

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the CFA training college at Fiskville

Melbourne — 28 January 2016

Members

Ms Bronwyn Halfpenny — Chair

Mr Tim McCurdy — Deputy Chair

Mr Simon Ramsay

Mr Tim Richardson

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Staff

Executive officer: Mr Keir Delaney

Research officer: Mr Patrick O'Brien

Witnesses

Ms Claire Higgins (sworn),

Mr Euan Ferguson (sworn), and

Mr Michael Wootten (sworn), former Country Fire Authority officers.

The CHAIR — Thank you to Ms Claire Higgins, Mr Euan Ferguson and Mr Michael Wootten for attending the hearing today. I will go through some of the preliminaries before we get underway in terms of our questions. As you would be aware, all of the evidence taken at this hearing is taken by the committee under the provisions of the Parliamentary Committees Act 2003 and other relevant legislation and attracts parliamentary privilege. Any comments made outside this hearing today will not be afforded such privilege, and it is an act of contempt of Parliament to provide false or misleading evidence to the inquiry. The committee may ask for further follow-up information or may recall witnesses if required into the future. All evidence is being recorded today, and you will be receiving a copy of that evidence prior to it being publicly available to check for inaccuracies.

Before we proceed I will go through your titles and responsibilities during your time at the CFA just to make sure that we have it correct. First of all, Mr Wootten, you were the acting chief executive officer from February to November 2015.

Mr WOOTTEN — That is correct.

The CHAIR — You were the executive director of business services from December 2011 to February 2015.

Mr WOOTTEN — That is correct.

The CHAIR — And you were the director of finance and administration from 2001.

Mr WOOTTEN — That is correct.

The CHAIR — Ms Higgins, you were the chairperson of the CFA board from 1 October 2012 to August 2015.

Ms HIGGINS — Correct.

The CHAIR — And the deputy chairperson from 2 October 2007 till becoming the chairperson on 1 October 2012, and currently the chair of the REI Super board of trustees. I am not sure why we have got that one in there — probably not relevant.

Ms HIGGINS — But that is true.

The CHAIR — Sorry, yes. Also Mr Euan Ferguson, you were the CFA chief officer. Is it the chief fire officer? Chief officer?

Mr FERGUSON — Chief officer.

The CHAIR — Chief officer, from 15 November 2010 until October 2015.

Mr FERGUSON — No, it was till 14 November 2015.

The CHAIR — Okay; sorry about that. And the chief of the South Australian Country Fire Service from 2001 to 2010 prior to this appointment. Thank you.

In terms of opening we are just wanting to get a bit of an understanding of the various roles that you had, the responsibilities within those roles with the CFA and the sort of interrelationship or interconnection between each of your roles with each other, because one of the things we are hearing is who was responsible for what, where was the overlap and where were specific responsibilities for specific people. Perhaps if we start with Ms Higgins in terms of your most current role, which would have been the chair.

Ms HIGGINS — Okay. As chair I had a board of directors of originally 12 down to 10 members, and my role was largely as the voice of that board, interacting with key stakeholders — that is, my minister — but also as the voice between the board and the CEO and the chief officer. That is the key pivot point, if you like, for the chair in terms of responsibilities and accountabilities. The board, in the first instance, is responsible for the appointment and recruitment of CEO and chief officer, the establishment of strategy, the establishment of key performance indicators for the chief executive officer, monitoring the activities of the organisation and giving guidance under delegation to the organisation.

The CHAIR — Okay. In terms of the chief officer and the chief executive officer, they would report to you. Was it just during board meetings or was there a more frequent interaction in terms of what was happening maybe not day to day, minute by minute, but in terms of the sort of broader or larger issues that were confronting the CFA?

Ms HIGGINS — Okay. The board had a series of committees that were established to focus on particular areas. Most relevant to this inquiry would be the health, safety and environment committee, which was established in late 2012. In addition for a period of time prior to that the board established a Fiskville committee to oversight the activities of the organisation in response to the revelations in December 2011 — so a variety of committees: audit and risk; remuneration. They are the main committees — the service delivery committee was the other one; sorry, that had slipped my mind.

