

# **PORTFOLIO COMMITTEE NO. 1 – PREMIER AND FINANCE**

**Thursday 6 September 2018**

**Examination of proposed expenditure for the portfolio area**

## **INNOVATION AND BETTER REGULATION**

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**The Committee met at 9.00 a.m.**

### **MEMBERS**

Reverend the Hon. Fred Nile (Chair)

The Hon. Wes Fang

The Hon. Scott Farlow

Mr Justin Field

The Hon. Daniel Mookhey

The Hon. Peter Primrose

The Hon. Natalie Ward

### **PRESENT**

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

## **CORRECTIONS TO TRANSCRIPT OF COMMITTEE PROCEEDINGS**

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

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



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**The CHAIR:** Welcome to the public hearing for the inquiry into Budget Estimates 2018-2019. Before I commence I acknowledge the Gadigal people, who are the traditional custodians of this land. I pay respects to the elders past and present of the Eora nation and extend that respect to other Aborigines who may be present. I welcome Minister Kean and accompanying officials to this hearing. Today the Committee will examine the proposed expenditure for the portfolio of Innovation and Better Regulation.

Before we commence I will make some brief comments about the procedure for today's hearing. Today's hearing is open to the public and is being broadcast via the Parliament's website. In accordance with the parliamentary 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 remind media representatives that they must take responsibility for what they publish about the Committee's proceedings. It is important to remember that parliamentary privilege does not apply to what witnesses may say outside their evidence at the hearing, so I urge witnesses to be careful about any comments they may make to the media or to others after completing their 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 witnesses 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 an answer within 21 days. Any messages from advisers or members' staff seated in the public gallery should be delivered through the Committee secretariat. Minister, I remind you and the officers accompanying you that you are free to pass notes and refer directly to your advisers seated at the table behind you. A transcript of this hearing will be available on the website tomorrow.

To aid the audibility of this hearing I remind Committee members and witnesses to speak into the microphones. In addition, several seats have been reserved near the loudspeakers for persons in the public gallery who have hearing difficulties. Finally, I ask everyone to turn off their mobile phones or turn them to silent for the duration of the hearing. All witnesses from departments, statutory bodies or corporations will be sworn prior to giving evidence. Minister, I remind you that you do not need to be sworn as you have already sworn an oath to your office as a member of Parliament. I remind Mr Martin Hoffman from the Department of Finance, Services and Innovation that he does not need to be sworn as he has been sworn at an earlier budget estimates hearing.

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

**ROSE WEBB**, Deputy Secretary, Better Regulation, and Commissioner of Fair Trading, Department of Finance, Services and Innovation, affirmed and examined

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

**TONY WILLIAMS**, Acting Executive Director, SafeWork Operations, Department of Finance, Services and Innovation, affirmed and examined

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

**The Hon. DANIEL MOOKHEY:** Thank you, Minister, it is good to see you and Mr Hoffman again as well as the rest of your executive who have accompanied you this morning. Minister, your department recently proposed the sensational idea of abolishing 13 licensed trade qualifications. It is fair to say that the reaction since your department floated that proposal has been incredible. The level of anxiety that your consultation paper has caused for the people who have these qualifications, as well as the people who rely on being able to access qualified and licensed building trades, is huge. Will you take this opportunity right now to say that your government will not continue with this ridiculous proposal?

**Mr MATT KEAN:** Thanks for the question, and I thank all the Committee members for having me here today. My department released a discussion paper in relation to my portfolio areas. The brief that I was given was to find ways that we could put money back in the pockets of tradies across New South Wales, make our markets more transparent and ensure that consumers get a better deal in the marketplace. We floated a range of ideas looking at things like licensing, removing red tape, cutting costs for businesses, increasing transparency for consumers when it comes to trailing commissions, and things like that. A number of ideas were floated.

I administer 58 Acts and I am responsible for the licensing of about 80 occupations. Many of those Acts were written decades ago, some of those licensing schemes were introduced decades ago, so it is entirely appropriate we look to see whether the regulations and the laws we have in place are still fit for purpose and relevant today. That is exactly why we released a discussion paper, so that we could have a conversation with the community and those industries that might be affected by some of these proposals so we could canvass their views before we make any policies. It was a discussion paper and we have heard some very strong views in the community. The time for that public consultation finished last week. We had more than 400 submissions and, as a result of those submissions, we have had new ideas about things we could do to improve life for tradies, to make our markets work better and to get better outcomes for consumers in New South Wales.

**The Hon. DANIEL MOOKHEY:** I accept that the burdens of State sit heavily on your shoulders with your 58 Acts to regulate, but can you just say right now that you will not be proceeding with the proposal to abolish the 13 trade licences?

**Mr MATT KEAN:** We will not be doing anything that would undermine worker safety or remove consumer standards.

**The Hon. DANIEL MOOKHEY:** Then simply say, "I will not be abolishing the licences."

**Mr MATT KEAN:** We have been very clear in the discussion paper that we are not going to do anything that would undermine or compromise worker safety in New South Wales. We are not going to do anything that would work against consumers in this State. We have had a discussion paper so that we can canvass views, so that we can make sure that our laws are working effectively and that they are fit for purpose for today's environment. That is exactly what we are doing and we will be making some announcements very soon.

**The Hon. DANIEL MOOKHEY:** Master Painters Australia NSW Association President Robin Ottawa said of your proposal to abolish his trade licence that this was a "slap in the face" for all qualified tradies. He said, "It's the wild west out there and this is just another nail in the coffin in the painting industry and overall trades. He"—referring to you, Minister—"has let the horse out of the stables and he's trying to say, 'It's too hard, you guys look after yourselves now.'" What is your response to the President of the Master Painters Australia NSW Association? Will you take his recommendation and abandon this proposal?

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**Mr MATT KEAN:** I met with Mr Ottawa recently. He is a good man, standing up for his members, and I am happy to say that I am working closely with him to get a better deal for painters in this State. The Master Painters Association came to see me and it made a number of recommendations about things that we could do to improve life for painters on the frontline in New South Wales.

I put on the public record that one of the things we were asking the painters to consider was whether or not the licence that they are required to have today is still relevant and fit for purpose. Today you need a licence only to paint the outside of a residential property. You do not need a licence if you are painting the inside of a residential property. You do not need a licence if you are painting a commercial building and you do not need a licence if you are doing work under \$5,000. The only person who needs a licence is the painter who is painting the outside of a residential building. For that licence they have to pay \$500 every couple of years. The question we were asking is: Given that there are no licences for other types of painting work that is required, which have the same risk profile, why is the licence still in place only for residential exterior work when poor old tradies are having to pay \$500 every two years. We have heard clearly from the painters that that licence is still relevant. I have taken that on board and I will be making some announcements soon.

**The Hon. DANIEL MOOKHEY:** Minister, you made reference to the meeting that you have had with the association. Following that meeting the Master Painters Australia NSW Association CEO Therese Lauriola said that you assured them that painters and dockers would no longer be included in the proposed reforms. Did you give her that assurance?

**Mr MATT KEAN:** The assurance I gave her was that we will take on board their views and we will be making an announcement very shortly with regard to painters. I wish to state for the record—

**The Hon. DANIEL MOOKHEY:** Before you go on, Ms Lauriola has gone on the public record as saying that in the meeting she had with you, which took place on Tuesday before 28 August—so probably last week—you gave her an assurance that they would not be included. I am asking you—and I need a simple yes or no answer—whether you gave her such an assurance? She is saying that you did. You went onto the public record and said no, you had a constructive discussion. Given the level of anxiety being experienced by Ms Lauriola and her members—and this a straightforward question—did you say to them that their licence was going to continue or did you give them an assurance that you were going to scrap this proposal?

**Mr MATT KEAN:** I gave them an assurance that we would work closely with them and that we would not do anything before we canvassed it with them. I make it very clear that this Government believes in proper process. We put out a discussion paper. We have had feedback from the community. We are going through the feedback from the community and then we will take it through the appropriate government processes. We will take it through the proper Cabinet process. My view is that we will do nothing that will undermine worker safety. We have heard from the master painters association that the licensing is important for the work that they do and I have taken that on board. I will be taking a package to Cabinet and once Cabinet makes a decision—we are a Cabinet Government; we do not believe in making policy on the run, unlike the Labor Party—

**The Hon. DANIEL MOOKHEY:** Or The Nationals.

**Mr MATT KEAN:** —we will take it to Cabinet and then we will make an announcement as is proper government process.

**The Hon. DANIEL MOOKHEY:** Indeed. Of the 400 submissions that you have received, how many of them are in favour of abolishing the licences?

**Mr MATT KEAN:** I will have to take that question on notice. We are still going through all the detail.

**The Hon. DANIEL MOOKHEY:** Have you met with the executive director? You said that you have taken that question on notice.

