

**REPORT ON PROCEEDINGS BEFORE**

**STANDING COMMITTEE ON LAW AND JUSTICE**

**2019 REVIEW OF THE DUST DISEASES SCHEME**

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**At Sydney on Friday 15 November 2019**

**The Committee met at 10:00.**

**PRESENT**

The Hon. Wes Fang (Chair)  
The Hon. Lou Amato  
The Hon. Antony D'Adam  
The Hon. Greg Donnelly (Deputy Chair)  
The Hon. Trevor Khan  
The Hon. Daniel Mookhey  
Mr David Shoebridge



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**The CHAIR:** Welcome to the fourth hearing of the 2019 Review of the Dust Diseases Scheme. This review is focusing on the response to silicosis in the manufactured stone industry in New South Wales. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respects to elders, past and present, of the Eora nation and extend that respect to other Aboriginals present. The hearing today was arranged to receive evidence from those involved in the manufacturing and supply of engineered stone. We will be hearing from representatives of the Australian Engineered Stone Advisory Group, including representatives from Caesarstone Australia, Smartstone Australia Pty Ltd and Quantum Quartz.

Before I commence I will make some brief comments about the procedures for today's hearing. Today's hearing is open to the public and is being broadcast live via the Parliament's website. A transcript of today's hearing will be placed on the Committee's website when it becomes available. 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 also remind media representatives that you must take responsibility for what you publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside of their evidence at the hearing so I urge witnesses to be careful about any comments you may make to the media or to others after you complete your evidence as such comments would not be protected by parliamentary privilege if another person decided to take an action for defamation. The guidelines for the broadcast of proceedings are available from the secretariat.

There may be some questions that a witness could only answer if they had more time or with certain documents to hand. In these circumstances witnesses are advised that they can take the question on notice and provide answers within seven days. Witnesses are advised that any messages should be delivered to Committee members through the Committee staff. To aid the audibility of this hearing I remind Committee members and witnesses to speak into the microphones. The room is fitted with induction loops compatible with hearing aid systems that have telecoil receivers. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, could everyone please turn their mobile phones to silent for the duration of the hearing.

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**DAVID CULLEN**, Managing Director, Caesarstone Australia, sworn and examined

**BRUCE RAYMENT**, Chief Executive Officer, Smartstone Australia Pty Ltd, affirmed and examined

**MARK NORMAN**, General Manager, WK Quantum Quartz, sworn and examined

**The CHAIR:** Would any of you like to make a short opening statement?

**Mr CULLEN:** Yes, please. Firstly, thank you to the Committee for giving us this opportunity to provide our evidence and for listening to our responses to your various questions. I am a member of AESAG, which is the Australian Engineered Stone Advisory Group. The members of AESAG are Caesarstone, Quantum Quartz, Smartstone, most recently Stone Ambassador and CDK. CDK is an associate member, being an equipment supplier and also a services supplier, not a material quartz supplier. The role of AESAG as we set it up is to help create a much safer work environment for fabrication and for engineering stone in general. Approximately 70 per cent of the stone supplied in the industry today is supplied by members of AESAG, so we believe we have very strong influence in the marketplace.

The group was formed in 2018 on the basis of taking the industry a step further, making the industry a much safer place to operate in. It was also formed on the basis of what we were seeing happening in Queensland, which was obviously a concern at the time. We believe and at our first meeting we discussed the fact that we think we need to be self-regulating as an industry. We cannot rely on others. We cannot necessarily rely on regulators. We need to be self-regulating, so we had to take steps to become self-regulating. The primary driver, the tool that we saw that was going to enforce this, was through an accreditation process which we have started. We hired a company called Greencap, which is a subsidiary of Wesfarmers.

Greencap has developed, along with AESAG, standards, process, systems—we have taken that to the next stage by running pilots with a number of fabricators in both Victoria and also New South Wales. We have now moved to a registration process which three weeks ago we decided to simplify. We found that the prequalification process was becoming complicated for fabricators so we decided to simplify it. We also decided to take the funding off the table for the initial registration of fabricators to encourage them even further. This is then going to move towards an audit phase, which will start in the month of November and then the audit will incorporate both manufacturing on the shopfloor and also installation, in consumers, builders, so we cover the entire sphere of fabrication in our industry.

We believe and again discussed many times that one death or one case of silicosis is too many. We have to make sure this industry is safe and we believe this industry can be safe moving forward. We are going to do our best to take it to the next stage. To give you a snapshot of the industry, there are approximately 7,000 fabricators employed directly in this industry. There are over 1,000 businesses operating in this industry. There are also affiliated companies working in this industry. We work with 20,000 channel partners from builders, architects, designers, fabricators—

**The Hon. DANIEL MOOKHEY:** Sorry, can you just repeat those figures?

**Mr CULLEN:** Approximately 7,000 fabricators working in the industry, working with over 1,000 companies in the industry nationally.

**Mr DAVID SHOEBRIDGE:** And it would be about a third of that in New South Wales.

**Mr CULLEN:** Around 35 per cent of that would be New South Wales based. Then there are approximately 20,000 channel partners around Australia involved in this industry, from architects, designers, developers, builders, fabricators, kitchen companies and obviously suppliers. So it is a significant industry across Australia. From an installation perspective, installation is controlled by fabricators. Approximately 50 per cent of that installation is done by employees and 50 per cent of that installation is done by contractors, but controlled by fabricators. Fabricators, to be clear, are our customers. They are not our suppliers. We bring the material in from various factories. We sell that product to fabricators. We get involved in the channel to create demand.

As an industry we have done many things over the years to help make this a safer industry: from 1996 with continued updates of our material safety data sheets; 2002 we introduced fabrication manuals to fabricators, including multiple silica safety warnings; 2005 we asked fabricators to sign off on fabrication manuals and to sign off on the safety of the inclusions in those manuals; 2005 again we had continual updates on the manuals and health and safety advice issued to the industry; 2010 we sent letters to all fabricators discussing silicosis and the importance of creating a safe work environment; 2010 again we issued further health and safety guides to all fabricators in the industry; 2010 we put warning labels on all slabs; 2012 we issued health and safety DVDs to

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the entire industry; 2014 we put warnings on invoices and delivery notes; 2016 we started a series of roadshows to fabricators; 2018 we joined the New South Wales and Queensland task force—

**The Hon. ANTHONY D'ADAM:** Mr Cullen, are you just talking about Caesarstone in this respect or is this in relation to all members of your group?

**Mr CULLEN:** It is in relation to both. So it is Caesarstone in the industry. These are specific things that Caesarstone has done. However the industry generally has done a lot and it had done a lot prior to 1996 in many cases.

**Mr NORMAN:** We have engaged in similar initiatives as well.

**The Hon. LOU AMATO:** So when—

**The CHAIR:** We are not into questions yet so we will allow the witness to continue with his opening statement.

**Mr CULLEN:** In conclusion of the things that we have been involved in from an industry perspective. In 2018 we formed the Australian Engineered Stone Advisory Group [AESAG] as discussed and we started the accreditation journey for the industry.

**The Hon. LOU AMATO:** What year was that?

**Mr CULLEN:** It was in 2018. In our submission we have included a few key points. Firstly mandatory testing we believe should be in place of workers for silicosis. We believe there should be mandatory reporting and a national register established, obviously State by State. We believe there should be a ban on dry cutting. We would like to see the accreditation process through AESAG be part of legislation, State by State because we think it is that important. We would also like to see governments assist fabricators with the funding of the accreditation process.

In the last 18 months we have seen significant change in this industry. There is not a conversation I have with fabricators that does not start with silicosis and does not end with silicosis with business in between. The knowledge in the industry now is significant. We have to take that knowledge and convert moving forward. The awareness is greater than it has ever been. We have to convert that awareness to 100 per cent safety moving forward. The product can be handled safely. It will be handled safely. We need to work with regulators, manufacturers, fabricators, kitchen companies and builders to make sure that is the case.

**The Hon. DANIEL MOOKHEY:** Mr Cullen, can we get that statement tabled?

**Mr CULLEN:** Sure. It is in point form.

**The Hon. DANIEL MOOKHEY:** Okay.

**The CHAIR:** Would anyone else like to make a statement?

**Mr RAYMENT:** I would like to make an opening statement. Smartstone Australia Pty Ltd is one of the leading importers and distributors of engineered stone and a founding member of the Australian Engineered Stone Advisory Group. I would like to begin by pointing out, that like other members of the group here today, we want to play our part in preventing unnecessary illness to stonemasons as part of a responsible industry. We have warned against dry cutting engineered stone since at least the mid-2000s when we entered this marketplace and we agree with government agencies, medical experts and the wider industry that illness associated with fabricating engineered stone is preventable provided appropriate work practices and safety measures are followed. All regulatory systems must adapt with time and as the popularity of engineered stone has increased over the past 20 years or so, so too have the number of fabricators and installers around the State.

As a result, regulation must adapt and be strengthened. Like my colleagues here today. We believe there are five new regulatory steps that will both prevent unnecessary illness, create a sustainable industry and ensure that Australians continue to use a product that they have grown to love. These regulatory measures provide more information to Government about the engineered stone industry, impose tougher safety standards on the entire industry through the accreditation program and identify cases of illness. We are proud to be part of the Australian Engineered Stone Advisory Group consortium that has put aside competitive and commercial considerations to ensure that we can build a safer industry into the future. And I welcome any questions you have on this matter.