The CHAIR — Okay. So were you kept up to date fairly regularly on, say, for example, what was going on at the Fiskville training college?

Ms HIGGINS — Yes. I was a part of the health, safety and environment committee. When that was established I wanted to be part of that committee, so I became part of that committee. But in terms of interactions with the CEO and the chief officer, we would have regular meetings, usually on a Monday morning — not every week, but quite regularly — where we would have conversations about a variety of things that were going on within the organisation.

The CHAIR — Mr Ferguson, in terms of the interrelationships between the three positions, how did you sit and where did you fit into that, I guess, from your perspective?

Mr FERGUSON — I will not quote it, but the CFA act is quite clear on the role and responsibility of the chief officer as distinct from the CEO and the board. If I could perhaps be overly simplistic, the role of a CEO is to implement the responsibilities and the directions of the board. The chief officer, by comparison, has got some explicit responsibilities for the management of resources, particularly operational resources; for the control of incidents; for the issuing of warnings and so on. They are responsibilities which are explicit to the chief officer. The chief officer is assisted by a number of deputy chief officers.

I guess in the context we are talking about, in the last four or five years, the role of the chief officer needs to be seen in the light of a lot of the changes which have come in since the 2009 bushfires, principally in exercising operational command and control roles. These days a lot of that, whilst it is still explicit under the Country Fire Authority Act, is done in concert with the state control team, the emergency management commissioner and the other chief officers. That operational role, whilst it is explicit in the Country Fire Authority Act, is shared under the new arrangements under the Emergency Management Act.

The CHAIR — Okay, but within your position is training of firefighters considered an operational matter? Is that under the responsibility of operations?

Mr FERGUSON — Again, if I go back to when I was appointed shortly after the 2009 fires — —

The CHAIR — When you were nodding, does that mean ‘yes’ — just for the record?

Mr FERGUSON — No, training was not part of my responsibilities. After the — —

The CHAIR — Sorry. As I said, it is just because it is only an audio recording.

Mr FERGUSON — After the 2009 fires, one of the reasons — and the main reason — for me coming back to the CFA was to ensure that there was a recovery of the organisation, I suppose, in an operational context after 2009, to make sure the recommendations by the Victorian Bushfires Royal Commission had been implemented. In addition to that, around the time that I came back the board took the decision to allocate the chief officer with responsibility for service delivery. Service delivery is obviously the operational service delivery, which happens day to day, the community safety and the community interaction — that includes advice to people about rebuilding in bushfire-prone areas.

The organisation was established that the CEO would look after the whole organisation, and I reported to the CEO. The CEO was primarily responsible for the support services, which included training and operational training. The chief officer was responsible for service delivery. There was some discussion around operations

training, which was under the purview of Lex de Man. Lex reported to Mick Bourke. But in my time as chief officer, operations training clearly remained under the direct management of the CEO. That was in recognition that operations training was an internalised function. It was not something that was largely involved in our service delivery and our interface with the community. It was something I required to develop an operational capability.

The CHAIR — Okay. Quite a bit of the correspondence that we have — the internal CFA correspondence — does have your name on it, though, in terms of Fiskville. In what way, then, did you interplay with what was going on at Fiskville? That is why we called you in. There is a lot of correspondence with your name on it as being at meetings and involved. We will go through some of that stuff later. I do not want gazump you but just ask you to explain what your role at Fiskville actually was then.

Mr FERGUSON — There was a period in mid-2012 when I was the acting chief executive officer. That was, I think from memory, about four weeks.

The CHAIR — Right.

Mr FERGUSON — And there were a number of items of correspondence which I initiated or were brought about because of my acting CEO role.

The CHAIR — Were you aware of anything prior to the newspaper articles, both in December 2011? Prior to that, had you heard anything about contamination of the site?

Mr FERGUSON — No.

The CHAIR — No rumours or whispers or anything?

Mr FERGUSON — No.

The CHAIR — Nothing?