**Mr MATT KEAN:** Can I just clarify—

**The Hon. SCOTT FARLOW:** The Minister is adding to his answer.

**The Hon. PETER PRIMROSE:** Why don't you stop interjecting?

**The Hon. NATALIE WARD:** He is entitled to.

**The Hon. PETER PRIMROSE:** No, he is not under the standing orders.

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**Mr MATT KEAN:** There is a diversity of opinion amongst the stakeholders with whom we have engaged on this topic. Some bodies have suggested that we could change some of the licencing requirements. Some bodies, such as the master painters association, have made it clear that they do not want to see licencing removed.

**The Hon. DANIEL MOOKHEY:** Has even one body come forward and said, "Abolish the trades"?

**Mr MATT KEAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Just one?

**Mr MATT KEAN:** Yes.

**The Hon. DANIEL MOOKHEY:** Which one?

**Mr MATT KEAN:** The auctioneers have made a suggestion that we could reform the licensing for them.

**The Hon. DANIEL MOOKHEY:** Did they say, "Abolish the auctioneer licence"?

**Mr MATT KEAN:** No, they made suggestions about reforms that could be introduced.

**The Hon. DANIEL MOOKHEY:** So they have not. Just one association that has said, "Please abolish our trade licensing."

**Mr MATT KEAN:** A number of bodies that have come forward have said that they want the licensing conditions changed. As I have said to you, we have taken it on notice.

**The Hon. DANIEL MOOKHEY:** Have you met with the executive director of the Association of Wall and Ceiling Industries?

**Mr MATT KEAN:** Could you give me the name of that executive director?

**The Hon. DANIEL MOOKHEY:** Jane Barnes.

**Mr MATT KEAN:** I do not have that list in front of me but we have met with all the stakeholders and industry groups that are affected by these proposals. Anyone who has sought to meet with us I am pretty confident we have met with or I have met with personally.

**The Hon. DANIEL MOOKHEY:** Ms Barnes said:

On the one hand, the NSW government is encouraging people to take up trades, and subsidising apprenticeships, and industry associations are trying hard to attract young people into the trade and on the other hand, they are sending a contradictory message with this proposal.

There are major risks if these jobs aren't done properly. For example, dry plasterers are also responsible for ensuring the installation of fire-protection systems behind the walls, which are designed to contain fires or slow the spread of fire.

Given how urgent that is, is that not reason enough for you simply to say, "Yes, we have done the feedback. Yes, we have heard what people have had to say. Yes, our proposal was ridiculous, therefore, we will not be continuing with it."

**Mr MATT KEAN:** As I said, good governments consult with the community. Good governments consult with their stakeholders. That is what this Government is doing.

**The CHAIR:** You are still going through the submissions.

**Mr MATT KEAN:** We have consulted extensively. I have met with the vast majority of stakeholders that are affected by the proposals in the discussion paper. Mr Mookhey, I remind you that it was just a discussion paper. We have taken broad soundings from the community. We have had more than 400 submissions and we are working through those submissions. Once we have done that we will follow the proper process, go back through Cabinet and make an announcement. I assure the Committee that we will not do anything that undermines worker or safety standards in New South Wales. We will not do anything that will see consumers ripped off or undermined in this State.

**The Hon. DANIEL MOOKHEY:** In the foreword to the discussion paper that you issued—your Minister's message—you said:

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But those who say that liberalism has run its course, that we need to reregulate, we need to revert to old ways of running an economy are wrong. It is precisely when people are working hard and not seeing their efforts rewarded that we need more liberalism not less: give people more freedom—make it easier for them to do business and prosper; increase competition—

You go on to say:

Liberal democracies need to ensure that we have the opportunity to thrive economically: to own our own homes, to provide for our families, to succeed at work. In the 1980s and 1990s, Australia, the United States and the United Kingdom enacted liberal reforms that drove unprecedented periods of economic growth...

Minister, should you abandon your proposal to abolish 13 licensed trades? Should we assume that that is the greatest defeat against liberalism since the death of John Stuart Mill?

**Mr MATT KEAN:** Unlike the Labor Party I believe in empowering people.

**The Hon. NATALIE WARD:** Point of order—

**Mr MATT KEAN:** Are you criticising me for consulting broadly?

**The Hon. DANIEL MOOKHEY:** No, I am criticising you about presenting—

**The Hon. NATALIE WARD:** I have taken a point of order.

**The CHAIR:** Mr Mookhey, you have to stop talking when a member takes a point of order.

**The Hon. DANIEL MOOKHEY:** So does the Minister.

**The CHAIR:** What is the member's point of order?

**The Hon. NATALIE WARD:** I counted three questions in that diatribe of dialogue. The member should be directed to clarify which question he would like the Minister to answer.

**The Hon. DANIEL MOOKHEY:** Sure; I am happy to do so. If you have to abandon your proposal to abolish these 13 building trades, should we consider this the greatest setback to liberalism since the death of John Stuart Mill?

**Mr MATT KEAN:** No, unlike the Labor Party we believe in consulting with industry and making sure that the laws that govern their practices are fit for purpose. That is exactly what we are doing. We have released a discussion paper. We have consulted with industries and we are trying to find ways to make life easier and better for tradies in New South Wales. That is what we have done. We are going through the proper process. Unlike Labor, guess what? We believe in freer markets; we believe in more transparency in the marketplace; and we believe in more competition to get better consumer outcomes. Labor has never seen a tax that it does not want to impose on people. You have never seen regulation that you do not want to use to stifle business in this State. That is the difference between you and I, Mr Mookhey. I want to see businesses thriving. I want to see businesses employing people and growing this economy. As long as I am the Minister for Innovation and Better Regulation those are exactly the policy settings that you will get from me.

**The Hon. DANIEL MOOKHEY:** I am glad that you have your preselection speech for the Hornsby branch of the Liberal Party down pat.

**Mr MATT KEAN:** It has already been conducted and I was endorsed unanimously.

**The Hon. DANIEL MOOKHEY:** So was I. Congratulations, Minister.

**Mr MATT KEAN:** Congratulations, Mr Mookhey.

**The Hon. DANIEL MOOKHEY:** What reasons are there for landlords to evict tenants from properties without being given a reason?

**Mr MATT KEAN:** Can you repeat the question?

**The Hon. NATALIE WARD:** Point of order: Is that not a matter of law?

**The Hon. DANIEL MOOKHEY:** No. Minister, what are the policy reasons—

**The Hon. PETER PRIMROSE:** How is that a point of order?

**The Hon. NATALIE WARD:** It is not; it is a question.

**The Hon. PETER PRIMROSE:** You do not get to ask questions.



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**The Hon. DANIEL MOOKHEY:** Minister, what are the policy reasons for why landlords should have the right to remove a tenant from their property without giving that tenant an explanation?

**Mr MATT KEAN:** This is a difficult and complex area—the Residential Tenancies Act. It is trying to get the balance right between the interests of landlords and the rights of tenants. Mr Mookhey, I have been a tenant up until recently and I know firsthand the challenges that tenants face. Since I became the Minister a statutory review has been undertaken that looked at the Residential Tenancies Act in New South Wales to see whether or not the Act was still working and fit for purpose in today's environment—in 2018. That statutory review overwhelmingly found that the laws governing the relationship between tenants and landlords is still fit for purpose and still working effectively.

**The Hon. DANIEL MOOKHEY:** That is interesting, Minister, but I did not ask you that. I am asking you what are the policy reasons for why landlords should have the right to remove tenants without providing them with an explanation?

**Mr MATT KEAN:** I am answering your question. As I said, there has been a statutory review of the Residential Tenancies Act in New South Wales. That review has been undertaken engaging extensively with landlords and tenants and that review found that the laws are fit for purpose. I will hand over to my secretary to respond as well.

**Mr HOFFMAN:** Mr Mookhey, I was going to add in support of the Minister that, as you know, no-grounds termination only occurs at the end of a fixed-term lease. The tenant would be previously aware of that end date. The Minister talked about the balance. The policy reason is so that the owner of the property can have some certainty of the ability to regain control and possession of the property. That is the policy balance that the Minister was referring to against the rights of tenants.

**The Hon. DANIEL MOOKHEY:** Indeed.

**The Hon. NATALIE WARD:** Their property, that they own.

**The Hon. DANIEL MOOKHEY:** Thank you, Ms Ward, I appreciate the clarification. When you eventually become a Minister, I will ask you some questions.

**The Hon. NATALIE WARD:** I look forward to it.

**The Hon. DANIEL MOOKHEY:** Minister, do you support the abolition of no-fault evictions?

**Mr MATT KEAN:** I support the findings of the statutory review, which found that the Residential Tenancies Act is appropriate and fit for purpose.

**The Hon. DANIEL MOOKHEY:** Can you be very clear here that under a Liberal Government, no-fault evictions will remain in the Residential Tenancies Act?

**Mr MATT KEAN:** What I can be very clear about is that it was Labor that abolished no-grounds terminations in New South Wales. It was a Labor Government that abolished the right of tenants to have certainty in their tenure in New South Wales.