**The CHAIR:** Mr Norman, did you have an opening statement?

**Mr NORMAN:** I am the general manager of WK Marble and Granite Pty Ltd, an Australian family-owned business with a 30-year history in stone. We got involved with engineered stone 19 years ago. Over 30 years, our customers have become our friends. Our customers are getting sick and that is a tragedy not only for

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them and their families but it is a tragedy for our employees as well. It has greatly affected our employees in Queensland. Silicosis relating to engineered stone is nothing new. In our first manual in the year 2000, we clearly documented the need to wet cut and wear a respirator. In today's manuals nothing has changed. I think everybody has a job to do. Our job is to educate the industry on safe cutting practice—I should say to continue to educate the industry on safe cutting practices. The employer's job is to follow those clearly documented safe cutting practices and the authorities need to enforce those clearly documented safe cutting practices. If everybody works together, there is no doubt that the industry can be 100 per cent safe and can have a long future. Thank you.

**The CHAIR:** We will now open up for questions.

**Mr DAVID SHOEBRIDGE:** Thank you all for coming today. The industry perspective is important. You say that this industry can be 100 per cent safe, do you have any medical evidence that shows what a safe level of exposure to the dust from engineered stone is?

**Mr CULLEN:** Based on the research that has occurred overseas, we believe from information we have seen in Australia, from the New South Wales task force, from the Queensland task force, that this product can be handled 100 per cent safely if the right safety measures are put in place.

**Mr DAVID SHOEBRIDGE:** I have read the review by the New South Wales task force. It does not identify a safe exposure level. I have closely followed what has happened in other jurisdictions, like the United States, where a number of workplace regulators have indicated they cannot identify a safe exposure level. So I ask you again, can you provide the Committee with any medical advice—any detailed study—that shows what the safe level of exposure to the dust from your products is?

**Mr CULLEN:** I am happy to take it on notice and provide you with the reports that we have.

**Mr DAVID SHOEBRIDGE:** Are you aware of any study that says—

**The Hon. TREVOR KHAN:** He said he is going to take it on notice.

**Mr DAVID SHOEBRIDGE:** Are you aware of any study that says the standard you are pushing for—0.1 milligrams per cubic metre on a time-weighted average over eight hours—is safe? I have had studies referred to me saying that is the equivalent of smoking a packet of cigarettes each day in terms of the impact upon your lungs.

**Mr RAYMENT:** Mr Shoebridge, we are not pushing for a 0.1 milligram exposure limit, it is 0.05.

**The Hon. DANIEL MOOKHEY:** To be phased in over three years, though, is what your submission says. Is that correct?

**Mr CULLEN:** Over a transitional period, yes.

**Mr DAVID SHOEBRIDGE:** Well, you want to retain the 0.1 for the next three years. Are you aware of any evidence that says that will keep workers safe?

**Mr CULLEN:** Our aim, through the accreditation process, is to bring fabricators to 0.05 and then to bring them to a lower level below 0.05. The information we have and I am happy to give you copies—at a later stage—of that information from overseas and from what we have seen locally, is that if the right safety equipment, personal protective equipment [PPE], ventilation and wet cutting is put in place, this product can be handled safely—100 per cent.

**Mr DAVID SHOEBRIDGE:** But if any part of that chain breaks down in the thousands of workplaces where there are millions of occasions where this product is being used, if any part of that chain breaks down workers lives will be at risk. Do you agree with that?

**Mr CULLEN:** Silica is a dangerous product if not handled safely. It is across many industries and has existed for a long time. We are talking bricks, we are talking concrete, we are talking tunnelling and engineered stone—it has to be handled in a safe environment.

**Mr DAVID SHOEBRIDGE:** But there is something specific about your product—and we have had advice from thoracic surgeons. There is something specific about manufactured stone. It is the nature of the silica crystals, it is the resin that is involved, that is causing a very aggressive early onset death from silicosis. There is something specific about your product, is there not?

**Mr CULLEN:** We have had no evidence whatsoever that the resin causes any additional issue from a safety perspective. The evidence we have suggests it is the high content of silica. But many products—some ceramic products—have 70 per cent silica. Marble has silica, granite has silica. We believe it is the same approach. It has to be handled in a safe environment. If it is handled in a safe environment, it can be safe.

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**Mr DAVID SHOEBRIDGE:** What do we do with the evidence that we have got from the medical community—thoracic surgeons—that says there is this new aggressive early onset lethal form of silicosis that has coincided with the introduction of your product into the industry? What do we do with that evidence? Do we just ignore it?

**Mr CULLEN:** No—

**Mr RAYMENT:** We implement an accreditation scheme that is mandatory for all stonemasons and stonemasonry businesses around the country and together we are working on an Australian Competition and Consumer Commission application to ensure that unless businesses become accredited, they would not be able to get supply in future

**Mr DAVID SHOEBRIDGE:** You would be aware of the hierarchy of response that work health and safety authorities have had established for decades for when you have a hazard in a workplace. Are you aware of the hierarchy of response for a hazard?

**Mr CULLEN:** Not specifically.

**Mr DAVID SHOEBRIDGE:** I put this to you: Every single work health and safety law in this country, the United States and Western Europe says that the first response when you identify a hazard—the preferable and first response—is to remove that hazard from the workplace. Given your product is a hazard, why should it not be removed from the workplace?

**The Hon. TREVOR KHAN:** You do that with every chemical then, David.

**Mr DAVID SHOEBRIDGE:** Why should it not be removed from the workplace?

**Mr CULLEN:** Because the product can be handled safely. The product, with the right procedures, can be handled safely. Tunnelling can be handled safely, construction can be handled safely and concrete can be handled safely. They all have silica and they all have to be handled safely. Going back to what you said earlier, one of the obvious issues is that within the industry we have had some fabricators who have not handled the product safely. That is why we have had the issues.

**The Hon. DANIEL MOOKHEY:** Thank you for your appearance today. The Committee has taken evidence about the rising diagnosis of people with silicosis. In New South Wales known cases have gone from an average of three to four a year to 40 last year. We on track towards 81 cases. Do you think there is a correlation between the rise in the instance of silicosis and the practices that take place at either the manufacturing, fabrication or installation of manufactured stone?

**Mr CULLEN:** I think it is generally the history of how the product has been handled. If it has been handled in an unsafe environment over an extended period of time there is that opportunity for someone to develop silicosis. I think that is what has happened.

**The Hon. DANIEL MOOKHEY:** They might be historic practices that took place while ago, but do you accept that it is the case that the way in which manufactured stone has been installed or fabricated in Australia has led to a rise in silicosis? You do not deny any causation at all.

**Mr CULLEN:** No, what we are saying is that if the product is not handled safely it can lead, over time, to silicosis.

**The Hon. DANIEL MOOKHEY:** I am asking you if you think that has happened. Do you think the product was being handled unsafely and that now, as a result, we have seen a rise in silicosis?

**Mr CULLEN:** I think based on the silicosis cases you would have to say the answer is yes.

**Mr NORMAN:** Yes, the product has been handled unsafely.

**The Hon. DANIEL MOOKHEY:** You do agree with that?

**Mr NORMAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Do you think that the level at which the poor safety handling of your product has taken place in your supply chain has been at the level of fabrication or installation?

**Mr CULLEN:** I think there is probably some evidence of both.

**The Hon. DANIEL MOOKHEY:** Where do you think the problem is?

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**Mr CULLEN:** Our approach from an accreditation point of view and our approach moving forward is to make sure that it is handled safely in both instances so there is no risk at the fabrication stage and there is no risk at the installation stage.

**The Hon. DANIEL MOOKHEY:** Mr Rayment, do you want to add to that?

**Mr RAYMENT:** I think the largest risk occurs at the fabrication stage in the factory, where the product is cut, polished and shaped; rather than at the installation stage on a work site.

**The Hon. DANIEL MOOKHEY:** Mr Norman, do you agree with that view?

**Mr NORMAN:** I do. I think the accreditation process that we are going through is the answer.

**The Hon. DANIEL MOOKHEY:** We will get to that. Don't get me wrong—we will get to that.

**Mr NORMAN:** The risk is fabricating within a factory. That is where the risk is.

**The Hon. DANIEL MOOKHEY:** I accept that. That is consistent with the view that the regulators have given. When were you first made aware that there was this safety risk at the fabrication or installation level in Australia?

**Mr CULLEN:** In Australia we have had the warnings about how our product should be handled and the fact that it has to be handled in a safe environment since day one. In terms of the specifics, it has only been in the last couple of years that we seen some of the issues in Queensland. If I go back in history to around 2008 or 2009, we had heard of some issues overseas. That is when we started to put some more initiatives in place to make sure that fabricators understood how the product needed to be handled.

**Mr DAVID SHOEBRIDGE:** You said you had put warnings in since 2002?

**Mr CULLEN:** Correct.

**The Hon. DANIEL MOOKHEY:** Can we infer from the combination of your opening statement—which my colleague Mr David Shoebridge rightly pointed out stated that you started putting warnings in in 2002—and that you just said that you knew in 2002 that there was a general risk, that you learned in 2009 that there was a specific risk that was taking place in the market place at the time?

**Mr CULLEN:** Our product contains silica, so we had warnings and information around the handling of the product since day one.

**The Hon. DANIEL MOOKHEY:** Caesarstone has been operating in Australia since when?

**Mr CULLEN:** Just after 2000 through a distributor. We went direct in 2008.

**The Hon. DANIEL MOOKHEY:** I appreciate that in your opening statement you set out the policy and general ways you would like to see the market be regulated, but I would like to talk about the specific cases that you found arising from Queensland. When you learnt of the Queensland examples and that there was a correlation between the rise of silicosis in Queensland and the way in which the product was being manufactured, fabricated or installed, what did you do? Did you check your supply chains? Did you go through to see whether it was your product and your fabricators? What happened?

**Mr CULLEN:** Firstly, until recent times there has not been a lot of information out of Queensland. There was not a lot of specific information other than the fact that there were a number of people who had silicosis.