Mr FERGUSON — But bearing in mind I had spent nine years during the 2000s in South Australia.

The CHAIR — Sure.

Mr FERGUSON — And in the time prior to that I was based largely in a field-based position. I was at Fiskville for a period when I first came to CFA, but my focus there was on establishing some wildfire courses and air observer courses. I was not involved directly with the PAD operation.

The CHAIR — Okay. What about the water quality? I think, again, that story broke in the papers in around June 2012 — I might be corrected. Prior to that, had you heard anything, had any knowledge, or heard any rumours or whispers about concerns with the quality of the water?

Mr FERGUSON — No.

The CHAIR — Thank you. Mr Wootten, I have a similar question.

Mr WOOTTEN — There are a number of roles there, Bronwyn, I suppose.

The CHAIR — Sure.

Mr WOOTTEN — In my original role as director of finance and administration I was reporting to the CEO, and I was responsible for basically financial management and financial policy matters across the state. When I moved into the businesses services role in December 2011, I was again reporting to the chief executive officer, and it basically subsumed my previous role as director of finance and administration in addition to a number of matters around asset management and ICT — information and communications technology.

Neither of those roles had any direct relationship to training or the Fiskville site itself. The two roles that did were when I acted as chief executive officer for a short period of time in September–October 2013 while Mick Bourke was on annual leave; and again when I was appointed acting CEO from February last year until my departure in November.

The CHAIR — So really, then, in terms of any direct involvement or input around the Fiskville training college, it was purely when you were the acting CEO when covering for leave and when you were acting CEO when Mr Mick Bourke left the organisation?

Mr WOOTTEN — That is correct.

The CHAIR — In terms of your interaction or contact with the chief officer and chairperson of the board, in both capacities, I guess — —

Mr WOOTTEN — Yes, that is right, because they are different.

The CHAIR — If you could just separate them, yes.

Mr WOOTTEN — In terms of being a director and executive director, I reported to the CEO, attended board meetings but did not have a direct reporting relationship to the chair or the board, and served with the chief officer as part of the executive leadership team. As acting CEO, I reported to the chair and directly to the board as a whole, and even though the chief officer reported to the CEO, as Euan outlined, it was more of a partnership arrangement in terms of the operational responsibilities and statutory obligations of the chief officer and my obligations as the acting CEO under the act.

The CHAIR — In terms of your roles — geez, you have only been there as CEO for a short time, but it was all at the difficult times.

Mr WOOTTEN — Yes, there was a lot happening in that small period.

The CHAIR — In terms of your finance roles, did you then have any sort of involvement or influence or responsibility — for example, I think we heard about this yesterday — in terms of the funding priorities around what was determined, whether it was remediation of dams, whether it was infrastructure, whether it was accommodation? Did you have any input into that sort of stuff?

Mr WOOTTEN — Probably more as director of finance from a coordination point of view, so developing a draft budget based on input from across the organisation. Then the executive leadership team would prepare a draft budget which would be submitted to the board for their approval.

The CHAIR — In terms of the amount of time that you would discuss things with the chief officer or the chair, was that a regular thing, I guess, in your financial officer positions and as the CEO?

Mr WOOTTEN — No, not with the chair but certainly with the CEO. You know, as part of the executive leadership team, the chief officer and all the executive directors had a pretty close working relationship. But as acting CEO, I had a lot more interaction with the chair on a very regular basis.

The CHAIR — During the time of the meetings with the Lloyds, would that have been as the financial officer or as the acting CEO?

Mr WOOTTEN — No, that was as acting CEO.

The CHAIR — I want to go on from that now that we have cleared that up a bit. Thank you. That was all said very well, so we could work it out. The CFA's submission, which I think you would know or have, I just want to refer to a part of that on page 1, where it refers to the Joy report's recommendations and says that following the report the CFA bolstered the board's governance arrangements. Can you explain what was meant by that? The submission says that following the Joy report and what had been exposed or talked about, there was a bolstering of the governance within the board.