**The Hon. DANIEL MOOKHEY:** Your argument is that by maintaining no-grounds eviction, tenants have certainty of tenure?

**Mr MATT KEAN:** No, I will not be lectured about no-grounds—

**The Hon. DANIEL MOOKHEY:** I am not lecturing, I am asking you a question.

**Mr MATT KEAN:** I will not be lectured by you on this issue. It was your Labor Government that abolished no-grounds terminations in New South Wales. A statutory review has looked at the Residential Tenancies Act in this State—

**The Hon. DANIEL MOOKHEY:** Accepting your criticisms and my party's position—

**The CHAIR:** Mr Mookhey, let the Minister finish his answer.

**Mr MATT KEAN:** It found that it is still fit for purpose.

**The Hon. DANIEL MOOKHEY:** Accepting your criticisms and my party's position, just simply say that a Liberal Government will keep no-grounds evictions?

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**Mr MATT KEAN:** No, a statutory review has looked at the Residential Tenancies Act in New South Wales. That statutory review found that the laws are fit for purpose. We have consulted extensively with industry and stakeholders, including stakeholders such as the Tenants Union.

**The Hon. PETER PRIMROSE:** So the answer is yes.

**Mr MATT KEAN:** We have taken their views on board and we will be making announcements with regard to the Residential Tenancies Act in the very near future.

**The Hon. DANIEL MOOKHEY:** Minister, how many residents in New South Wales were issued with a no-grounds eviction last year?

**Mr MATT KEAN:** I will have to take that on notice.

**The Hon. DANIEL MOOKHEY:** Does the department maintain data on this?

**Mr HOFFMAN:** I do not think we do, Mr Mookhey. Again, I am happy to confirm that on notice to you.

**The Hon. DANIEL MOOKHEY:** With respect to the reasons for termination of leases that are available under the Residential Tenancies Act, do you maintain data for how many take place each year?

**Mr HOFFMAN:** No, Mr Mookhey. We would have some information about disputes that would have come to Fair Trading for settlement. We would have some information on the basis of those that led to a dispute or led to them contacting Fair Trading. But, of course, not all or even many endings of tenancies would lead to such a situation. In the normal course of interaction between a landlord and tenant, we would not necessarily see that, no.

**The Hon. DANIEL MOOKHEY:** Minister, should a victim of domestic violence be able to terminate their lease early?

**Mr MATT KEAN:** First, can I say that we need to do everything possible to ensure that people who are in a violent relationship have the ability to leave a violent situation. No-one should be subjected to violence, especially in their own home and especially with a family member or someone that they are in a relationship with.

**The Hon. DANIEL MOOKHEY:** Should they have the right to exit a lease?

**Mr MATT KEAN:** We must ensure that it is as easy as reasonably possible for victims of domestic violence to leave violent relationships. That is why a few months ago I announced reforms that will enable victims of domestic violence to leave a residential tenancy without having to pay break fees. It is a big change in policy in New South Wales and, as far as I know, we are the only State in the nation that has adopted that policy position.

**The Hon. DANIEL MOOKHEY:** Are you of the view, not so much from the break-fee aspect of it, that they should exit their tenancy early?

**Mr MATT KEAN:** I am of the view that we should do everything possible to make it as easy as possible for someone to leave a violent situation without penalty.

**The Hon. DANIEL MOOKHEY:** Have you maintained data on this?

**Mr MATT KEAN:** Commissioner of Fair Trading?

**Ms WEBB:** We do not keep data on the total number of domestic violence issues. As Mr Hoffman said, if someone came to us with a landlord-tenant dispute around domestic violence we would have some data.

**The Hon. DANIEL MOOKHEY:** Is the department contemplating establishing some form of a measurement system in order to allow this to be tracked over time?

**The Hon. NATALIE WARD:** It might be a question for Family and Community Services [FACS].

**The Hon. DANIEL MOOKHEY:** No, because it goes to Fair Trading.

**Mr MATT KEAN:** I think that is a good idea, which I will definitely take up after this. Can I say, when I became the Minister the policy was that the threshold for which someone could prove that they were a victim of domestic violence was that they had to take out an apprehended violence order [AVO]; that is very confronting. As a result of consultation with stakeholders I have now lowered the threshold, which requires you to get a

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document or statutory declaration from an appropriately qualified medical practitioner, because we want to make it as easy as possible for someone to leave a violent relationship or leave a premises without penalty.

**Mr JUSTIN FIELD:** Minister, thank you for being here today. On 6 November last year your diary shows that you met with ClubsNSW to discuss the memorandum of understanding [MOU] between the Liberal-Nationals Government and ClubsNSW. Can you tell me who was at that meeting?

**Mr MATT KEAN:** All my meetings are disclosed in line with the ministerial guidelines. I cannot remember exactly who was in the meeting at that time. I am happy to take that on notice, obviously. All my meetings are disclosed in line with ministerial guidelines, as is required.

**Mr JUSTIN FIELD:** I understand that; that is where I got this information. Can you tell me what was discussed at that meeting?

**Mr MATT KEAN:** To the best of my knowledge I cannot remember the exact details of that specific meeting. I meet with a broad range of stakeholders. As you can see from diary disclosures, we have many meetings with interested parties. I consult widely with the industry and the people who are affected by the policies of the New South Wales Government. I disclose them in line with the New South Wales ministerial guidelines.

**Mr JUSTIN FIELD:** Why would they be meeting with you, given that the Minister most directly involved with their operations is the Minister for Racing?

**Mr MATT KEAN:** Obviously, in addition to being the Minister for Innovation and Better Regulation I am the member for Hornsby. I have a number of clubs in my electorate. I think I have four registered clubs in my electorate. They play a huge role in our community. I would imagine that as the industry body representing all clubs, they would want to meet with all members of Parliament to discuss issues facing the clubs in those individual electorates.

**Mr JUSTIN FIELD:** The meeting register shows that you spoke about the MOU that the clubs have, which is a broad-ranging and beneficial agreement with the Government. It is rare for there to be an industry agreement with the Government like that, which essentially protects their profitability from poker machines. Why would they meet with the local member about their local club when your record shows that they were there to discuss the MOU?

**Mr MATT KEAN:** Obviously there are clubs in my electorate that would be affected by the MOU. As the peak body representing clubs in New South Wales, I would imagine they would want to meet with all local members who have an interest in the clubs in their communities.

**Mr JUSTIN FIELD:** Have you had any discussions with local clubs or ClubsNSW about signing a new MOU with the Liberal-Nationals Government?

**Mr MATT KEAN:** I cannot recollect specific conversations in relation to the MOU. I apologise. It was obviously in November and I do not have detailed notes of my diary meetings in front of me. I cannot specifically rule out having a meeting about the MOU.

**Mr JUSTIN FIELD:** I move on to questions relating to short-term holiday letting. What will be your role in the finalisation of the State environmental planning policy [SEPP] that is a critical part of those reforms?

**Mr MATT KEAN:** The SEPP obviously is administered by the Minister for Planning. He is the person who will make the decisions as to the number of days that people will be able to let out their properties.

**Mr JUSTIN FIELD:** What will be your role?

**Mr MATT KEAN:** Again, I administer the Fair Trading Act which is giving effect to the code of conduct. I administer the Strata Schemes Management Act which determines whether or not owners' corporations can prohibit short-term holiday letting in their properties. The role of the Minister for Planning is to look after the SEPP which will govern the number of days persons can let out their property.

**Mr JUSTIN FIELD:** I understand that but the legislation that went before the Parliament, and the reforms in their entirety, were significantly underpinned by the creation of the State environmental planning policy. I imagine that you will have some direct engagement in the development of the SEPP. Is there a draft SEPP at the moment? Have you been involved in the development of that draft SEPP?

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**Mr MATT KEAN:** I have not been involved in the development of that draft SEPP other than having conversations with the Minister with regard to the number of days and things like that that we have heard through the consultation paper.

**Mr JUSTIN FIELD:** Was that not already agreed?

**Mr MATT KEAN:** These questions are for the Minister for Planning. I am happy to take any questions relating to my portfolio, but it is best that you direct those questions to the Minister for Planning.

**Mr JUSTIN FIELD:** When the package of reforms went to Cabinet—and I am not asking you to elaborate on Cabinet discussions—was Cabinet aware of the potential contents of the SEPP when making its decision? Was that something that was available to members who were making decisions about this reform?

**The Hon. NATALIE WARD:** That is a Cabinet discussion.

**Mr MATT KEAN:** These are Cabinet decisions. You are best to ask—

**Mr JUSTIN FIELD:** I am not asking you to elaborate on the discussions.

**Mr MATT KEAN:** You are best to direct these questions to the Minister for Planning. He is responsible for the SEPP that governs this.

**Mr JUSTIN FIELD:** The SEPP was such a critical part of the entire reforms. It is a package. There are the guidelines or the code and the SEPP which we do not have and legislation that deals with small parts. I am trying to understand what information was available to those people who were making the decisions about the whole package?