**Mr DAVID SHOEBRIDGE:** Over 100 in just one case-finding study. It is not a few.

**The Hon. TREVOR KHAN:** Let him answer. He is being cooperative. Let him answer.

**Mr CULLEN:** It is true that in the last 12 months there have been over 100 cases. What we have done is increase the education and increase the warning to fabricators. We have tried to advise them. Again, they are our customers. That is one of the reasons we believe we need to go to an accreditation process. They are not our suppliers so we cannot force things on them. But through an accreditation process we believe we can.

**The Hon. DANIEL MOOKHEY:** I accept that, Mr Cullen. But I am asking a specific question. When you found about these 100 cases did you, Mr Norman or Mr Rayment—granted that there are other people who sell Caesarstone or engineered stone who are not here, and we should make inquiries into why they did not turn up—look at whether a particular stonemason got it when they were cutting a Caesarstone or Quantum Quartz product? Did you—

**Mr NORMAN:** All products basically have the same ingredients.



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**The Hon. DANIEL MOOKHEY:** But I am asking: Did it take place in people who were fabricating your product, who you were selling the stone to?

**Mr NORMAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Did you check what the fabricators were doing?

**Mr NORMAN:** No. We provide the information and we educate the fabricator. It is up to the fabricator to follow safe work practices and it is up to the authorities to enforce those safe work practices. The interesting part here—and I do not know if I am getting off topic—is that we introduced engineered stone in 2000. The first known silicosis incident happened in 2016.

**The Hon. DANIEL MOOKHEY:** I accept that there is a lag factor. But my point is that the evidence is now surfacing and a lot of the fabricators and installers are still in the marketplace, as you said.

**Mr NORMAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Mr Norman, I appreciate that you have just said that you are aware that at least one stonemason has developed the disease as a result of cutting your products. Mr Cullen or Mr Rayment, does the same apply? Are you aware of any specific incident or case that can be traced back to the installation or fabrication of your product?

**Mr RAYMENT:** Stonemasons who are fabricating engineered stone are generally fabricating multiple brands all the time.

**The Hon. DANIEL MOOKHEY:** So it is highly probable that they at least had interactions with your products?

**Mr RAYMENT:** With all of our products, yes, probably.

**The Hon. DANIEL MOOKHEY:** Have you done anything in response to that? Have you checked whether the people you are selling your products to are following the guidelines? My point is that you do not have to wait for an accreditation scheme to do that. Have you done any of that?

**Mr CULLEN:** We have issued continual updates on what needs to happen and continual reinforcement of the fact that this product needs to be handled safely to every fabricator in the industry. We are talking to every fabricator in Australia about how the product should be handled. We have enhanced that. That is why the awareness is growing. We are having that conversation with not only fabricators but also kitchen companies and builders. We are asking kitchen companies and builders to also be aware of what happens on site so that we can control it from the factory floor through to the installation. There are multiple people within the market that we are trying to control.

**The Hon. DANIEL MOOKHEY:** But you do want to control it?

**Mr CULLEN:** Sorry?

**The Hon. DANIEL MOOKHEY:** You do actually want to control the way in which your product is used throughout the entirety of the supply chain?

**Mr CULLEN:** We want a safe work environment put in place. We want to make sure that every fabricator is operating in a safe environment.

**The Hon. TREVOR KHAN:** I want to raise two issues. First, I appreciate that you have come here voluntarily and that your evidence—at least from my impression—is frank and helpful. I thank you.

**Mr DAVID SHOEBRIDGE:** I think that is my view as well.

**The Hon. TREVOR KHAN:** You say that the major problem is with fabrication. I will go back to my experience. Admittedly this was about 2008. I had a kitchen installed in the unit that I live in in Sydney when I am here. There was clearly a lot of cutting or adjustment of the stone that was brought in for that kitchen out on the balcony of my unit. My wife, who I allowed in the unit only occasionally, happened to be there on this day and describes the clouds of dust that were created out on the balcony whilst they obviously did some adjustment of the stone. Again, that is 2008. But her description—and what I saw in terms of what was left out on the balcony—would suggest that a good deal of adjustment of the product seems to be done at the installation phase. Is that correct or was this just a bad measure?

**Mr CULLEN:** I think historically that would have been correct. I think the industry has matured. I am not going to say it does not happen—there are going to be some fabricators who do the wrong thing, as you have with every industry. I think it has definitely improved from where it was in 2008 but it needs to improve further.

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That is why we believe we need to work closer with the fabricators through the accreditation process so that they have the knowledge and they are also audited on what they are doing. We are encouraging fabricators that it should be 99.9 per cent complete by the time it gets to someone's home or it gets to an apartment building. There should be very little work that is done on site. There should be no dust. If there is any finalisation of the product on site, it should be done in a wet environment. If there is significant fabrication to take place on site, it should be taken back to the factory.

**The Hon. TREVOR KHAN:** That is my first area of inquiry. I am not going to ask a lot. I want to go back a stage from your import of the product. I am a member of the National Party and maybe this is not the sort of question that National Party members ask. What we have is a product that is coming in, which, on your evidence, can be controlled in terms of its fabrication and installation. However, on your evidence, the product is inherently dangerous. Yes?

**Mr CULLEN:** As any product, it has silica risk, correct.

**The Hon. TREVOR KHAN:** Absolutely. What about the poor devils over in China, Vietnam and wherever else this stone is manufactured? What is happening to them? Are we importing a product that is essentially manufactured on the lives of overseas workers? If so, is that something that we should be concerned about?

**Mr CULLEN:** I think if there is at any stage anyone at risk, there should be a concern. We bring the majority of our product in from our own factories. Obviously, we control that environment. It is a consideration, as we are dealing with people from overseas, and it is something that needs to be considered. However, there is a lot that we can do specifically in those cases, other than—we have taken an approach as a global business that what we are doing in Australia and what we are pushing from an accreditation point of view will be part of what we do in every country in the world that we operate in. We have made a call that orders are not important; safety is important. We are going to prioritise safety as a number one thing that we do as a business. We think we have historically, but we need to do more. Now we are saying to fabricators in Australia and starting to say to fabricators around the world that if you do not cut in a safe environment, we are not going to supply you. It does not matter whether you are our largest customer or our smallest customer. We will not supply unless it is a safe work environment.

**The Hon. TREVOR KHAN:** Again, I think you are getting to the point. I think you understand what I am saying. But should your accreditation system go to the extent of accrediting only the imported product that you are satisfied comes from manufacturers who are also implementing safe systems at work in their factories?

**Mr CULLEN:** We are encouraging the rest of the industry—the other 30 per cent—to be part of the Australian Engineered Stone Advisory Group [AESAG]. We would be comfortable and happy if we had 100 per cent. Our belief is that it is almost impossible for a fabricator in Australia to survive if he has not got some supply from the members of AESAG. They need some branded product to be competitive to survive in the marketplace. What we also believe—and part of our education process and conversations with kitchen companies and builders who hire fabricators and kitchen companies for cabinetry—is if they also enforce the requirements that we are putting on the table, then we can close those gaps. We believe we can make the industry 99.9 per cent safe moving forward. Unfortunately there are always going to be rogue players, fabricators in the industry, rogue builders et cetera. But the more we tighten it up—and if we can work with the regulator closer to make sure it is the case—then we think we can make that safe work environment across the whole industry and also if we are involved with overseas factories start to have the same conversations.

**The Hon. TREVOR KHAN:** Mr Norman wants to say something.

**Mr NORMAN:** Thank you. I have asked those very questions and I was concerned about our factory workers in Vietnam. I was told that the main point of issue is where the quartz leaves a big bag and goes into a hopper. In that part of the facility, it has extra ventilation and people wear respirators. I was quite comfortable with the response. They do not cut the stone. There is really no other opportunity for dust to come out of the material. They polish the stone; it is wet-polished. As far as I am concerned, there is no issue at the point of manufacture.

**The Hon. DANIEL MOOKHEY:** Where do you manufacture?

**Mr NORMAN:** Vietnam.

**The Hon. DANIEL MOOKHEY:** Is that all you are manufacturing?

**Mr NORMAN:** Yes.

**Mr CULLEN:** We manufacture in Israel and the United States.

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**Mr DAVID SHOEBRIDGE:** Mr Rayment?

**Mr RAYMENT:** At present our supply comes out of China.

**Mr DAVID SHOEBRIDGE:** They are the three major sources of manufacturing that we have been told about: China, Vietnam and Israel.

**Mr CULLEN:** The United States as well.

**Mr RAYMENT:** And Europe.

**Mr DAVID SHOEBRIDGE:** The Hon. Trevor Khan was asking you about the concern for the workforce in those source countries. Mr Cullen, the only studies that I have seen relate to Israel. It is probably just because the industry is more observed there than it is in Vietnam and China. But I could point to a series of studies that show disturbing trends for the workforce in Israel. I have a 2015 study in front of me. It has been done by a series of thoracic lung disease researchers. They say:

We noted a dramatic increase in the number of patients with silicosis referred for evaluation to the National Lung Transplantation Center in Israel.

Further, they say:

We found that all 25 patients shared an exposure history of working with the same commercial brand of decorative, synthetic stone material, performing a similar work task of dry cutting the stone for end-use in construction, predominantly for kitchens and other countertop applications.

Then they say the product was Caeserstone. That is your product. Should we be concerned about the workforces across the globe that are manufacturing this, given that kind of evidence?