Ms HIGGINS — The key response in that respect was the establishment of the health, safety and environment committee. In the past that information had been reported directly to the board. We felt, and it was recommended to us, that we needed to have a separate dedicated committee to look at health, safety and environment matters. So that was the first one, and the second one was really around the establishment of the — sorry, no, that is not correct, because that was in December 2011. The Fiskville committee was established to also improve our governance of that particular process.

The CHAIR — In the sense of putting more resources and a bit more concentration on that area, if you like; is it? Was that how — —

Ms HIGGINS — Yes, that is right. So certainly the occupational health and safety committee felt that we wanted to dedicate more resource to that and give us an opportunity to focus on particular areas and learn a bit more about the issues than what we perhaps had seen at board previously. The Fiskville one, as I say, was established at the board meeting on 19 December 2011 particularly around oversight of the revelations that had been in the paper in December.

The CHAIR — Okay, so that is more about trying to engage the board more fully in what was happening. Is that in terms of the governance?

Ms HIGGINS — Yes, that is correct. Absolutely.

The CHAIR — So that the board knows more what is happening. Maybe perhaps in the past the board did not know as much of what was going on at an operational or management level.

Ms HIGGINS — They felt that the board was not as close to some of that information as it wanted to be, so that committee was established.

The CHAIR — This question is for Mr Ferguson. Just in terms, again, of the CFA's submission that was provided to the committee. On page 1 of the submission it talks again about the Joy report, and what it says is that:

CFA agreed to adopt national and international standards for ... the health and safety of its people.

Would you be the person that would talk about that? Is that your sort of area as the chief officer? Are you able to just explain to us what that is all about?

Mr FERGUSON — No, I cannot. As part of the executive team, that would probably be something we would look first to the technical director, people and culture. Health and safety sits within that, but in terms of exactly what that means I was not directly managing the implementation of those standards.

The CHAIR — Okay. Were you a signatory to the submission? I cannot remember; I have not got it in front of me.

Mr FERGUSON — I have not seen the submission.

The CHAIR — Sorry?

Mr FERGUSON — I have not seen the CFA submission.

The CHAIR — You have not seen the CFA submission. Okay. Sorry; I apologise. Is anyone in a position to perhaps talk a bit about that in terms of the submission? The first page of the submission from the CFA was that there was a bolstering of governance following the Joy report and also that the CFA agreed to adopt national and international standards for the health and safety of its people. Could you explain a little bit about that?

Mr WOOTTEN — I would have to check back and understand exactly what that comment meant, Bronwyn.

Ms HIGGINS — Chair, I can answer that question. That was a commitment to the implementation of AS 4801 on occupational health and safety and also a commitment to international standard 14 001, which was with respect to environmental. I cannot quite recall the title of the standard, but similar — it is in an international standard around environmental processes.

The CHAIR — How would that have apply then in terms of the CFA? What would those standards, I suppose practically, mean?

Ms HIGGINS — So what those standards do is establish a structure for the approach to occupational health and safety and separately a structure to approach around environmental governance and management, if you like. Whilst a lot of organisations — I would say a lot of organisations would aspire to the implementation of

these standards, but the first step actually is to look at the standards and understand the gap between what the organisation's current practices are and what the standards are. And often what is found is that to comply with those standards there is a very large amount of documentation and information to be put together, so it is a long-term project as opposed to something that can be done very quickly. As I say, the first step in that — and these conversations had been occurring at the health, safety and environment committee meeting — is a gap analysis on where those gaps were. Now, that, to my recollection, had not yet been complete, but it was a commitment that we had made in response.

The CHAIR — And the environmental standards?

Ms HIGGINS — Similarly. The team at CFA in the first instance, I believe, were more occupied, if you like, with respect to the immediate responses to the Joy report and information that we were learning, but the implementation of that standard was an aspiration that we had committed to and was on the work plan for the health, safety and environment committee to monitor the implementation of that.