**Mr MATT KEAN:** There was extensive information. There was a parliamentary inquiry into these issues and a community consultation paper. That community consultation paper went on for around six months and it was extensive. These issues were well and truly canvassed not only through community consultation but also in the Parliament. You would remember that there was a robust discussion with members of Parliament and members of my own party about these issues.

**Mr JUSTIN FIELD:** We did have a robust discussion.

**Mr MATT KEAN:** It is a difficult issue. There is a diversity of opinion in the community about how best to deal with these new technologies that are changing the way we book our holidays and those issues were broadly canvassed.

**Mr JUSTIN FIELD:** What process will local government need to go through to reduce their permitted days below what has been stated for regional local governments at 365 days as the standard? What process will they have to go through if they want to reduce that?

**Mr MATT KEAN:** Again, these questions relate to the Minister for Planning. But to the best of my knowledge—

**Mr JUSTIN FIELD:** Given that you effectively regulate all the businesses and platforms that will have to administer this scheme, they will have to abide by local government decisions. Their platforms will have to be able to administer whether or not a particular property has gone over the number of days. I imagine that this question is for you. How will that process be applied?

**Mr MATT KEAN:** Local government obviously has powers to administer the planning laws that govern their activities. The questions that you are asking relate to the Minister for Local Government or the Minister for Planning—

**Mr JUSTIN FIELD:** How many Ministers will administer the management of short-term holiday letting in New South Wales?

**Mr MATT KEAN:** I am happy to walk you through what Acts I administer and what Acts the Minister for Planning administers. I can give you a lesson in government 101, if you like.

**Mr JUSTIN FIELD:** When Airbnb or local real estate agents in Byron Bay are scratching their heads working out how they—

**Mr MATT KEAN:** I know you are trying to get a news grab today.

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**Mr JUSTIN FIELD:** No, I am not; I did not invite them. I think that is Daniel's. A lot of businesses in Byron Bay and other people will be watching this. Who will Airbnb, Stayz or local real estate agents in Byron Bay go to when local government makes a decision to change and they are not sure what their requirements are? Who are they going to go to?

**Mr MATT KEAN:** As is normal process, questions relating to local government should go to local government—the Minister for Local Government and the Office of Local Government. Planning matters are handled by the Minister for Planning.

**Mr JUSTIN FIELD:** So Stayz should call the Minister for Local Government to work out how many days it needs to put into its register to administer a property in Byron Bay? Is that what you are saying?

**Mr MATT KEAN:** That is exactly right. Do I need to explain to you how government works?

**Mr JUSTIN FIELD:** You are the Minister for Better Regulation.

**Mr MATT KEAN:** You are so transparent about these things.

**The Hon. WES FANG:** Point of order—

**Mr MATT KEAN:** You are concerned only about your marginal seat of Ballina. That is what this is all about.

**Mr JUSTIN FIELD:** I am concerned about specific communities being impacted by your legislation.

**Mr MATT KEAN:** The Hon. Ben Franklin is out there about to take a seat off you.

**The CHAIR:** Mr Justin Field will allow the Minister to finish his answer.

**The Hon. WES FANG:** That was to be my point of order.

**Mr MATT KEAN:** I remind Mr Justin Field that The Greens voted against the toughest laws in the country relating to short-term holiday letting. The Greens do not want any laws whatsoever to deal with bad behaviour. Under their scheme they want party houses and bucks night central every night of the week. They want no laws; they want anarchy.

**Mr JUSTIN FIELD:** No, we want local communities to decide.

**Mr MATT KEAN:** They are the new libertarians of the New South Wales Parliament.

**Mr JUSTIN FIELD:** Will the registration associated with the code of conduct be mandatory?

**Mr MATT KEAN:** Yes, it will.

**Mr JUSTIN FIELD:** Will the Government know about premises that are used—

**Mr MATT KEAN:** The code of conduct will be mandatory in New South Wales. All platforms, hosts and guests will have to comply with the code of conduct. If they do not comply with the code of conduct on two occasions—they have two breaches of the code of conduct in two years—they will be off all platforms for five years. These are the toughest laws in the country. The Greens voted against them because they want anarchy in party houses and bucks night central every night of the week. They do not care about protecting their neighbours' enjoyment of peace and quiet in their own homes. They do not care about making sure that the hosts are doing the right thing.

**Mr JUSTIN FIELD:** You had an opportunity to make a second reading speech, Minister, and you missed it.

**Mr MATT KEAN:** We introduced these laws and The Greens voted against it.

**Mr JUSTIN FIELD:** The strata laws that were passed in Parliament, as opposed to all the other policies that went before the Parliament when it made decisions, will require a 75 per cent majority under the law to take a decision not to allow Airbnb?

**Mr MATT KEAN:** There are separate Acts; that is correct.

**Mr JUSTIN FIELD:** Given that in June 2016 CoreLogic reported that 49 per cent of the units in Sydney's metropolitan area are owned by investors, do you not accept that it will be almost impossible for any unit block or any strata to make that decision?

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**Mr MATT KEAN:** Not at all. That is the threshold for any special resolution required to be passed by an owners' corporation. It is no different to any requirements for any special resolution.

**Mr JUSTIN FIELD:** Why was it not an opt-in rather than an opt-out?

**The CHAIR:** The Minister can take that question on notice.

**Mr MATT KEAN:** You cannot have your cake and eat it too.

**The CHAIR:** I am a member of the RSL, which plays an important role in our society. Recently there have been major problems with its administration. What has been the outcome of the Bergin inquiry that concluded earlier this year?

**Mr MATT KEAN:** I know the deep affection that you have for the RSL, being a returned serviceman. I thank you for this question. As you know, I commissioned Patricia Bergin to undertake an inquiry into the corruption and cronyism that was occurring at RSL NSW which almost brought this great organisation to the brink of destruction. Justice Bergin handed down a substantial report in every way. It was a forensic analysis of the shameful events which represented, in my view, the darkest days of one of our most loved institutions. I thank Justice Bergin for her work.

Her report detailed the shocking behaviour of the former State President, Mr Don Rowe, and the culture in RSL NSW that allowed him to get away with it. The report also shines a light on appalling business practices, disgraceful failings in oversight and a leadership that was, at best, utterly inept. Members of the Australian Labor Party, The Greens, the Christian Democratic Party or the Liberal-Nationals Coalition do not want the RSL to fail. We all hold dear its history, its values and its work to support our returned service men and women and their families. Mr Chair, you will be interested to know that my family was helped by the RSL after my grandfather, Jack Kean, returned injured from World War II.

As a result of this report there are better times ahead for RSL NSW which now has new leadership and vision. I am heartened by the work of the President, Mr James Brown, and Andrew Condon in turning RSL NSW around. In fact, their professionalism has been acknowledged by Justice Bergin in her report. Along with the new leaders of the RSL, this Government is determined to help the RSL return to its core duty which is putting veterans first. We will be adopting the report that Justice Bergin spent many months investigating. Her recommendations will affect a large number of organisations; not just the RSL. We plan to reform the Charitable Fundraising Act, and it is important that that work is done carefully and properly. These are the issues that led to the Bergin report. We are determined to implement the recommendations of the Bergin report. We had a large number of recommendations and we are currently working through all of them to make sure that we give effect to this so that we can make sure that the RSL lasts for another hundred years at least.

**The CHAIR:** As you indicated, that was at the State level. They are not similar to the problems at the local level as far as we are aware in local branches.

**Mr MATT KEAN:** The problem was at the top of the RSL. The governance or the leadership of the New South Wales RSL at the time was absolutely crook. They thought that the RSL was their personal plaything. They took money intended for veterans and intended to support our diggers to line their own pockets. We saw examples of hotels being booked for years on end for the purpose of kids and family members, overseas trips and junkets all over the place. It was disgraceful. This money should have been going to the veterans, advancing the cause of the RSL and honouring the memory of those who served and fought for our nation.

**The CHAIR:** In regard to retirement matters, I understand there has been an inquiry into the operation of retirement villages. Could you update the Committee on the outcome and findings of this inquiry?

**Mr MATT KEAN:** Thank you for that question. I know that this is an area that you are deeply interested in. A lot of your supporters are interested in what happens to them or their family members should they need to move into that style of accommodation. The reality is that we have 650 retirement villages in New South Wales and they house 55,000 residents. That number will explode in the coming years. Some projections suggest that by 2025 we will see around 325 New South Wales residents needing to move into this style of accommodation. It is important that the retirement village industry is viable and sustainable into the future.

All of us were appalled by some of the shocking revelations on *Four Corners* and through Fairfax Media about conduct occurring in retirement villages in New South Wales. We heard shocking reports about hidden fees and charges, which is a huge issue if you are on a fixed income, and are slugged extra fees and charges when you have moved into a retirement village. We heard about the onerous contracts, poor dispute resolution processes

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and vulnerable people being taken advantage of. Quite frankly, it is absolutely crook. I say that as someone who is the son of parents thinking about the next stage of their lives and the grandson of someone who is living in a retirement village. I think that every person who lives in a retirement village should be entitled to the same high quality of care and respect that we would expect for our own family members.