**Mr CULLEN:** In terms of the point With Caeserstone in Israel, we have in excess of 80 per cent market share, so I would expect that to be the case. We have learnt a lot over the years in Israel as well as we have learnt in Australia. We have changed many practices in Israel. We have changed practices and communication with fabricators. We have changed practices with our own factories to make sure that we are creating a much safer work environment. We are taking steps every day to change the environment moving forward so it is completely safe. But over the years we have learnt. And as we have learnt, we have adjusted and we have changed to create a safe work environment. As I said, where we are buying product from, we are engaged with the factories to make sure that those environments are safe. Where we are not buying product from overseas, it is more difficult in terms of the factory floor. But again across our business—we operate in 50 countries around the world—we are adopting what we are doing in Australia as we move forward.

**The Hon. ANTHONY D'ADAM:** I ask Mr Shoebridge to table the document that he was referring to.

**Mr DAVID SHOEBRIDGE:** Absolutely. I have a copy. I will table it.

**The Hon. ANTHONY D'ADAM:** Mr Norman, you said that the composition of the products are all the same.

**Mr NORMAN:** They are very similar.

**The Hon. ANTHONY D'ADAM:** Is the chemical composition of each of the products in the public domain?

**Mr NORMAN:** Yes. It is available on the safety data sheets of all of our materials. It is available online.

**The Hon. ANTHONY D'ADAM:** So that is well established.

**Mr DAVID SHOEBRIDGE:** No. I have heard from thoracic surgeons who have said—

**The Hon. ANTHONY D'ADAM:** That is what I am asking, Mr Shoebridge. I wanted to go a bit further in terms of—we have had certain suggestions to us that there is not a clarity around the chemical composition and that is obstructing academic research into the impacts.

**Mr NORMAN:** It is a very simple product: 90 per cent, give or take, is quartz; 8 per cent or 9 per cent is resin; there is pigment; and there might be an addition of a shell or a mirror—some decorative product. But it is resin and quartz.

**The Hon. ANTHONY D'ADAM:** And that is all available in the product's safety data sheet, is it?

**Mr CULLEN:** It is on our websites. We are happy to provide any detail you would like to see in terms of the make-up of the product.

CORRECTED

**The Hon. ANTHONY D'ADAM:** Mr Cullen, you repeatedly say that it is a silica-based product. It is silica that causes the risk. Has your company, or any of the companies that you represent today, commissioned any specific research into the health effects of this product? Mr Shoebriidge was talking earlier about the effects of the handling, but in terms of the specific health effects of the product, as opposed to just silica-based products.

**Mr CULLEN:** Our understanding is it is a silica-based issue. It is not related to anything else.

**The Hon. ANTHONY D'ADAM:** Is that based on any evidence? Has the company, or the companies that produce these products, either here or overseas, commissioned any specific research into the health effects of this type of product?

**Mr CULLEN:** The question refers to whether resin has an impact or whether pigments have an impact as opposed—

**The Hon. ANTHONY D'ADAM:** Looking at other elements. The size of the fragments is one of the things that has been suggested to us, that because the aggregate is ground down to a very fine level, naturally occurring silica does not have the same granularity. It is much smaller and when it is cut it creates a much finer dust and that may be contributing to the higher level of hazard associated with this product. Given that, I would have thought that your companies would have commissioned some research to satisfy yourselves that there is not a specific risk associated with this product, as opposed to other silica products. Are you aware of any research?

**Mr CULLEN:** I have had discussions around the resin and we have no evidence. I am not aware of the exact reports that have been produced. I am happy to take it on notice. We have had discussions around the resins and pigments and the information I have been given is there is no correlation, it is the silica.

**Mr DAVID SHOEBRIDGE:** You are taking that on notice for the industry?

**Mr CULLEN:** I will take it on notice from the perspective of I am not 100 per cent sure what reports we have and what we do not have, so I am happy to produce any reports we may have.

**Mr RAYMENT:** We have not commissioned anything.

**The Hon. LOU AMATO:** I have to apologise, this is my first hearing. I am substituting for another member. When did this issue first come to your attention? The first case was in 2002, reported in Israel.

**Mr CULLEN:** It was 2008, I believe.

**The Hon. LOU AMATO:** I am reading a report. If I do the mathematics, it tells me 2002, so I will say 2008. That is when your industry became aware of the issue?

**Mr CULLEN:** As Caesarstone we started to receive advice about a silicosis issue for a couple of people. At the time we were not sure: Is that an environmental issue? Is that an Israel issue? Is it a practice issue? Is it a fabricator issue? We had no detail and it has only been over the years that we have been able to get more information and have a better understanding and start to react accordingly in terms of enhancing what we have already put in place from a safety perspective.

**The Hon. LOU AMATO:** When your industry became aware of the problem, when did you notify government officials, government departments of a potential problem? Occupational health and safety has a lot to do with industry and they obviously inform industry of a safety regime. When were they notified and when was that put into practice?

**The Hon. DANIEL MOOKHEY:** I ask a preliminary question; did you notify, and when did you notify?

**The Hon. LOU AMATO:** Yes, thank you.

**Mr CULLEN:** I am not aware of any notification to government as such. Our communication was with our industry.

**The Hon. LOU AMATO:** If it was such a serious issue, why did you not notify government departments?

**Mr CULLEN:** Because we did not know it was as serious an issue. It was not until 2016-2017 we started seeing the cases out of Queensland. We were not aware the issue was where it was.

**The Hon. LOU AMATO:** Reading the report from Eric Abetz' office—I do not know if you are aware of it—there would have been a possible epidemic in 2014.

**Mr CULLEN:** I am not aware of that report.

CORRECTED

**The Hon. LOU AMATO:** When talking about Vietnam, they are using air extraction?

**Mr NORMAN:** Yes, correct.

**The Hon. LOU AMATO:** They are using that method as well?

**Mr NORMAN:** Yes, the ventilation with the hoppers.

**The Hon. LOU AMATO:** Yes, the ventilation.

**Mr NORMAN:** Yes, correct. May I make a comment on the resin as well? I was interested, the source of the resin used in Vietnam, I cannot recall the exact companies but it comes from both Europe and America, to my recollection. It was DuPont, Monsanto, Dow, these type of companies. I am making some assumptions here that it is safe.

**The Hon. LOU AMATO:** Going back to occupational work, health and safety, when did they implement the safe practices in your industry? It would have been not just in the manufacturing but also installation, cutting and so forth.

**Mr NORMAN:** We have been selling the material since 2000. As I mentioned during my statement, our very first product manual indicated wet cut and wear a respirator, from day one before anybody had silicosis. It is known that silica creates a disease, it creates lung disease. In our first manual it says wet cutting—

**The Hon. LOU AMATO:** I understand that and I appreciate that. The people you supply your product to, the people who cut it, do you know whether or not they are enforcing the safety mechanisms that you have put out there?

**Mr NORMAN:** Frankly, some were and some probably were not.

**The Hon. LOU AMATO:** There was no regulatory—

**Mr NORMAN:** No.

**Mr RAYMENT:** The level of safe work practices amongst the fabrication industry around the country varies. There are world-class fabricators, who have very safe work practices and safety systems in their businesses.

**The Hon. LOU AMATO:** Let us talk about New South Wales.

**Mr RAYMENT:** And it runs down to those that have been running unsafe operations.

**Mr CULLEN:** The regulations have obviously been in place for a long time.

**The Hon. LOU AMATO:** That is what I am looking at. I want to know when they came into place, when they were notified and when they were implemented?

**Mr NORMAN:** From day one.

**The Hon. LOU AMATO:** What year?

**Mr CULLEN:** We introduced in 2002 extensive fabrication manuals, together with silicosis warnings as to how to handle.

**The Hon. LOU AMATO:** If you knew back in 2002, obviously we would not have—

**The Hon. ANTHONY D'ADAM:** Can you tender those manuals and that advice, that documentation that you ran through in your opening statement about each of the years?

**Mr CULLEN:** Yes, we can.

**Mr DAVID SHOEBRIDGE:** If you knew in 2002, were you going out and visiting any of your customers to see if the advice you were providing was being implemented?

**Mr CULLEN:** I was not in the industry in 2002. I started in 2010.

**Mr DAVID SHOEBRIDGE:** In 2010? In 2010 you are sending more letters re silicosis. Did you go out to your customers to see if they were implementing what you said in your letters?

**Mr CULLEN:** We went to our customers to encourage them to operate in a safe work environment, to have the procedures in place. Now, whether all of them did is obviously doubtful, given the history. But, we have—

**The Hon. ANTHONY D'ADAM:** You have representatives go out to sites though, do you not, sales representatives who would go out to fabricators?

CORRECTED

**Mr RAYMENT:** Correct.

**The Hon. TREVOR KHAN:** Are you going to turn sales representatives into work health and safety officers?

**The Hon. ANTHONY D'ADAM:** No, I am not.

**The CHAIR:** Order!

**Mr DAVID SHOEBRIDGE:** Mr Rayment, I know you want to answer, so I will ask you to address this in your answer; when you were out on site seeing your customers, what did you see? Did you see some compliance or did you see clouds of dust?

**Mr RAYMENT:** The difficulty for our people who are day-to-day visiting fabricators around the country, and specifically in New South Wales, is that often those factory areas are off limits to the sales representatives of the stone suppliers. So, as a supplier to a customer, our people do not have carte blanche to wander through factories all the time. Some people will let you in, some people will not.

**The Hon. GREG DONNELLY:** I take you to the final page of your submission under "Government Responses Supported by AESAG". The second line of the opening paragraph states:

... to address silicosis and we are willing to do the same with the Federal and other State governments and territories.

To clarify, is there any engagement your organisation has with the Commonwealth and Commonwealth agencies and regulators presently? Or you are not at the table with them at the moment?

