan and formed three working groups to focus on identifying suitable testing laboratories, ascertaining risk assessment methods, and assessment processes for products and systems. The Panel has held a number of briefings with industry and local government stakeholders as part of developing its advice to Government.

The Panel has worked to develop clear and well-evidenced criteria for assessing the suitability of cladding products, focusing on the below areas in support of Project Remediate:

- Embedding a low risk approach to the Panel's decision making, with risk to be mitigated by design, not management measures. This means supporting holistic remediation solutions that do not require building owners or occupants to change the way they use the building or commit to long-term maintenance obligations.
- Ensuring buildings can be insured without cladding-related exclusions or additional premiums by working with the Insurance Council of Australia to identify remediation solutions that will mitigate both safety and insurance risks.
- Developing criteria for removal or retention of product on affected buildings.
- Developing criteria for selecting suitable replacement products and systems.
- Setting robust standards for testing and documentation that products must meet to be considered by the Panel, to ensure independence and transparency of processes and results.

Given the interest of the Committee in the issue of cladding, I would like to provide you an update on two of the CPSP's key activities: the criteria for removal or retention, and criteria for replacement products and systems.

Approach to removal or retention of product for Project Remediate

The CPSP recognises the Government has a low tolerance for risk for the residential buildings within the scope of Project Remediate, and is therefore adopting a very conservative approach to determining what products should be recommended for removal from these buildings. The Government want to do this job once, in accordance with the National Construction Code, and in a way that will ensure safety to the public and residents.

The CPSP has reviewed available risk assessment methodologies for determining the level of fire safety risk posed by cladding on existing buildings. These include:

- Insurance Council of Australia's 'Residual Hazard Identification/Reporting Protocol'
- DPIE's 'Guide to the Assessment of Buildings with Combustible Cladding'
- FRNSW's position statement
- Society of Fire Safety (Engineers Australia) 'Façade/External Wall Fire Safety Design'
- National Fire Protection Association 'High Rise Buildings with Combustible Exterior Wall Assemblies: Fire Risk Assessment Tool'

Of these, the Insurance Council of Australia's protocol and its product classification categories were used as the basis for the Panel's consideration of appropriate risk assessment criteria, to ensure buildings rectified by Project Remediate are safe and can be insured.

The CPSP has formed a view that generally, non-compliant product will need to be removed in order to reach a satisfactory level of risk for buildings under Project Remediate. Compliance with the Deemed-to-Satisfy provisions of the Building Code of Australia (BCA) requires external walls of buildings such as multi-storey apartment buildings to be non-combustible as

determined by the AS1530.1 test or the use of a product specifically listed in the BCA that can be used where a non-combustible product is required.

The CPSP is of the view products with a combustible core of 8% or greater will need to be removed from buildings under Project Remediate. The majority of buildings in scope of Project Remediate have panels of a combustible core of 8% or greater and therefore these will need to be removed.

For products with a combustible core of less than 8%, a performance solution may be permissible if it meets verification method CV3 under the National Construction Code in full. This requires the building in question has sprinklers and cavity barriers installed and that the product passes the test under Australian Standard AS 5113. This is a more rigorous assessment than relying only on AS 1513 alone and this will be required to ensure all work undertaken under Project Remediate is of very high standard of building safety.

This further testing assessment would be made during the triage and investigation of buildings by qualified assessors from a panel established under Project Remediate. This will take place after buildings register for the program and before any remediation work is proposed. Program-wide guidelines will be provided by the Principal Designer in consultation with the CPSP and Office of Project Remediate.

Any very minor areas that need to remain post-remediation for practical reasons would need a detailed risk assessment and performance solution. An example of this instance could include small areas of cladding around balcony fixtures or tiling, which may be capped and left in place where full removal would require re-tiling or removing balcony fixtures. These minor areas must have no adverse effect on occupant safety, fire fighter safety, and must not give rise to fire spread between floors or units. Qualified building designers from a panel established under Project Remediate will undertake this risk assessment and design work, in consultation with the Principal Designer, who in turn provides guidance in consultation with the CPSP and Office of Project Remediate.

Approach CPSP is taking for preferred replacement products and systems

The Panel recommends taking into consideration the performance of the system as a whole, not just panels being affixed or joined to the wall when determining the suitability of remediation proposals. The CPSP will be insisting on the use of mechanical fixing methods for all replacement cladding systems and all replacement proposals will need to be designed separately for each building in scope of Project Remediate by appropriate professionals. This will ensure that no other performance elements of a building are compromised by the replacement cladding. Design guidelines for replacement systems will be delivered for Project Remediate by a Principal Designer in consultation with the CPSP, covering design elements such as:

- Fire safety
- Weatherproofing
- Durability
- Structure including wind loading
- Condensation
- Thermal performance and energy efficiency
- Acoustics
- Aesthetics

The design guidelines will include requirements such as mechanical fixing and cavity barriers, to provide best practice system performance. Guidelines will also cover the standards of testing that products and systems must undergo and the documentation required to support their use.

In regards to the selection of appropriate replacement products, the CPSP has developed criteria for products it will consider for inclusion in the first tranche of products it will recommend for use in Project Remediate. The approach reflects the low risk tolerance of Government in remediating residential apartment buildings.

The criteria developed by the CPSP are as follows:

- Non-combustible according to the National Construction Code, i.e. not deemed combustible as determined by AS 1530.1 – Combustibility Tests for Materials, or the use of a product specifically listed in the BCA that can be used where a non-combustible product is required.
- Products and systems that demonstrate full compliance with verification method CV3 as discussed above.

The CPSP will not be recommending products which are subject to further review at the National level. For instance, bonded laminates are proposed to be subject to further consideration by the Australian Building Codes Board and will not be included in the first tranche of CPSP advice to Government.

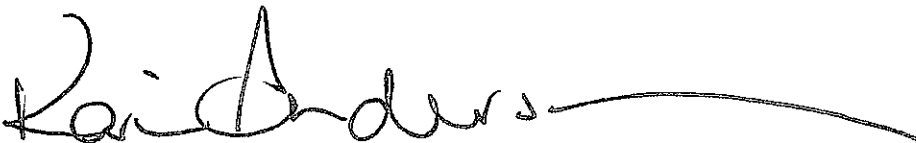
Next steps

CPSP's initial advice to Government is expected to be made publicly available by the end of March 2021 to ensure the public and industry has transparency about the decision making that will inform the program. This advice will inform the selection of remediation products and systems under Project Remediate. The advice will be updated over time particularly as and when the panel is satisfied of the performance of any additional cladding and wall systems that have been independently tested and meet its criteria for endorsement.

It is voluntary for owners to join Project Remediate, but the assurance services including the commitment to quality remediation using the CPSP's expert advice, as well as the availability of no-interest loans, provide an attractive option for owners of residential apartment buildings.

I will update the committee further as Project Remediate progresses.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Kevin Anderson', with a long horizontal flourish extending to the right.

Kevin Anderson MP
Minister for Better Regulation and Innovation

Date: 3.3.2021