I commissioned Kathryn Greiner to look into some of these abhorrent practices. As a result of her report we will be putting power back in the hands of retirement village residents and their families. We will ensure greater transparency and fairness through a suite of reforms that will better protect residents across New South Wales. The inquiry was comprehensive. Kathryn Greiner travelled up and down New South Wales, conducting public hearings, and meeting and hearing directly from affected residents. We had over 500 submissions and more than 500 people attended those community forums. The Government will be taking immediate action to implement the majority of the recommendations, while we need to do further work on a small number of recommendations. Our reform package includes a mandatory code of conduct to stamp out unscrupulous behaviour, strong transparency measures to improve disclosure of key contract terms and exit fees, and to drive greater competition in the sector.

We will also be introducing improved dispute resolution services for residents. There will be a dedicated ambassador for retirement villages to be the champion and advocate for our retirement village residents across New South Wales. They will report back to the Commissioner for Fair Trading on key issues. We will also be introducing stricter training requirements for retirement village operators and their staff. We are also doing further work to ensure that Fair Trading has the necessary powers to be able to crack down on those people who do not comply with the law. If they do the wrong thing, I want to make sure that Fair Trading can come after them, crack down on them and throw the book at them. That is exactly what we are proposing as a result of this inquiry. This is all about ensuring that our retirees get a fair go in New South Wales. I am confident that these reforms will do exactly that. It has been an extensive report. Kathryn Greiner is exceptionally well qualified.

**The CHAIR:** She certainly is.

**The Hon. NATALIE WARD:** Hear, hear!

**Mr MATT KEAN:** She has consulted broadly and the recommendations she has made will be adopted. She made 17 recommendations. Thirteen of these will be adopted immediately; four require further work because we need to consult a bit more with the industry to get it right. We want to make sure that this sector is viable well into the future and sets up the industry for success as it needs to cope with the growing demand that it will see.

**The CHAIR:** Minister, a part of the new system includes the use of a retirement village calculator. Could you explain how this would be used?

**Mr MATT KEAN:** One of the reforms that we have already introduced is requiring retirement village operators to disclose key items of income and expenditure. That will be standardised across the industry. Fair Trading has developed a calculator so you can compare and contrast different village operators. I might hand over to the Commissioner for Fair Trading to explain how the calculator works.

**Ms WEBB:** We found that a big issue for retirement village residents was the difficulty of understanding the impact of all the different types of fees and charges; how over time they would impact on their income; how to make the right decision when they were entering a retirement village with all that information and understanding; what it would mean depending on their stage of life; how many years they expect to live in the village; how much they were paying upfront; and potentially how much would be taken at the time they left the village. The retirement village calculator is a way in which people can input the data they get from a potential retirement village that they are thinking of going into, look to the future, see what their ongoing expenses will be and have a good understanding of what they might get at the end when they leave that village.

**The Hon. PETER PRIMROSE:** Minister, I want to ask you a few questions about the Premier's memorandum M2012-08. As you would be aware, that was signed by the then Premier Barry O'Farrell regarding public service use of biofuels. You are familiar with that, are you not?

**Mr MATT KEAN:** In 2008, did you say, Mr Primrose?

**The Hon. PETER PRIMROSE:** In 2012.

**Mr MATT KEAN:** In 2012, yes.

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**The Hon. PETER PRIMROSE:** It is Premier's memorandum M2012-08. My understanding is, from having a look at it on the website, that it is still current. Is that correct?

**Mr MATT KEAN:** That is correct, yes.

**The Hon. PETER PRIMROSE:** The Premier states in that memorandum:

To provide continued community leadership in achieving the new higher biofuels mandates, all New South Wales Government agencies, including State Owned Corporations, are now required to use E10 and biodiesel blends where possible unless there is a clear operational requirement that precludes the use of biofuels.

Are you familiar with that?

**Mr MATT KEAN:** Yes, I am.

**The Hon. PETER PRIMROSE:** Do you monitor the use of E10 and biofuels?

**Mr MATT KEAN:** Yes, we monitor the usage of biofuels and E10 in each department.

**The Hon. PETER PRIMROSE:** Would it concern you that since you have formed government, the use of E10 has fallen and, in some cases, it has halved?

**Mr MATT KEAN:** Yes, it does concern me. I have seen some figures which show that the use of E10 in government fleet cars across all departments has declined. As soon as I became aware of those numbers I asked my secretary to conduct a review. That review is currently underway. As soon as I get findings of that review, we will be taking steps to fix that situation. I think that public servants should be compliant with government policy, and that includes the Premier's memorandum. To that end, I want to ensure that public servants are not only complying with that but also saving the taxpayer money. We know E10 is a cheaper source of fuel, so I expect public servants to be using it where possible not only to comply with Government policy but also to save money.

Again, I have asked my secretary to conduct a review into this important area. I expect the Government and the public service to comply with government policy and we will be taking steps to address it. I note there has been a decline in the use of E10 between 2011 and 2016; however, between 2016 and 2017 there has been an increase in the usage of E10. I might hand over to my secretary to explain that.

**The Hon. DANIEL MOOKHEY:** Before you do, when was the secretary asked to undertake this review and when is the secretary meant to complete this review?

**Mr MATT KEAN:** I cannot recall the exact date. I will take that on notice.

**Mr HOFFMAN:** I can answer that question, Mr Mookhey. As the Minister started by saying, we track these figures and we have been aware of the decline. The Minister has made his position quite clear on that. From 2016-17 to 2017-18 we were aware of the decline and started to take action. We have seen seven of the 11 clusters increase their usage of E10 over the past year, two have arrested the decline and been stable and two have declined further. We are already starting to take action to ensure compliance with the policy. Clearly, more can be done. It is not yet back at the levels that it was earlier in the period that you named. The review the Minister has referred to is asking me and New South Wales Procurement to advise on further steps that can be taken to continue the rebound of the proportion of E10. I expect to be able to provide the Minister with further advice within the next month.

**The Hon. PETER PRIMROSE:** Will that report be made public, Minister?

**Mr MATT KEAN:** It was an internal review. I am happy to consider making it public, yes.

**The Hon. PETER PRIMROSE:** Maybe through you again to the secretary if you wish, I note for example that in Premier and Cabinet the usage of E10 has fallen from 2011-12. It was 72 per cent then; it is down to 44 per cent now. Do you have any preliminary views as to why there has been such a significant reduction?

**Mr HOFFMAN:** No, I cannot comment on the usage by another agency specifically. It can have to do with the make-up of the fleet and the particular trip patterns that a particular agency is involved in. However, the Minister has acknowledged that he expects compliance. I note with respect to the Department of Premier and Cabinet that the level has increased over the past two years from where it was two years ago. It is not back to where it was, but the rebound has started.



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**The Hon. PETER PRIMROSE:** From looking at these figures, the rebound seems to be 1 per cent or 2 per cent but in some cases it has dropped by 30. It may be a dead cat bounce, I suspect, rather than a rebound. Minister, do you use E10 in your ministerial car?

**Mr MATT KEAN:** I do.

**The Hon. PETER PRIMROSE:** All the time?

**Mr MATT KEAN:** I filled up last night with E10 at the Pennant Hills Road Shell service station.

**The Hon. NATALIE WARD:** Do you use FuelWatch to check the price?

**Mr MATT KEAN:** Yes, I do. I use Fuel Check.

**The Hon. PETER PRIMROSE:** There are two or three of them. Minister, surely you can see the hypocrisy of everyday motorists being told to use E10 in their cars while the Government has not been able to ensure that its own public service is abiding by a Premier's memorandum. You would agree with that, would you not?

**Mr MATT KEAN:** As you heard from the secretary, there are a number of reasons why that number may have declined. We are doing an investigation to find out why that is.

**The Hon. PETER PRIMROSE:** I have not heard any reasons.

**Mr MATT KEAN:** Changing the types of vehicles that are in the government fleet could be one reason. But, as I said, we are doing an investigation to get to the bottom of what is going on and I expect government departments to comply with government policy. Once we get the findings of the review we will implement them to make sure that government departments are complying with government policy.

**The Hon. PETER PRIMROSE:** You would not see it as being hypocritical for this to have gone on in this way?

**Mr MATT KEAN:** I am not going to pre-empt an investigation. As I said, there could be a multitude of factors that could explain why these numbers are going on. As the secretary has already said, in 2017-18 seven departments have started to increase their use of E10—so a change is already beginning. We will investigate the reasons as to why those numbers have declined since 2011 and we will take steps to make sure that they are addressed.

**The Hon. PETER PRIMROSE:** I think the public will pass its own judgement on what has been occurring. Can I move on to—

**Mr MATT KEAN:** We would encourage the public, like we are going to encourage the public service, to use E10 where possible because it is a cheaper alternative and it is a good outcome. Saving money at the bowser is a good thing not only for the general public but also for the Government. We should be saving taxpayer dollars where possible and that is exactly one of the reasons we should be using E10.