The CHAIR — How would that have flowed down? I suppose it has been implied in previous hearings, but yesterday we heard from Mr Glover, who sort of said that basically if you were an officer in charge, you were expected to just know things. There might be policies and documents and agreements to implement things, but there did not seem to be really a system where: 'This is what the board wants to do, and how does that get passed on to the operational people, whether it is training or whatever?'. He said there was no follow-up, there were no meetings or training sessions or anything else to really learn about these things, so you were just expected to — did it include actually being an aspirational thing or saying this is what we want to do? How was that going to actually be delivered to the people on the ground?

Ms HIGGINS — I have not read the standard for a very long time, so I may be incorrect in what I am saying. My belief is that there is a requirement within that around training and communication of operating procedures et cetera, et cetera that are built up within that.

The CHAIR — Would that not have been spoken about? Would the practical issues not have been discussed by the board? They would have been left to the CEO to implement?

Ms HIGGINS — The beauty of being compliant with the standards is that you then get accredited by the standards agency. I guess what it is doing is providing rigour and assurance around the systems and procedures for occupational health and safety or environment, whichever.

The CHAIR — But there was not really any discussion about how it was going to be implemented because the board genuinely may have thought it needed to do this? This is what we are going to do; this is what we aspire to do. I guess there is always the issue of how you assured yourself or felt confident that it was going to go through the whole of the organisation.

Ms HIGGINS — The first step would be the gap analysis. The next step would be the implementation plan. Part of that implementation plan would be assurances around how it would be disseminated across the organisation and certainly auditing against that standard. The standards association would go to multiple sites and talk to people to understand the connectivity to the implementation of the standard to, say, someone working on the Fiskville site.

The CHAIR — But that had not happened yet?

Ms HIGGINS — No, no. That is right. That was a commitment that the CFA made in response to the Joy report. As I say, in the intervening period my recollection is that there was not an extensive amount done around the implementation of those standards yet, but it was definitely on the work plan of the health safety environment committee. So they were conversations about the work plan to do that implementation.

The CHAIR — Another question then is: you released a YouTube video around health and safety after the Joy report was released? In the video you say that the CFA had had a safety first culture since 1998. Do you still think that that is the case? Do you still agree that that is the case?

Ms HIGGINS — That is not a YouTube video that I put together.

The CHAIR — But it was a CFA YouTube video? Do you know it?

Ms HIGGINS — I have not seen it, no. I have seen the reference to it in the response, but I have not seen the video itself.

The CHAIR — So the first you knew about it is was our raising it with you?

Ms HIGGINS — I have read it in the report but I have not gone and looked at it.

The CHAIR — Okay, you have not seen it. What it says is that there has been a culture of safety first since 1998. Would you agree with that view?

Ms HIGGINS — It is hard for me to comment prior to 2007 because I was not on the board. I would say that in terms of culture people felt strongly about the importance of safety, particularly following Linton. But I am not sure that our systems and procedures were strong enough to give us the level of assurance that we might have liked to have had.

The CHAIR — Mr Ferguson, what do you think about that video? I think you are aware of the video.

Mr FERGUSON — I am not aware of the specific video, but I have done a lot of CFA media on occupational health and safety. On the matter, just to reinforce Claire's comments about the safety culture, again I probably make this in the context of the operating environment that CFA works in where there are obviously inherent risks, Linton was a real wake-up call, not just for the CFA but for many rural fire services across Australia. The outcomes from the various reviews, including the coronial inquiry, led to the adoption of a minimum skills training regime. It led to significant engineering changes on appliances and significant procedural changes. But probably most significant was the focus on occupational health and safety. So one of the things that flowed on from that was the fact of not only minimum training skills but also equipment and procedures. What happens within the organisation to reinforce that safety culture is largely done on operational matters through the chief officer's standing orders or through the chief officer's standard operating procedures and there is a folder on each which are quite comprehensive. They are maintained and reviewed on a periodic basis and re-issued.

The CHAIR — But it does not extend to training?

Mr FERGUSON — No. This is probably more related to the operational service delivery.

The CHAIR — So this is the bit that is left out when you talk about health and safety? I am not quite sure what you are saying.