**Mr CULLEN:** No. I have had a number of discussions with Safe Work Australia and I have recently had a discussion with the Federal task force that was set up recently as well. We are as engaged as much as we are allowed to be engaged and we are very open and very happy to advise everything that we are doing and have conversations. I have done a number of presentations to most of those bodies and I have done presentations to various State Government bodies. I am doing one this afternoon to the heritage group on silicosis and the steps that we are taking.

**The Hon. GREG DONNELLY:** Just to pick up the point about being engaged as much as you are able to be engaged, could you provide the Committee with a snapshot of what Safe Work is doing federally, as you understand it, in this area? How engaging have they been with your organisation on this issue?

**Mr CULLEN:** Safe Work Australia has been very engaging and very open. The challenge we have in Australia is that we have a federation model, so there are different regulations in every State of Australia. I have fabricators who operate across every State of Australia, who, to tick the boxes of compliance, have to look at legislation. Queensland has recently changed its legislation. They have to look at the legislation across every State, so it is involved and complicated. One of the things we have mentioned we would like to see is more Federal involvement; we would like to see more regulation that is consistent across every State of Australia; and we would like to see what we are proposing, from an accreditation perspective, adopted in legislation, State by State and nationally.

**The Hon. GREG DONNELLY:** Can I take you to the set of dot points in your submission under "We urge all states and territories to adopt the following measures". With respect to the first dot point, which is the mandatory testing, and the second dot point of mandatory reporting, have you got any thinking around how, from your organisation's point of view, that would work in practice? How it would be effectively funded and overseen and over time—

**The Hon. DANIEL MOOKHEY:** Who does it?

**The Hon. GREG DONNELLY:** Yes, who does it? How are the data and records managed over time? Have you taken your thinking that far?

**Mr CULLEN:** We have discussed it. Funding is an issue and the more fabricators have to invest in their business, the more they have to look at cash flow. But, as we say to fabricators, you have to spend what you have to spend to create a safe work environment. We think it is less an issue of cash and it is what you have to do to create that environment. In terms of national registers, there has been discussion around that and health practitioners, et cetera, are involved in the process. It should be mandatory for them to report. Silicosis has probably been one of the issues that has not been reported because historically, it may have been reported as something else, rather than silicosis. We have the opposite effect today. We have fabricators—I had one fabricator who sent 20 people to be tested and 18 came back positive for silicosis, which caused major issues on the factory floor—

**The Hon. DANIEL MOOKHEY:** When and where did that happen?

CORRECTED

**Mr CULLEN:** It was around six or eight months ago.

**The Hon. DANIEL MOOKHEY:** And where?

**The Hon. ANTHONY D'ADAM:** In New South Wales?

**Mr CULLEN:** Yes, in New South Wales; however, that was through X-rays. Once they had the CT scans done, everyone except for one was cleared so there is a lot of confusion between X-rays, CT scans, et cetera and there is an expense involved. Our belief is that it should be part of legislation: To meet the regulatory requirements, fabricators have to have their people tested for silicosis.

**The Hon. GREG DONNELLY:** Just on the issue of testing at the moment, with respect to fabricators, is there much testing going on—mandatory testing or otherwise—with their employees? Or, is it best described as ad hoc? How would you describe it, as best you understand it?

**The Hon. DANIEL MOOKHEY:** Just to add to that: How do you propose we treat contractors who are not employed, given you have said they make up 50 per cent?

**Mr CULLEN:** There is more and more testing that is taking place but it is still ad hoc. We have a number of fabricators who are now having people tested as they apply for positions because they are concerned about the liability and concerned about what they inherit. There is more that is happening but it is definitely ad hoc. There is no one plan across the entire industry.

**The Hon. GREG DONNELLY:** Thank you for that. With respect to those employers who are doing testing of sorts, as you understand it, is that being orchestrated by the relevant occupational health and safety departments or office or whatever they have with inside the organisation? I am interested to get some insights into how it is being orchestrated and overseen.

**Mr RAYMENT:** I think you have to realise that we are dealing with small businesses—

**The Hon. GREG DONNELLY:** I appreciate that.

**Mr RAYMENT:** —that do not have an occupational health and safety department. These are businesses operating—

**The Hon. GREG DONNELLY:** I was thinking of the bigger ones in that regard. Just an overview would be good.

**Mr RAYMENT:** Small factories might only have a few people on staff and so it is a matter of us trying to push them and push our customers to improve their work practices. I think the State Government should fund the screening of all people who work in this industry.

**Mr DAVID SHOEBRIDGE:** Mr Rayment, does that not point out the whole flaw in your approach? If this is largely being done by very small fabricators, how on earth can we properly police or have confidence that this array of small businesses, often with migrants workforces, are going to be complying with the really onerous requirements about dust extraction and dust monitoring, personal protective equipment, guaranteed no dry cutting and guaranteed return to factory? How could we possibly have comfort that that will be complied with, given the nature of the industry?

**Mr CULLEN:** Very simply—

**Mr DAVID SHOEBRIDGE:** If all three of you want to answer, we will start with Mr Norman and work across.

**Mr NORMAN:** This is where accreditation comes into play. Right now these guys are hiding. They are moving down to the end of a lonely street; they are cutting at night. They cannot be found. We have given the appropriate authorities the addresses to visit. With accreditation, they cannot hide; they have to come to us. They have to go through the process, produce a piece of paper and, if the Australian Competition and Consumer Commission allows us, we will not sell to anyone who does not have proper accreditation.

**Mr DAVID SHOEBRIDGE:** Mr Norman, your answer is accreditation. Mr Cullen?

**Mr CULLEN:** My answer is along similar lines. At the end of the day if they cannot purchase product, they cannot operate. We believe that is where the industry needs to go, in that it needs to be self-regulated. They are either working in a safe environment from a factory perspective and an install perspective, or they are not in the industry. We are prepared to have 20 per cent of the industry disappear if that is what is necessary.

**Mr DAVID SHOEBRIDGE:** You see, the concept of self-regulation troubles me, given that the last 20 years you have been sending letters—

CORRECTED

**The Hon. TREVOR KHAN:** Yes, well, that is a philosophical position.

**Mr DAVID SHOEBRIDGE:** —and warnings from an industry perspective. In answer to a question from the Hon. Lou Amato, despite the industry not picking up on all of your concerns, you never blew the whistle and called in a workplace regulator. How can we rely upon you self-regulating going forward if you had all this to hand and you never put your hand up and brought in the safe work regulator?

**Mr CULLEN:** Because we only started to come to grips with the issue in 2016-17.

**Mr DAVID SHOEBRIDGE:** Sorry, Mr Cullen, there were deaths happening in Israel, reported since 1997. I point you to a detailed report from 2015 that said there were 25 lung transplants caused by your product in Israel between 1997 and 2010. How can you tell this Committee that you did not know about it until 2016-17?

**The Hon. TREVOR KHAN:** That is not what he said. That is grossly unfair.

**Mr DAVID SHOEBRIDGE:** That you did not know about the deaths, the lethal nature of your product, until 2016-17.

**Mr CULLEN:** I am talking about from an Australian perspective. From an international perspective we knew there were issues, particularly from 2008/2009 onwards, when we started to see more numbers—still small numbers, but any number is not a great number in terms of silicosis or death. We started to react in our industry in Australia. We did not know whether it was an environmental issue, or whether it was a particular issue in a particular country. We started to react here, we started to put more enforcement in place and we started to put more education in process to change the industry.

**The Hon. DANIEL MOOKHEY:** I just want to move to the accreditation system that you are proposing. Can I ask a couple of questions about the standards that you are going to apply in this process? Firstly, what exposure standard will you insist upon for an eight-hour day as part of a condition of your accreditation?

**Mr CULLEN:** The standard is currently 0.1.

**The Hon. DANIEL MOOKHEY:** You said in your statement that it is proposed by September 2020 that you will have a lot of your customers in this. Just to be clear, will the accreditation system start with an exposure standard of 0.01?

**Mr CULLEN:** It will start with a standard of 0.1. However, we, as I mentioned earlier, are pushing our customers and fabricators to operate in an environment that takes them to 0.05, because we are encouraging government to change to that. We are also pushing fabricators to set their businesses up so they can move to 0.02 or 0.025 over a period of time, as well. We want it to be the lowest possible level.

**The Hon. LOU AMATO:** Mr Mookhey can I just ask a quick question in relation to that. With the respirators and the mask, what microns are they using out there? What is your perspective on the microns? What is the standard out there at the moment? One guideline is saying that you have to use 0.001 microns respirators.

**The Hon. DANIEL MOOKHEY:** I was actually going to ask another question on standards.

**The Hon. LOU AMATO:** I want to know what the standards are at the moment.

**The Hon. DANIEL MOOKHEY:** What personal protective equipment standard are you going to be using for the respirators in your accreditation?

**The Hon. LOU AMATO:** Yes. We want to know what they are.

**Mr CULLEN:** Yes, it is going to be in line with the existing regulations and we will adjust them as the regulations change.

**The Hon. DANIEL MOOKHEY:** Mr Cullen, what regulation are you referring to, given that there are no regulations in place for your manufactured stone that are binding in New South Wales?

**Mr CULLEN:** Well, there are. There are State regulations in every State of Australia, New South Wales included obviously. There are regulations that exist today—

**The Hon. DANIEL MOOKHEY:** So you are saying PPE 1 effectively for the respirators because that is the prevailing standard?

**Mr CULLEN:** We are, however, we are also saying we want to work with fabricators through Greencap, through the accreditation process.

**The Hon. DANIEL MOOKHEY:** I accept that. We just want to explore precisely what are the accreditation standards from this point in the accreditation scheme?