**The Hon. PETER PRIMROSE:** Your own cluster has not agreed with that, clearly. The Premier's own cluster has not agreed with that, clearly. This has been an exercise in hypocrisy, has it not?

**Mr MATT KEAN:** I have already answered the question on three occasions by saying there could be a multitude of reasons that explain why the numbers of E10 usage have fluctuated. We have an investigation underway looking into that. Once we get the results of the investigation then we will act it on, but I expect government departments, including my own, to comply with government policy.

**The Hon. PETER PRIMROSE:** How much did your department spend on contractors or labour hire last financial year?

**Mr MATT KEAN:** I do not have those numbers readily available. I am happy to take that on notice but I might hand over to my secretary to answer that question if that is all right.

**Mr HOFFMAN:** I apologise. We had this for the cluster lead Minister on Monday for the cluster as a whole rather than the part that Minister Kean administers and is responsible for. I am not trying to avoid the question at all but—

**The Hon. PETER PRIMROSE:** I appreciate that. Could you please take that on notice?

**Mr MATT KEAN:** We will table that, yes.

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**The Hon. PETER PRIMROSE:** Could you also take on notice how many full-time equivalent employees there are in total?

**Mr MATT KEAN:** I can answer that now. In just my area of the portfolio for 2018-19 budgeted this year?

**The Hon. PETER PRIMROSE:** Yes, thank you.

**Mr MATT KEAN:** There are 1,601 employees.

**The Hon. PETER PRIMROSE:** You may wish to take this on notice: What percentage of those full-time equivalent employees are contractors or labour hire?

**Mr MATT KEAN:** I do not have those numbers readily at hand but I will take that on notice and table it for you.

**The Hon. PETER PRIMROSE:** I understand you have responsibility for the Luna Park Site Act piece of legislation?

**Mr MATT KEAN:** Yes, I do.

**The Hon. PETER PRIMROSE:** What steps are you taking to make sure that Luna Park does not close down?

**Mr MATT KEAN:** Obviously, there was a recent decision from the Land and Environment Court on the ability of the owners to use certain rides at certain times. That court decision has just been handed down. We are currently reviewing the contents of that decision and seeing the impact it will have. Once I am able to get across that we will respond accordingly. I am hoping to meet with the owners of Luna Park as soon as possible. There has been a request for me to meet with them. I hope to meet with them soon so that we can take steps to make sure that Luna Park remains a viable business.

**The Hon. PETER PRIMROSE:** What are some of those steps that you might consider?

**Mr MATT KEAN:** As I said, I need to get across the finding of the Land and Environment Court. It has just been handed down.

**The Hon. PETER PRIMROSE:** Yes, I know. I have looked at it.

**Mr MATT KEAN:** I have not had a chance to do that yet. As soon as I get across the detail of that finding we will be taking steps. I am happy to hand over to my secretary.

**The Hon. PETER PRIMROSE:** I wonder whether your department secretary has any additional information in the briefing note he has just been handed.

**Mr HOFFMAN:** It provides the background of the Land and Environment Court decision, as the Minister has just said. There has been a long relationship between Property NSW and Place Management NSW with the operator and a close relationship in managing the various aspects of it. At this stage, as the Minister said, it is too early to understand the full implications of the decision and the views of the company and the views of the community.

**Mr MATT KEAN:** The decisions relate to planning matters. Perhaps it would be best to direct these questions to the Minister for Planning as to what steps his department could take to enable Luna Park to operate some of these rides or install new rides.

**The Hon. PETER PRIMROSE:** Maybe I could ask the Minister for Innovation and Better Regulation about what would have to be seen as red tape gone mad—namely, having to apply under the planning laws every time someone wishes to move or to change a ride? Surely that would have to be regarded by you as red tape gone mad, given your vehemence of red tape?

**Mr MATT KEAN:** Mr Primrose, I like Lunar Park as much as the next person.

**The Hon. PETER PRIMROSE:** It would be a burden on freedom.

**Mr MATT KEAN:** I am happy to take you out to Coney Island if you want to come with me.

**The Hon. PETER PRIMROSE:** Only under chaperone.

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**Mr MATT KEAN:** As I said, I want to have a look at the court decision. I do not want to make policy on the run. That is not how good government works and that is not how I operate. We will review the decision and we will come back with a comprehensive response. I will also meet with the affected stakeholders, being the owners of the park. I want to ensure that Luna Park continues for another century to provide fun and is a great place for Sydneysiders.

**The Hon. PETER PRIMROSE:** In light of your answer, you cannot rule out the possibility that rides at Luna Park will now close?

**Mr MATT KEAN:** As I said, I need to go through what the Land and Environment Court has said and the impact it will have on the operation of the Luna Park site. Once we get that, then I am as committed as anyone to ensuring that Luna Park remains a viable, going concern in New South Wales.

**The Hon. PETER PRIMROSE:** But at this moment you cannot rule it out?

**Mr MATT KEAN:** I am not going to play hypotheticals here.

**The Hon. PETER PRIMROSE:** It is not a hypothetical.

**Mr MATT KEAN:** There has been a court case and I have not had a chance to go through the detail of the findings. Once we do that, we will respond accordingly.

**The Hon. PETER PRIMROSE:** Maybe there will not be a place for us to visit.

**Mr MATT KEAN:** I will make sure there is a place for you to visit.

**The Hon. PETER PRIMROSE:** I now turn to the ambassador for retirement villages that you have mentioned previously. I will cite one instance—rather than doing hypotheticals because I know my colleagues here are concerned about that and knowing your penchant for legal matters—of John Murphy against Trustees Catholic Aged Care Sydney, where a resident at Vaughan Village, Double Bay, has been told by village management that he is unable to keep his trained assistance dog in the village. Do you think that your ambassador would be able to assist Mr Murphy in that matter?

**Mr MATT KEAN:** Absolutely. The role of the ambassador is to be the champion for retirement village residents across New South Wales, to fight for issues that concern residents in this State and to raise them with the Commissioner of Fair Trading and myself as the Minister. As a result of the inquiry we did into retirement villages we got great feedback from residents on a range of issues—from assistance dogs, to the dispute resolution processes that they deal with, to the gardens and how they are cared for. It has teased out a lot of issues, which we are currently working to address.

**The Hon. PETER PRIMROSE:** Mr Murphy has already been through two stressful hearings at the NSW Civil and Administrative Tribunal. What additional assistance would the ambassador specifically be able to provide?

**Mr MATT KEAN:** Firstly, I am very sorry to hear about Mr Murphy's case. Mr Primrose, if it is okay with you, could I get his details after so I can have a look specifically into that matter? But more generally, what I would expect the ambassador ought to do would be to meet with Mr Murphy or an affected resident to understand their concerns, to see what improvements could be made to support a resident like Mr Murphy. Assistance dogs are becoming more and more important for many citizens in this State. Our laws and the regulations affecting retirement villages need to be flexible enough to accommodate and give the support people living with a disability need.

**The Hon. PETER PRIMROSE:** Minister, I appreciate what you are saying, but given my time limitations I would like to explore this a bit further if I can. What specific powers will the ambassador have? What legislated or regulated powers will the ambassador have?

**Mr MATT KEAN:** The ambassador's role will be to be the champion for retirement village residents in New South Wales. The role will be to meet, to engage, to understand the law and to make recommendations about what we can do to improve all this.

**The Hon. PETER PRIMROSE:** So they are not actually going to be given any powers?

**Mr MATT KEAN:** They will have the power and the platform to be able to bring about change that will improve the lives of residents in retirement villages in New South Wales. They will work hand in glove with

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me as the Minister to make life better and fairer for every single resident of a retirement village in this State. That is my objective and that is why we are appointing a dedicated champion on this issue.

**The Hon. PETER PRIMROSE:** Have you chosen the ambassador yet?

**Mr MATT KEAN:** No, we have not yet. Would you like to apply?

**The Hon. PETER PRIMROSE:** How is that person likely to be chosen?

**Mr MATT KEAN:** I want to make sure that we get someone who understands the regulations and the Retirement Villages Act, who has the ability to engage broadly right across the community, who will have the trust of senior citizens, who will understand their needs and who will be an effective voice for their rights ensuring that we get a better deal across the State for residents of retirement villages.

**The Hon. PETER PRIMROSE:** That was the job description. How will they be chosen?

**Mr MATT KEAN:** I as the Minister will appoint them.

**The Hon. DANIEL MOOKHEY:** Under which Act?

**Mr MATT KEAN:** Under which Act?

**The Hon. DANIEL MOOKHEY:** Yes, if you are appointing them.

**Ms WEBB:** They do not have a statutory power, but Fair Trading will be, as the Minister previously said, getting more dispute-resolution powers. I would anticipate that the ambassador will be a great conduit for us in making sure that disputes do not go to the tribunal but come to me.

**The Hon. DANIEL MOOKHEY:** But because the ambassador has no statutory powers there is no statutory process for their appointment, is that correct?