Mr FERGUSON — On matters which are non-operational often they would come out as a CFA policy or a CFA procedure. But if I may, one example of a move to a safety culture was the adoption of a dynamic risk assessment process. Whilst that is implemented with an operational context, it is something which is applicable in any workplace on any work site, whether it is an operational risk or a training risk.

The CHAIR — We have previously heard from Mr Green, the health and safety manager, who said that when you talk about culture he just sits there and waits until somebody comes and asks him for some information. Is he responsible in an operational sense as well as for training and other parts of the organisation or is there another health and safety person who looks after the operational stuff?

Mr FERGUSON — I guess in respect of culture — —

The CHAIR — It is more about Mr Green. Did you work with him?

Mr FERGUSON — Not directly, no. Mr Green was part of the people and culture directorate and ultimately reported through to the executive director, people and culture.

The CHAIR — Was he part of health and safety for operations?

Mr FERGUSON — If we had an operation and there was an incident or an accident or we wanted expert advice or to be directed to someone who had expert advice, we would often go to Jeff Green because he would have the industry contacts, he would have the WorkSafe contact. He might know more detail on a particular Australian or international standard.

The CHAIR — But it was not his role then to go out and educate people about health and safety. It was his role to wait until people asked; is that right?

Mr FERGUSON — No. Part of his role was certainly going out there and educating people about the systems of work that CFA had with health and safety.

The CHAIR — The next question is — thank you, Mr Wootten — about the CFA's submission. I think we have seen through this inquiry, as well as it being sort of indicated in the CFA's submission, that there has been a large number of consultants' reports that the CFA has commissioned in recent years. There have been human health risk assessments, health studies, environmental assessment works and something like 10 reports in 2014 that were conducted by Cardno Lane. When you were the director of business services prior to becoming the CEO, can you give us an idea of how much money was spent by the CFA in commissioning these many reports and assessments over the last few years?

Mr WOOTTEN — No. I have not got that information with me, Bronwyn. I would not hazard an estimate; I could find out for you.

The CHAIR — Okay. If you could, that would be good.

Mr WOOTTEN — Someone from CFA will find out for you. It will not be me.

The CHAIR — Okay, sure. Even just a general — if you were the finance director — sort of a general thought.

Mr WOOTTEN — I would not have got involved down to that level of any particular budget centre's activities, to be honest.

The CHAIR — Because you did say before you did have a role within the budget system.

Mr WOOTTEN — Overall absolutely, yes, and we would consolidate financial reports, but across the entire organisation, which is a \$500 million entity, we would provide reports to the board on the operations of the whole organisation. We would not have got into the level of detail around particular consultant's reports in terms of reporting to the board.

The CHAIR — Did you have any knowledge of this? I suppose we are sort of trying to understand the cost.

Ms HIGGINS — I do not have a recollection of the actual dollars spent, Chair, I must say, but I do have a recollection in board minutes of references to allocations of funds to the activities. But I could not tell you right now how much was spent.

The CHAIR — On these things. Do you know how much overall has been spent on the — —

Ms HIGGINS — No, I do not recall, I am sorry.

The CHAIR — legal costs in terms of, I suppose, defending the position of the CFA in terms of claims on the contamination?

Ms HIGGINS — I do not. No, I do not have that answer.

The CHAIR — You are not aware? There was nothing that went to the board that would talk about these things?

Ms HIGGINS — Within budget information there were allocations to the whole project, if you like, around remediation and understanding what had happened on the site and understanding the human health risks related to that, but I do not recollect those numbers, I am sorry.

The CHAIR — I guess what I am trying to say is that this was a big issue and very expensive, so it sort of seems surprising that there would not have been in terms of governance, I guess, some sort of report that said, 'Hey, this is how much is spent already; this is how much is forecast to be spent'.

Ms HIGGINS — That information was reported, so the project management officer, Sherry Herman, in her reports to the health safety environment committee would have provided us information on the project work that she was doing. I do not have a recollection of whether the total dollars spent — including, for example, as you say, legal costs et cetera — were reported as a package to the board. That would be something that I would have to have access to prior board papers to recollect.