CORRECTED

**The Hon. TREVOR KHAN:** Sorry, could I hear the rest of his answer?

**Mr CULLEN:** The accreditation process will represent what the regulations represent so we cannot take it further other than encourage fabricators to work towards a lower level over time because the levels are likely to drop. We are looking at the regulations. We have taken the regulations and produced a standards document that reflects the regulations that exist.

**The Hon. DANIEL MOOKHEY:** Therefore, should we assume that the dust monitoring system that you are going to insist upon be aligned with the status quo regulations right now?

**Mr CULLEN:** Yes, they will. They will be over an eight-hour period. They will be in every area of the factory that is relevant. They will be in offices if that is relevant and there will be full reports produced.

**The Hon. ANTHONY D'ADAM:** Given the long gestation of this issue; you have known it is hazardous for a long time, you have been telling your fabricators, why not have a best practice approach—

**The Hon. DANIEL MOOKHEY:** Why wait for the regulator?

**The Hon. ANTHONY D'ADAM:** Why are you waiting?

**Mr CULLEN:** We are not waiting. We have started the accreditation process. We started it last year and we are moving forward.

**The Hon. DANIEL MOOKHEY:** Setting the standards. Why aren't you already just moving straight to tough standards?

**The Hon. ANTHONY D'ADAM:** The fabricators have been warned.

**Mr CULLEN:** We are, however, we need to give the fabricators an opportunity to change their practices where they need to change. We are not looking at closing people down. We have 7,000 people in the industry and 20,000-plus people also relying on this industry. We believe we need to give the fabricators an opportunity to change where they need to change.

**The Hon. DANIEL MOOKHEY:** Moving on to the audit component of the accreditation scheme, is it going to be Greencorp who does the audit?

**Mr CULLEN:** It will be Greencap, an independent company, yes.

**The Hon. DANIEL MOOKHEY:** How often will they be auditing every fabricator?

**Mr CULLEN:** The audit will be once a year to begin with.

**The Hon. DANIEL MOOKHEY:** Is it random?

**Mr CULLEN:** We are looking at a random audit for the second year. The first year, given the number fabricators that we have to get to, we have to audit, we have to do install audits, et cetera. We are going to do it in an orderly fashion. In the second year we have been discussing—we have not finalised it—we are discussing more of a random nature, particularly on the install side.

**The Hon. DANIEL MOOKHEY:** Are you open to third-party audit?

**Mr CULLEN:** Yes, we are.

**The Hon. DANIEL MOOKHEY:** Which third parties would you be open to?

**Mr CULLEN:** We are open to anyone who can meet the guidelines.

**The Hon. DANIEL MOOKHEY:** Does the accreditation scheme allow people to apply to become auditors?

**Mr CULLEN:** Yes, it will.

**The Hon. DANIEL MOOKHEY:** Who will make that decision? Who is the governing body for the accreditation system you are proposing?

**Mr CULLEN:** We are finalising that now. We have asked Greencap, who are in the final stages of pulling together the requirements for a third party to have a successful audit. We have had a number fabricators say to us they have already had audits take place by independent hygienists, et cetera, and we are saying that is fine. That is not an issue as long as they meet the guidelines, which are the regulations that exist.

**The Hon. DANIEL MOOKHEY:** Who will Greencap report the results of their audit to?

**Mr CULLEN:** To the Australian Engineered Stone Advisory Group.

CORRECTED

**The Hon. DANIEL MOOKHEY:** To you guys?

**Mr CULLEN:** Yes.

**The Hon. DANIEL MOOKHEY:** What happens if they tell you that there is a fabricator who is not complying?

**Mr CULLEN:** What happens with Greencap is that today, from a regulation point of view, the regulator will point out the issues that a fabricator may have. Greencap will identify the issues, they will identify the gaps, they will work with a fabricator to put a plan in place to close those gaps so that they are working in a safe work environment. They will be given a period of time to implement those changes and if over that period those changes are not implemented, we will then decide whether we supply or not and in all likelihood we will not supply if they have not taken the measures we believe they should take to create a safe work environment.

**Mr DAVID SHOEBRIDGE:** Is that going to include compulsory air monitoring?

**Mr RAYMENT:** Yes.

**Mr CULLEN:** Yes, it will—every fabricator across Australia.

**Mr RAYMENT:** Just to be clear, the accreditation program includes compulsory air monitoring to gain accreditation and during the audit process.

**Mr DAVID SHOEBRIDGE:** Are you going to start that with a .05—

**The Hon. DANIEL MOOKHEY:** No, they said point one.

**Mr CULLEN:** Point one with a vision of moving to .05.

**The Hon. TREVOR KHAN:** In this context of not supplying the stone, as you do not represent all importers—and I am impressed by what you are proposing—and because there is this gap, there are other sources of supply. What will prevent what I will describe as the non-compliance sector of the industry just simply going to another importer and essentially operating as a ghost alternative?

**The CHAIR:** I think as an extension to that, what about the non-members of your group?

**The Hon. TREVOR KHAN:** That is right.

**Mr RAYMENT:** Between the three of us here today we comprise around three-quarters or so of the market. For someone to be a sustainable, profitable business to fabricate engineered stone they need to purchase from one of us, and probably all three of us. If they cannot get supply from us, they are probably not going to survive as a business.

**The Hon. TREVOR KHAN:** Because your product names are so identifiable, if I go on in with my kitchen last year and look for Caesar stone, for example—there are a couple of names—and if it is an unknown name, you really have to be talked into looking at that product, that is the essential position, is it not?

**Mr RAYMENT:** Correct.

**Mr NORMAN:** Silicosis is such a hot topic right now. The accreditation document is going to speak for itself. Kitchen companies will gravitate towards people who have accreditation. We hope they will not want to support—

**The Hon. DANIEL MOOKHEY:** Sorry, I just want to finish the line of questioning.

**The Hon. TREVOR KHAN:** Should there be a requirement of non-compliance under your scheme for notification to the regulator?

**Mr CULLEN:** We have already taken that decision. If we get to a stage where there is non-compliance after working with a fabricator through our body in Greencap, we will be notifying the regulator that we have an issue with the particular customer, because they will try to purchase product elsewhere. We will be notifying the regulator directly. Just to elaborate on what Mr Norman said, we have written to every kitchen company and every builder in Australia and we have advised them of what we are doing, what the process is. We believe with the chain of responsibility that exists today, more and more they are also going to be looking at making sure that they are not supplied by someone that is not accredited.

**The Hon. TREVOR KHAN:** Will you supply us with a copy of that letter that went?

**Mr CULLEN:** Sure.

CORRECTED

**The Hon. DANIEL MOOKHEY:** I was going to ask that question, but to follow up on completion of questioning about the audit system, you say you are going to report to regulators after you have given them a reasonable opportunity to remediate, but do you not have a legal obligation to report as soon as you find out that there is a hazard?

**Mr CULLEN:** I am not 100 per cent sure from a legal perspective.

**Mr DAVID SHOEBRIDGE:** You can take that on notice.

**Mr CULLEN:** We will take it on notice.

**The Hon. DANIEL MOOKHEY:** I am familiar with industry accreditation schemes—and many of them have this feature too to cover the problem that 30 per cent of the industry will not be covered by it under the existing practice that there is public disclosure under the accreditation scheme that this particular fabricator has not complied. Is that something which the accreditation system is planning to use?

**Mr CULLEN:** We will be going out of our way to advise industry, regulators and everyone associated with the market as to who is not accredited and who should not be supplied and who should not be in the industry.

**The Hon. DANIEL MOOKHEY:** Mr Rayment or Mr Norman, you said that you were waiting for the Australian Competition and Consumer Commission [ACCC] authorisation of the accreditation scheme?

**Mr RAYMENT:** No, not of the accreditation scheme but for us to not supply.

**The Hon. DANIEL MOOKHEY:** Why do you require the ACCC's authorisation on that? I understand why you would at an industry level.

**Mr RAYMENT:** Because if collectively we do not supply—

**The Hon. DANIEL MOOKHEY:** No, but if you do it collectively you have to get authorisation?

**Mr CULLEN:** Correct.

**Mr RAYMENT:** Correct.

**Mr NORMAN:** Correct.

**The Hon. DANIEL MOOKHEY:** What I am asking is why aren't you all each individually saying, under your own individual power of contract, "We are not going to do it."

**The Hon. TREVOR KHAN:** Because they actually are acting collectively whether they say to or not.

**Mr CULLEN:** As soon as one does it and the rest follow, the ACCC have a view so we proactively have gone to the ACCC and said to them, "We want a ruling."

**The Hon. ANTHONY D'ADAM:** What is the time frame for that? How long will it be before the ACCC gives you answer on that?

**Mr CULLEN:** We have asked for a short-form resolution, which we believe we will find out in two weeks. If they won't give us a short form resolution to be able to make that statement, it will be probably six to eight weeks before we get finalisation from the ACCC.

**The Hon. DANIEL MOOKHEY:** Do you require ACCC authorisation to be able to install audit standards in your contract chains as well. You said you require that to refuse to sell, which is a breach of the competition laws, unless authorised. For example, lots of other industries that have these third party accreditation schemes prescribe in their contracts that if their representative turns up you have got to let them into your property, that you have got to share the data with them. Is all that going to be contractually enforceable as well or is it just the sanctioned?

**Mr CULLEN:** We have a complete database that Greencap is keeping by fabricator, which will cover every area of the regulations from not only—

**The Hon. DANIEL MOOKHEY:** I get that, Mr Cullen. My question actually gets to what is the legal authority of the audit system, because it is not going to be prescribed in regulation unless we authorise it specifically? Are you going to be using the power of contract to specify that Greencap can enter the premises, that you have to give your data over?