**Mr MATT KEAN:** I will be appointing someone who will be a champion for retirement village residents right across New South Wales. Mr Mookhey, if you would like to apply I would be happy to take your application.

**The Hon. PETER PRIMROSE:** What do you expect the remuneration package to be at this stage? Can you give us a range?

**Mr MATT KEAN:** I am not going to play hypotheticals here. This is the third time you have asked me. I am not going to be engaged in that game.

**The Hon. PETER PRIMROSE:** You have announced it.

**Mr MATT KEAN:** I have announced that we will be going through a process to appoint a suitably qualified person and we will determine the details of remuneration at a later point in time. Guess what, Mr Primrose? We will make it public because we believe in transparent government.

**The Hon. PETER PRIMROSE:** After they are appointed. Sounds a bit suss to me.

**Mr JUSTIN FIELD:** What role will you play, if any, in making sure that New South Wales consumers are not being sold adulterated honey?

**Mr MATT KEAN:** I have seen the reports in the Fairfax media. I am glad to see that you have done extensive research in preparing for today's budget estimates hearing by reading the *Sydney Morning Herald*. Well done!

**Mr JUSTIN FIELD:** I am pretty sure that everyone in Australia understands the honey problem.

**Mr MATT KEAN:** Firstly, I will say that I think people deserve to get what they pay for. If you are going to buy honey, that is what you should be getting. People should not be getting adulterated honey that we are seeing mixed with other substances. I will ask the Commissioner of Fair Trading to explain a bit more in detail.

**Ms WEBB:** It is clearly an issue under the Australian Consumer Law. Under the Australian Consumer Law arrangements we work closely with the Australian Competition and Consumer Commission [ACCC] and the other Fair Trading agencies in other jurisdictions. Yesterday the ACCC announced that it was conducting an investigation into the issue. Under the arrangements we have, it makes sense for it as lead regulator to conduct that investigation, but we will liaise with the commission closely.

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**Mr JUSTIN FIELD:** Minister, it was as simple as that. What role will you play? I understand it is a big deal. I appreciate the answer. Thank you, Ms Webb. I turn now to flammable cladding. I understand in March this year 412 of the 1,184 buildings looked at were identified as being high priority for some form of resolution. Can you give me an update on what has happened with those buildings?

**Mr MATT KEAN:** The number of buildings that we have determined to be at high risk is 435 since the last update. Can I take the opportunity to walk you through the process? We started by doing an audit—I think Mr Mookhey was particularly interested in this last year—and we reviewed 185,000 building projects dating back to 1985. As a result of that work, we identified 2,379 buildings and we determined that there were 379 buildings that needed further work. Fire and Rescue NSW physically inspected each of those buildings. As a result of those physical inspections it then referred a number of buildings to local councils and the relevant consent authorities because they are the bodies with the powers to order rectification of those buildings. I can say that all the buildings identified as being at risk by Fire and Rescue NSW have been referred to the appropriate consent authority that has the powers to be able to issue rectification orders.

**Mr JUSTIN FIELD:** That is all 435 buildings?

**Mr MATT KEAN:** That is correct, yes.

**Mr JUSTIN FIELD:** They have all been referred in some way to the relevant consent authority?

**Mr MATT KEAN:** That is correct.

**Mr JUSTIN FIELD:** Do you have any information on what has happened since then with regard to rectification?

**Mr MATT KEAN:** Yes, I do. We referred 469 buildings to council—of that number the threshold was changed. We were quite conservative in our approach early on. So basically any buildings with cladding were referred to councils, but as we learnt more through the Grenfell Tower process that number came down. So we have referred 318 buildings to councils that we assessed as being at higher risk and 117 buildings to the Department of Planning and Environment.

Those councils were asked by Fire and Rescue NSW to assess whether or not to do inspections of those buildings and determine whether or not rectifications were required to be issued. This process started in December last year, where we referred 247 buildings to 38 councils across New South Wales. Today 19 councils still have not inspected or reported on all buildings referred to them last year. Whilst we have reviewed 185,000 buildings, we have physically inspected 2,379 buildings; we have got 19 councils that still cannot do their job.

**Mr JUSTIN FIELD:** What are you doing about that?

**Mr MATT KEAN:** We are talking about 10 buildings or less, so it is not an onerous task that we are asking them to do. We are just asking them to do their job. We have followed up. We have issued a number of orders to them through the Office of Local Government and Fire and Rescue NSW asking them to meet their legal obligations and a number of them still have not.

**Mr JUSTIN FIELD:** But the State Government would have the ability to issue rectification orders anyway, I would assume?

**Mr MATT KEAN:** No—you need to understand the process. The process is that the powers to issue rectification orders rest with the consent authority, and in this case the consent authority is either the local council or the Department of Planning and Environment. For the 117 buildings where the consent authority was the Department of Planning and Environment, the Department of Planning and Environment are the ones that can issue rectification orders.

**Mr JUSTIN FIELD:** How many buildings in New South Wales that have been considered high risk, that have been referred to councils, have not had that inspection happen?

**Mr MATT KEAN:** How many buildings have not had the inspection happen? I can tell you one thing for sure: Nine buildings have not had the inspection happen because Blacktown Council only wrote to us yesterday in response to the letter we sent them nine months ago, in December, to say that they have not done any inspections of the buildings.

**Mr JUSTIN FIELD:** I do not think the community is going to be interested in the buck-passing.

**UNCORRECTED**

**Mr MATT KEAN:** I think they will be: The mayor of Blacktown and the member for Blacktown, who is double-dipping on his income, has not got his council to do their job.

**Mr JUSTIN FIELD:** How many buildings in New South Wales that have been referred to councils as high risk are sitting out there having not been inspected? How many?

**Mr MATT KEAN:** Beg your pardon?

**Mr JUSTIN FIELD:** How many buildings in New South Wales are sitting there that have not been inspected, even though you have written referral notices to councils of those buildings being high risk. How many buildings?

**Mr MATT KEAN:** Mr Field, you need to understand the process. The process is—

**Mr JUSTIN FIELD:** No, I am talking about us sitting here, knowing that there are high-risk buildings out there. Just because council has not responded—I mean, you have the ability to bring legislation to Parliament.

**The Hon. WES FANG:** Ask the question, and let him answer.

**Mr MATT KEAN:** Is there a question?

**Mr JUSTIN FIELD:** You have the ability to bring legislation to Parliament to be able to take action if you think there are high-risk buildings out there. Surely we are not sitting back going, "If councils don't act, we will just leave them sitting there."

**Mr MATT KEAN:** Mr Field, I am not going to sit here and be fooled by your confected outrage on this question. You have not asked a single question on cladding.

**Mr JUSTIN FIELD:** The Greens were in here asking last year, so let us be clear about that.

**Mr MATT KEAN:** You have not asked a single question in 12 months on this issue. You have not put a question on notice. You have not asked a question in the Parliament. You have not put forward a policy idea to deal with this important issue—

**Mr JUSTIN FIELD:** I am here representing The Greens NSW, and we have been asking questions about this since this came up.

**The Hon. NATALIE WARD:** Point of order: I am trying to hear the answer.

**Mr MATT KEAN:** —so I am not going to take a lecture from The Greens on this issue because you have done absolutely nothing. You are only interested in a cheap headline. You are trying to get your grab up on the news here tonight. You have done nothing in 12 months or shown no interest or concern about this important topic. We have reviewed 185,000 buildings. You have not asked a question in 12 months on this issue.

**Mr JUSTIN FIELD:** Excuse me, Minister: The Greens have been asking questions about this from the start. I am here representing The Greens; you are here representing the Government.

**The Hon. NATALIE WARD:** Point of order—

**Mr JUSTIN FIELD:** You are trying to pass the buck to local councils.

**The CHAIR:** Mr Field, can you ask a direct question, please?

**Mr JUSTIN FIELD:** Chair, can you ask the Minister to answer the direct questions, please?

**The CHAIR:** No, ask the question.

**Mr MATT KEAN:** I am answering the question.

**The Hon. DANIEL MOOKHEY:** Point of order: The witness is not entitled to make reflections or otherwise cavil with the questions that are being asked of him. He is able to make his political point without having to reflect on the character of the person who is asking the question or to cavil with the question.

**Mr JUSTIN FIELD:** I will try again. Minister, how many buildings that you have identified as high risk, that you have referred to local councils, have gone yet uninspected?

**Mr MATT KEAN:** What I can tell you is that we have had a satisfactory response from local councils relating to 222 buildings in New South Wales. The number of buildings where we are still waiting on a satisfactory response is 215 buildings. Not all of those buildings where we do not have a satisfactory response have not been

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inspected. A satisfactory response requires that an appropriately qualified person has reviewed the building and signed off on it. We are still working with a number of the councils in relation to these buildings so that we can clear the buildings, effectively.