The CHAIR — Sort of a report: in this month, this amount; the next month, the next amount — but not really giving the board any sense of the overall cost?

Ms HIGGINS — So there would have been — in the financial reports there was information in relation to Fiskville spend and in the budgets that were presented there would have been information with respect to Fiskville spend, but I cannot recollect those figures.

The CHAIR — Okay. And it may not be broken up then into the specific items?

Ms HIGGINS — I cannot recollect, I am sorry. I am trying to imagine those papers, but I cannot recollect that.

The CHAIR — As we go, if something comes to you, you are welcome to let us know. Thanks.

Ms HIGGINS — I think the one comment I would make is around the program of works. That was defined and it was important for us to work through that program to understand what the risks et cetera were. So the costs, whilst very important, were not as important as understanding what the risks were on that site, from my perspective.

The CHAIR — The risks that needed to be addressed?

Ms HIGGINS — Absolutely. We were on a learning journey.

The CHAIR — In terms of the contamination, of the sort of the benzenes and the older chemicals as well as the newer ones in terms of the water quality?

Ms HIGGINS — Yes, so the chemicals, the water quality, the human health risk assessments — all of those items were important components of us learning about what had gone before and the status of the site.

The CHAIR — Just before I pass you over to Simon, who is going to talk a bit more about the closure, was anyone aware — we heard a bit of information yesterday about this, just a suggestion, I guess — that when the mains water was put on because of the concerns about the water quality from the dams, perhaps there was a mixing of the dam and mains water when it was supposed to be just mains water. You would not have heard. Do you know anything about that, have any knowledge?

Ms HIGGINS — No.

Mr FERGUSON — No.

Mr WOOTTEN — No.

Mr RAMSAY — I have a number of questions for each of you. I just want to refer to testimony given by Mick Bourke this morning. I posed a question to Mr Wootten, who I understand was acting in a capacity as CEO at the time an offer was made to the Lloyds for the purchase of their property, and — —

Mr WOOTTEN — There was no offer made to purchase the property. There was an offer made, and I made that offer, yes.

Mr RAMSAY — Yes, that is right, and from my understanding of Mr Bourke's testimony this morning, that offer was retracted and it was retracted on the basis that the offer was not made through normal due public process — —

Mr WOOTTEN — Yes.

Mr RAMSAY — and obviously required government tick-off for an offer to be made on that basis. Is that right?

Mr WOOTTEN — Can I give a bit of context to the offer, because there has been a fair bit of conversation about it? I met with Mr and Mrs Lloyd on a number of occasions — there was not just one meeting about an offer — but at one of those meetings it was clearly expressed to me by Mr and Mrs Lloyd that they had deep concerns for the health of their flock of sheep. On that basis I made a good faith offer to pay for the replacement of those 1200 sheep. I did not offer to pay them any money. At no stage have I offered them money. I also offered that we would look at paying for the costs of addressing some of the water supply concerns that they had on their property, given it was next door to Fiskville.

In the four-week period that I was acting CEO that offer was made. It was not made on a night, and there were no conditions around the offer on a night to say, ‘Take it or leave it now’. That is not true. The offer was made, and we discussed it that night. We confirmed it in writing the next day to Mrs Lloyd via an email from Sherry Herman. That email set out the details of the offer. At no stage did it mention any figure of \$350 000.

After the email was sent we attended the Lloyds’ property with their accountant to discuss the offer, because we had not received a response. That was a week or so later. At that meeting the accountant showed me a letter that he was preparing to send to CFA outlining what he thought was a reasonable settlement of the matter from the perspective of Mr and Mrs Lloyd. I saw a draft of that letter on his laptop computer. My understanding is the letter arrived at CFA a couple of days later, by which stage I had concluded my term as acting chief executive officer, and the matter was then dealt with by the incumbent of the CEO position, not me.

Mr RAMSAY — That is a somewhat different version to what I was led to believe — and the committee.

Mr WOOTTEN — Yes.