**Mr NORMAN:** No. It is voluntary.

**The Hon. TREVOR KHAN:** But you cannot use a contract in those circumstances.

**The Hon. DANIEL MOOKHEY:** You can.

CORRECTED

**The Hon. TREVOR KHAN:** No, you cannot because it is a contract for sale.

**The Hon. DANIEL MOOKHEY:** But my point is that it is voluntary compliance.

**Mr NORMAN:** Correct, and if you do not comply you do not get accredited; if you do not get accredited we do not sell to you.

**The Hon. DANIEL MOOKHEY:** So you are confident that the audit scheme and accreditation scheme will have enough power that—

**Mr NORMAN:** We believe selling a high percentage of the engineered stone in Australia sitting right here, endorsing the accreditation process, yes, we think we have.

**The Hon. DANIEL MOOKHEY:** Just the fabricators. What about installers who are not fabricators?

**Mr CULLEN:** Installers are controlled by fabricators, whether they are contractors or employees.

**The Hon. DANIEL MOOKHEY:** How does the accreditation scheme go from that level of the chain down?

**Mr CULLEN:** From an install perspective?

**The Hon. DANIEL MOOKHEY:** I mean there are fabricators who are also installers.

**Mr CULLEN:** Yes, from an install perspective.

**The Hon. DANIEL MOOKHEY:** But how does your accreditation scheme propose to handle installers who are not fabricators, who are not in a direct contractual relationship with you?

**Mr CULLEN:** Installers are an extension of fabricators whether they are an employee or whether they are in a contract. They are extensions.

**The CHAIR:** From my firsthand experience, they are not. We recently built a house and the contractor who installed the kitchen purchased the benchtops from a manufacturer and fabricator but they did the installation themselves.

**Mr DAVID SHOEBRIDGE:** How do you control that next step down the chain?

**Mr RAYMENT:** It is more difficult for us to control because we do not have a direct relationship with some parts of that market.

**Mr CULLEN:** Ninety-nine per cent of the industry plus does not operate that way. It is through fabricators.

**The Hon. ANTHONY D'ADAM:** Can I clarify, is it your preference to stick with this self-regulatory model that you are proposing or for the Government to step in and actually create a regulatory scheme?

**Mr RAYMENT:** It is our strong preference for the accreditation scheme to be legislated so that it is a legal requirement for stonemasons to become accredited.

**Mr DAVID SHOEBRIDGE:** But legislate self-regulation—legislate for the industry to regulate itself. That is what you are talking about, a mixture of—

**The Hon. DANIEL MOOKHEY:** To recognise your system or prescribe your system in our law?

**Mr CULLEN:** I think if you go back to our very first meeting as an industry group, the reality was that the regulations were not being regulated.

**The Hon. TREVOR KHAN:** Yes, that is the problem, is it not?

**Mr CULLEN:** So we had to take a view of we have to do something about it because we are not seeing consistently over the future that that is going to happen, so we have to become self-regulated. I think as industries mature they should be self-regulating anyway. The Government has a role, but we should be self-regulating. If it is enforced by the Government through legislation it empowers us even further.

**Mr DAVID SHOEBRIDGE:** But you are not alone in the construction industry of not seeing regulators on the beat and keeping an eye on things, are you? It is one part of a broader problem in the industry, would you agree?

**Mr CULLEN:** I would agree. It is difficult. There are funding issues, there are staffing issues. I understand the degrees of difficulty and we have taken a view we are going to create a safe work environment.

CORRECTED

**The CHAIR:** I just have a couple of questions. With your group, AESAG, did you originally invite all manufacturers—stone manufacturers or stone importers—to join your group?

**Mr CULLEN:** We invited the major branded players that represented the most significant part of the industry.

**The CHAIR:** So the vast majority of the industry was invited to join your organisation?

**Mr CULLEN:** Yes, they were.

**The CHAIR:** Has anybody recently declined that or left your group?

**Mr CULLEN:** Constantino left recently.

**The CHAIR:** Do you know why that is?

**Mr CULLEN:** You would have to discuss that with them.

**Mr RAYMENT:** Laminex also left after the first couple of meetings.

**The CHAIR:** In that instance—

**The Hon. TREVOR KHAN:** Can I ask the follow-up question: Did they communicate the reasons for leaving?

**Mr CULLEN:** Not formally.

**The Hon. DANIEL MOOKHEY:** Informally?

**Mr DAVID SHOEBRIDGE:** That question was inevitable as soon as you gave that answer, Mr Cullen. Tell us why.

**Mr CULLEN:** You are right. I set myself up. Again, I think my preference would be for you to speak directly with Constantino and speak directly with Laminex because you will hear things, you get told things; I am not 100 per cent sure whether it is accurate. I think it should come directly from those companies.

**The CHAIR:** They are both pretty big players in the industry.

**The Hon. TREVOR KHAN:** Are they big players in the industry?

**Mr CULLEN:** Constantino is a reasonable-sized player. The conversation I have had with them is along the lines of I cannot see how it is physically possible for you to supply a product to a company that we do not accredit. I have said to them, "You should be involved in the accreditation process because then you can have influence. You are going to be in the same position; you will not be able to supply someone that is not accredited."

**The CHAIR:** We have an instance now where we have obviously the majority of the suppliers proposing to operate under the model that you have proposed.

**Mr RAYMENT:** More than "propose". We are implementing this as we speak.

**The CHAIR:** Yes, but we have some of the players in the industry who are not part of your group, who are not under your self-regulation model. How would you propose that we allow that to continue where the industry is not under a uniform code and model of operation?

**Mr CULLEN:** We believe overall they will come on board eventually because the strength of the members of the Australian Engineered Stone Advisory Group means that it is very difficult for the majority of fabricators to survive without our product, without one of us, without two of us, three of us, four of us, and more and more as we start to move forward with the accreditation, I believe—and it has already happened, we had a supply company join us two weeks ago—that will continue. There will be other companies that will want to join.

**The CHAIR:** I admire your optimism but if there is a supplier out there who will provide their product to unaccredited fabricators, then that is the only source that those guys are going to get their—

**The Hon. TREVOR KHAN:** But if there was a legislative framework around what you propose that required them to be registered, the fact that the suppliers are not involved in your organisation does not matter a rat.

**Mr NORMAN:** Correct.

**Mr CULLEN:** Yes, correct. You have also got the extension we have discussed with kitchen companies and builders. So you have got to have the supplier selling to a fabricator who is willing to sell to an unaccredited fabricator, you have got to have a builder who is willing to buy from an unaccredited fabricator and you have got

CORRECTED

to have a kitchen company who is willing to deal with an unaccredited fabricator. We think the combination of all that puts a lot of pressure on them for it not to happen.

**The CHAIR:** Throughout the history of building we have seen products which historically we have known have caused problems, and those products have been outlawed. We know that there are different types of manufactured stone, the pyrolytic type of stone, the alumina trihydrate, I believe it is, that have either reduced or no silica at all. What steps are your organisations taking to investigate and look at alternative manufacturing processes or products that will reduce the silica, because at some point if we do not see an improvement there may be a requirement to remove your product from sale?

**Mr NORMAN:** There are alternative products but these products include silica, and the safer practices, whether it is 5 per cent, 80 per cent, 90 per cent silica content, have to be followed. There is still an ongoing risk for alternative products.

**The CHAIR:** The alumina trihydrate product, the testimony from earlier hearings was that it had no silica at all.

**Mr NORMAN:** I am not familiar with that product.

**Mr CULLEN:** There are products. You can put timber on a benchtop, you can put laminate on a benchtop that does not necessarily have silica. Is that something consumers want? The answer would be today, no. We are confident we can change this industry. We are confident we can create safe work environments so that no worker will be at risk moving forward. We are continually looking at our business and manufacturing processes. Can we reduce silica? The answer so far is no, because it changes the nature of the product and, regardless, we are looking at it saying if it has got 50 per cent silica it has still got silica, it still has to be handled in a safe work environment, so the same measures need to be in place.

**The Hon. ANTHONY D'ADAM:** I wanted to ask: Given that it is clear that the product is the source of the problem and you are suggesting in your submission that taxpayers subsidise the accreditation scheme, what is the argument? Why should taxpayers pay for a scheme that is designed to remedy a problem that is created by your product?

**The Hon. DANIEL MOOKHEY:** Particularly if you get the profit.

**Mr CULLEN:** It is more about assisting the industry to fast track accreditation and to assist fabricators from a funding perspective so that they can, in an earlier time frame, establish the safe working environment that they need to establish. It has public benefits—we save lives.

**Mr DAVID SHOEBRIDGE:** It might assist us in terms of your call for Government funding if you could tell us what your sales were in the last year—

**The Hon. TREVOR KHAN:** Oh, David.

**Mr DAVID SHOEBRIDGE:** What the sales in the industry are? What is the volume? How big is this industry?

**The CHAIR:** You can take it on notice.

**Mr CULLEN:** We will take on notice. We are a public company listed on the National Association of Securities Dealers Automated Quotations [Nasdaq].

**The Hon. DANIEL MOOKHEY:** We are just looking for sales by revenue in Australia.

**Mr DAVID SHOEBRIDGE:** I am not trying to put you in a commercially awkward spot. I am trying to get an understanding of the scale of the industry.

**Mr CULLEN:** We are happy to give you the estimates of what the size of the industry is from a volume point of view and a revenue perspective and what market share across various products if that helps.