**Mr JUSTIN FIELD:** How many of those buildings—

**Mr HOFFMAN:** Mr Field, very quickly, I note the Minister has also pointed out that all of those buildings, notwithstanding the council's position, have been inspected by Fire and Rescue NSW already and they have prepared incident response plans in advance, et cetera, to give that level of protection.

**Mr JUSTIN FIELD:** I understand that. That in some ways makes the matter worse, because we are aware of the concern, yet seem hamstrung as a society to respond to them. But Minister, my specific question is: Of those responses in relation to those buildings that you just went through, how many of those buildings have had cladding removed?

**Mr MATT KEAN:** With regard to council buildings?

**Mr JUSTIN FIELD:** For those successful responses for which you just quoted the numbers, how many have had the cladding removed?

**Mr MATT KEAN:** In relation to council buildings or in relation to DPE buildings?

**Mr JUSTIN FIELD:** The two. You have broken them into two, so can you just break them into two again?

**Mr MATT KEAN:** The responsibility for rectification orders sits with the councils—

**Mr JUSTIN FIELD:** How many have had cladding removed?

**Mr MATT KEAN:** —and if you have questions in relation to councils or Department of Planning and Environment, then I would ask you to direct those questions to the appropriate Minister.

**The CHAIR:** Thank you, Mr Field. I have some general questions relating to commercial matters. Could you please update the Committee on the progress of your initiatives to crack down on ticket scalping and the rollout of new regulations pertaining to gift cards?

**Mr MATT KEAN:** Thank you, Mr Chair, and I am glad you asked that question today. I know Mr Farlow in particular is interested in our ticket scalping laws, because he complains to me every time there is a Justin Bieber concert on in New South Wales and he cannot get tickets at a fair and reasonable price. I know the Hon. Natalie Ward is always interested in getting a fair and reasonable price to rugby games. Let us hope the Wallabies actually come good this weekend.

**The CHAIR:** Can we get back to the answer to the question?

**Mr MATT KEAN:** We can. Under our reforms it is illegal for ticket scalpers to price gouge in New South Wales. For too long we have seen ordinary fans being ripped off by dodgy ticket scalpers in this State. As a result of the reforms that were put in place, we will have a 10 per cent cap on the amount that a ticket can be resold at in New South Wales. This means that the horror stories that we have seen, like the Adele concert last year where people were paying up to 1000 per cent more to get access to the events that they want to see, is going to end. What it will mean is that the ticket promoters, the entertainers themselves or NSW Fair Trading can cancel a ticket in New South Wales if it is greater than 10 per cent above face value. This is all about smashing the business model of dodgy ticket scalpers in New South Wales.

The other thing that we are doing is we are outlawing the use of ticket bots in New South Wales. For your benefit, Mr Chair, ticket bots are automated computer software that will sweep up all the tickets on a website, which then takes the tickets out of the marketplace for ordinary, genuine fans. These ticket scalpers will then put them up on a secondary website at massively inflated prices. We have outlawed the ability for people to use ticket bots in New South Wales. We can investigate problematic traders and we can take action against them as a result of our new laws. These laws were based on international best practice in the United States and the United Kingdom. In addition, we have given ticket organisers and primary ticket market platforms such as Ticketek the power to take court action themselves to stop dodgy ticket scalpers using bots to get ahead of ordinary fans. We think that we have levelled the playing field in New South Wales. There is still more work to do in this space, particularly to crack down on dodgy overseas websites like Viagogo. I want to see that business model smashed

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in New South Wales. They are in the practice of gouging genuine fans in this State, and we are looking at ways that we can crack down on that activity.

Mr Chair, I know that you are particularly interested in the issue of gift cards in New South Wales. No doubt you have been given gift cards in the past and by the time you have got around to using them you have found that they have already expired. That was because there was no law in this State, or in any State, governing how long the expiry date on a gift card could be. Some businesses we saw had gift card expiry dates of three months, six months—an unreasonably short amount of time for you to use your money. The principle I have is that people deserve to get what they pay for. If you hand over your hard-earned cash you deserve to get the goods and services that you paid for.

The gift card market in New South Wales is worth \$2.5 billion per annum and there are about 34 million gift cards each year sold nationally. That equates to about 10 million gift cards to the value of between \$500 million and \$900 million sold annually in New South Wales alone. Most gift cards are offered with a 12-month expiry date; however, up to 8 per cent of recipients do not use the full balance of their gift card in time. That means that New South Wales consumers were losing up to \$60 million a year of their hard-earned money. Under our reforms we have introduced mandatory minimum expiry dates of three years for all gift cards in New South Wales. We think that will save New South Wales consumers up to \$60 million. Mr Chair, do you know who hates it?

**The CHAIR:** Who?

**Mr MATT KEAN:** The big end of town—the big end of town who have been gouging consumers for too long. Mr Russell Zimmerman from the Australian Retailers Association told me that he would fight this and he would block this, and I said, "Bring it on", because I am all about standing up for the little guy in this State and making sure that the average consumer—Joe Average out there—can get a fair go in the marketplace, and that is exactly what we have done. We have levelled the playing field.

**The Hon. DANIEL MOOKHEY:** Not all heroes wear capes.

**Mr MATT KEAN:** We have three-year expiry dates on gift cards in New South Wales, which means that people get what they pay for. I am not going to be pushed around by Mr Zimmerman, Mr Mookhey or anyone—

**Mr JUSTIN FIELD:** I gave it a go too!

**Mr MATT KEAN:** You did, Mr Field—you gave it a good crack. I am not going to be pushed around by anyone. I am going to stand on the side of the little guy and I am going to stand up for consumers in this State, and that is exactly what we are doing. Whether it be discussion papers about how to remove red tape or cut unnecessary costs, we will look at options to make life better and fairer for consumers, tradies and small businesses in this State because that is what this Government is about.

We know that shoppers across the State will be better off because of these reforms. These are just part of a package of reforms that I have introduced since I have become the Minister for Innovation and Better Regulation to put consumers first in New South Wales, whether it be cleaning up the retirement village sector, whether it be extending expiry dates on gift cards and cracking down on and busting the dodgy business model or dodgy ticket scalpers in New South Wales; whether it be—

**The Hon. DANIEL MOOKHEY:** Honey.

**Mr MATT KEAN:** We will get to honey. We are cleaning up the New South Wales RSL and restoring the public's confidence in this greatly loved institution. My number one focus as the Minister for Innovation and Better Regulation is putting consumers first in New South Wales—it is not just my focus; it is this Government's focus. We will always stand up for the little guy and make sure that they get a fair go in the marketplace.

**The CHAIR:** Have you experienced any obstacles to the system you are putting in place?

**Mr MATT KEAN:** The biggest obstacle that I experience is vested interests—vested interests who do not want these cushy protection rackets removed because it stops them lining their own pockets. Perhaps it is the example of the Australian Retailers Association, like I said, who basically wanted to keep taking money off people without providing any goods or services in return. Perhaps it is—

**The Hon. DANIEL MOOKHEY:** The banks.



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**Mr MATT KEAN:** Perhaps it is the banks, perhaps it is special interest groups—perhaps it is the ALP, who wants to see more regulation, more red tape, stifling competition, decreasing transparency, increasing red tape, increasing taxes in New South Wales. That is not what I am about. Mr Mookhey explained to the Committee very well that I am for liberal values: more freedom, more competition, more transparency, more choice for consumers in the marketplace, and I will always stand up for those principles. I am proud of that.

**The CHAIR:** Have some of the other States followed your process?

**Mr MATT KEAN:** I am glad you asked that, Mr Chair. I could not have written a better question myself. As a result of our Consumers First reforms, guess what? The other States and Territories are following our lead.

**The CHAIR:** So they should.

**Mr MATT KEAN:** With regard to gift cards, with regard to ticket scalping, the Commonwealth has stolen our idea and the other States and Territories are following suit. The South Australian Government is rolling out our gift card reforms; I think even the red Victorian State under the Andrews Government has decided that they should follow our lead and put consumers first as well when it comes to gift cards.

**The Hon. NATALIE WARD:** Imitation is the sincerest form of flattery.

**Mr MATT KEAN:** Absolutely. We will continue to do our job in leading the way in protecting consumers and protecting workers in this State and, can I say as the innovation Minister, making sure that New South Wales leads the nation when it comes to innovation.

**The CHAIR:** We all agree with that. Just a brief question on small business matters: Can you update the Committee on strategies designed to foster business in New South Wales? Some general points?

**Mr MATT KEAN:** Where do I begin, Mr Chair?

**The CHAIR:** Unfortunately, our time has expired. Can you take that on notice?

**Mr MATT KEAN:** I will present a detailed report to you, Mr Chair.

**The CHAIR:** We are working to a close timetable today and we have to keep to the schedule. Thank you, Minister Kean and your officers, for attending this hearing. If you have taken any questions on notice the answers must be returned within 21 days. The secretariat will contact you in relation to the questions you have taken on notice.

**Mr MATT KEAN:** I thank you, Mr Chair, and all members of the Committee for their time today.

**(The witnesses withdrew)**

**The Committee proceeded to deliberate.**