**Mr DAVID SHOEBRIDGE:** That would be really helpful if you could get that on notice.

**The Hon. TREVOR KHAN:** What percentage of the cost of a kitchen install is the cost of the benchtop?

**Mr NORMAN:** Good question.

**Mr CULLEN:** It varies. Your average kitchen costs around \$25,000.

**The Hon. TREVOR KHAN:** I wish mine cost that.

CORRECTED

**Mr CULLEN:** I said average around \$25,000 across Australia. It can range from \$3,000 to \$4,000—IKEA, Bunnings et cetera. It depends on what colour range you pick. It can be \$2,000, \$3,000 to \$4,000 for the stone including installation. It can be \$20,000 depending on how many slabs of stone, the size of the kitchen—

**Mr NORMAN:** On a percentage basis, your fabricated benchtop, approximately, for a low-end basic colour product, one-third of the total is the stone itself; two-thirds is the measuring, fabrication and installation.

**Mr DAVID SHOEBRIDGE:** There is nothing your products do that cannot be done by other products, would you accept that?

**Mr CULLEN:** No.

**Mr DAVID SHOEBRIDGE:** What is it? Is there anything that only your product can do?

**Mr CULLEN:** If you went back in history, we replaced most of the marble and granite market in Australia from a volume point of view. It is because of the nature of the product. It is non-porous. It is scratch proof. It is easy to maintain. It gives all the attributes the consumer is after, including the look and feel.

**Mr DAVID SHOEBRIDGE:** But there were stone benchtops before 2000 and 2001 in Australia.

**Mr CULLEN:** Marble and granite.

**Mr DAVID SHOEBRIDGE:** So we could have stone benchtops without your product. This is a customer preference, is that what you are saying?

**Mr CULLEN:** It is a consumer preference. Consumers love our product because of the user maintenance.

**Mr DAVID SHOEBRIDGE:** For me, the difficult question about this whole subject is: How many workers lives are acceptable to meet a consumer preference when there are alternatives? That is the kind of calculus that is needed from a public policy point of view. This product cannot be 100 per cent safe.

**The Hon. TREVOR KHAN:** That is grossly offensive.

**Mr DAVID SHOEBRIDGE:** Why is it grossly offensive? It is the question. This is the core question. How many workers? This product has inherent risks.

**The CHAIR:** David, I will ask you to—

**Mr DAVID SHOEBRIDGE:** You are going to rule the question out of order? If there is a point of order taken, for me it is the big public interest test. The industry is here. I would like the question to be put.

**The Hon. TREVOR KHAN:** To the point of order: It is plainly an offensive and rhetorical question. Nobody wants to see one worker die. We all know what the answer is. These witnesses have come here to provide what they believed to be the solution to the issue. Whether you accept it or not, that is fine, but the question you put is plainly seeking only to be provocative.

**Mr DAVID SHOEBRIDGE:** Are you going to rule that out of order, Mr Chair?

**The CHAIR:** I am going to rule that out of order.

**Mr DAVID SHOEBRIDGE:** Then I will ask this question: If the accreditation system is put in place and legislated, given the nature of the construction industry, do you think that will guarantee that no worker dies from silicosis caused from the dust of your product. Can you give us that guarantee?

**Mr CULLEN:** It is difficult to give an 100 per cent guarantee, but we will make a substantial difference in the industry. We are highly confident that there will be very, very few people moving forward that will die or be affected by silicosis.

**Mr RAYMENT:** I believe so.

**Mr NORMAN:** I agree.

**Mr DAVID SHOEBRIDGE:** If we had gone back to the 1970s and we were having a hearing here with the asbestos industry in front of us, they would have given evidence that, safely handled with all the protective measures in place, this product can be safely used and it is a matter for the government to properly regulate safety standards. But then, a wave of deaths continued and eventually we banned asbestos. Are we repeating that history with your product?

**Mr CULLEN:** The risk is in fabrication. The risk is not with consumers. If we control fabrication, we control the risk.

CORRECTED

**Mr RAYMENT:** Correct.

**Mr DAVID SHOEBRIDGE:** If this is not resolved, if there is a wave of litigation that follows—we saw James Hardie remove its assets from the jurisdiction. All of the products that you supply are manufactured offshore. Do your corporations have assets or insurance products onshore that would meet a future wave of litigation?

**Mr RAYMENT:** We are a private, family-owned Australian company.

**Mr DAVID SHOEBRIDGE:** But you do not do the manufacturing here. Your assets are in Australia?

**Mr RAYMENT:** Australia. We are an importer and distributor of a diverse range of semifinished industrial products. We are not a multinational business in any way, shape or form.

**Mr DAVID SHOEBRIDGE:** It is fresh in many people's minds, the James Hardie history. Given that history, are there assets or insurance products in place that if this does not work out as you say and there is a wave of litigation, that the cost can be met?

**Mr CULLEN:** We have assets in Australia. On a worldwide basis, Caesarstone is a very strong business—strong for cash flow, no debt, and we are a business that do the right thing. That is our approach here and overseas. We do the right thing.

**Mr NORMAN:** We are a family owned business as well. We are strictly a distributor. We had insurance. Insurance is not available right now—

**Mr DAVID SHOEBRIDGE:** Can I ask you about that? You say insurance is not available right now. Has it changed recently?

**Mr NORMAN:** That has changed recently.

**Mr DAVID SHOEBRIDGE:** Is that because insurers are looking at the—have they told you why there is no insurance product available?

**Mr NORMAN:** It is the global risk of silica.

**Mr DAVID SHOEBRIDGE:** Of the stone?

**Mr NORMAN:** That is correct.

**Mr DAVID SHOEBRIDGE:** Is that the same for Mr Cullen and Mr Rayment?

**Mr RAYMENT:** We have appropriate insurances in place.

**Mr CULLEN:** We are in the same position. There is no insurance post-31 March. That is because of the cases they have seen coming forward. We are now self-insured.

**Mr DAVID SHOEBRIDGE:** Insurers have people who specialise in looking at risks going forward; the likely cost of these schemes going forward. If the insurance industry has withdrawn from covering your products, should that not be an enormously large warning bell for government?

**Mr CULLEN:** My personal view is that insurance companies are looking at the history. They are looking at a number of cases. They are looking at that there are 160-plus people in Queensland we are aware of with silicosis, there will be legal cases associated with them. They are protecting themselves by saying, "We are going to walk away" from a historical perspective. What we are doing is we are looking at the business from a go forward, future perspective saying, "We have to make sure this does not occur again" which we will.

**The CHAIR:** We are getting close to finishing time. I will go around for final questions.

**The Hon. DANIEL MOOKHEY:** Have each of you commissioned any legal advice about whether or not you are at risk of any liability from any of the cases that have been discovered so far or prospectively?

**Mr DAVID SHOEBRIDGE:** They can take that on notice.

**Mr CULLEN:** We have obviously had legal advice. It is to be determined—potentially through the court system—whether there is legal advice. Most of the liability will sit with workers compensation in reality. There will be some liability from manufacturers, potentially, but that has to go through a process. Obviously, that process will take place over a period of time.

**The Hon. DANIEL MOOKHEY:** Is that the same for Mr Norman and Mr Rayment?

**Mr NORMAN:** We have had similar advice.



CORRECTED

**Mr RAYMENT:** We have had advice, we have got insurance and we believe our position is strong.

**The Hon. GREG DONNELLY:** Returning to the final page of your submission once again, I take you to the third dot point, which leads with the sentence, "We urge States and Territories to adopt the following measures", and the third point is a ban on dry cutting, polishing and forming of engineered quartz products. That is a ban you believe they should be put into place without delay?

**Mr RAYMENT:** Yes.

**Mr CULLEN:** Yes, we do.

**Mr DAVID SHOEBRIDGE:** SafeWork NSW says that it put that ban in place. When we asked it to identify where that lies in a regulation it has not been provided. Do you think the ban is in place in New South Wales?

**Mr CULLEN:** I do not believe so. It has just been put in place in Queensland. I do not believe it is in place in New South Wales.

**The Hon. GREG DONNELLY:** That is by legislation?

**The Hon. TREVOR KHAN:** That would be our unanimous view as well.

**The Hon. LOU AMATO:** I appreciate the fact that AESAG has been proactive in taking steps to shore up the health and safety of people working in the industry with these products. You said you were putting warnings out there not just to the manufacturer but also to the installers. Mr Shoebridge said something earlier which brought this to my attention. Are the warnings just in English? We have a large migrant population these days and there are migrant workers who come in with visas. Is it just in English or are they also in other languages?

**Mr NORMAN:** That is a good point. From our standpoint, we just revised on suggestion from WorkSafe Victoria, New South Wales and Queensland. Our warning labels on our slabs have too many words and not enough pictures. We put pictures, fewer words and all three bodies across all three States have approved that warning. Trust me, it was difficult to get all three to agree.

**Mr CULLEN:** We have Arabic, Vietnamese, Greek and Chinese. If we need another language we will add another language.

**Mr RAYMENT:** Ours are the same. Our warning labels are larger and more explicit and are now in multiple languages, including those that Mr Cullen mentioned. The fabrication manual that we have done the most recent update on has now been translated into multiple languages as well. It is now a document with hundreds of pages.

**The Hon. LOU AMATO:** That was my concern, particularly with the installers now. A lot of them obviously have migrant backgrounds and they are doing it a lot cheaper. Obviously they are getting the business and because they are cutting corners they will not be reading the label.

**The Hon. ANTHONY D'ADAM:** I have a request: I wonder if you would be able to provide the Committee with the full documentation around the accreditation system?

**Mr CULLEN:** Yes.

**Mr RAYMENT:** Yes.

**The CHAIR:** Thank you.

**Mr DAVID SHOEBRIDGE:** Thank you for coming. The willingness from the industry to come and tell your version is crucial for us to get the full perspective. I may not agree but I appreciate you coming.

**The Hon. LOU AMATO:** Yes, it is much appreciated.

**The CHAIR:** Thank you for attending the hearing.

**(The witnesses withdrew.)**

**The Committee adjourned at 11:32.**