Mr RAMSAY — The question I keep posing, though, because Mr Bourke indicated that with caretaker government, the process of providing compensation — and we use that word rather than ‘purchase of property’ — was delayed and also because it required cabinet process. We are now 13 months into a new government, and still the Lloyds have not been offered one cent. I am trying to get an understanding, given all that preliminary work was done, why the Lloyds would not have been made an offer, even if it had to go through government process.

Mr WOOTTEN — Yes. When I discussed the offer and confirmed it in writing I had not sought government approval. That was something I did under my own position as acting chief executive officer in good faith. I did that because I felt it was the right thing to do at the time. I did not seek anyone’s approval in terms of doing it. The matter was still live on the table when I finished my term. I suppose my take on the event subsequent to me finishing in the acting role was that the letter that came from the accountants was basically saying, ‘Well, that offer isn’t enough. This is what we think we should be entitled to’, and it did not go into figures, but it went into about eight different elements of where they thought compensation should be paid. It did not quantify that compensation in any way. My understanding is that subsequent events were about trying to quantify that compensation.

After that Mr and Mrs Lloyd engaged Slater and Gordon — you have talked about that this morning — but I am not aware of why it took so long and why it is still not resolved. My endeavours at the time, again in an acting capacity, were to try to resolve the major concerns of Mr and Mrs Lloyd, which at that stage was the sheep and the water supply. In the meeting where we reviewed the letter that the accountants were preparing there was also conversation about whether CFA would be prepared to buy the entire property, and I did not entertain that proposition.

Mr RAMSAY — Thank you. My questions will be based around the closure and the decisions of closure, so Ms Higgins, I think you might be in the hot seat, given you were chair of the board at the time the decision was made. I want to draw your attention to a media release from the Honourable Jane Garrett on 26 March, headlined ‘Fiskville shut forever’:

The Andrews Labor government has permanently closed the CFA training facility at Fiskville.

The CFA board unanimously recommended the closure of the site following the results of around 550 tests at the site.

It then goes into some detail about high levels of PFOS, yet it does not describe whether they are unsafe levels or not, just high levels. It talks about some of the tests ranging from 1 microgram per litre to as high as 50 micrograms, and the government has drawn a parallel to international guidelines of safe levels of PFOS for drinking water of 0.2 and for non-drinking water of 4 micrograms, and I am still not clear about on what basis they would make those presumptions. Yes, it would appear that the PFOS levels for drinking water of 1 microgram were higher than the international guidelines, but the differential between 4 micrograms and 50 in relation to guidelines and test results I am still unclear on. I would just like to get some idea around what the board discussed when they made that decision and, in fact, if they did make that decision. I would like you to confirm in fact if it was the CFA board that made that decision or whether it was in fact the government that made the decision for you in respect of PFOS. That is what, as I understand, ultimately the decision was made upon.

We have had evidence from Dr Roger Drew that he has not seen any tests that show unsafe levels of PFOS at Fiskville, so I am a little bit concerned that the CFA board would make such a decision based on PFOS-level testing if in fact probably the eminent toxicologist we have here in Australia indicates it is his belief they were not unsafe to human health. I would like you to respond to that.

Can you clarify the key individuals involved in making the decision to close Fiskville? What was their position within the CFA? How was the decision reached? Why was the decision to close Fiskville a decision to close it permanently, or in fact was that not the board's position? Does the use of the word 'permanent' imply that there was no prospect for it to be remediated or opened at any time in the future and on what basis the CFA board would make that decision? Whose advice was taken when making the decision? To what extent was the government consulted, or was it the other way around? Was a cost-benefit analysis done relating to the permanent closure, and were other options part of the analysis and process of decision-making in that decision? That is part 1 of many questions.

The CHAIR — And you can ask for a repeat of the question!

Ms HIGGINS — I think I have written most of those down — thank you. Firstly, I want to say that it was absolutely the decision of the board to close, and subsequent to that decision we advised the minister of that decision. Let me step back then and talk a bit about the process and how the board came to that decision. Since 2011, in my view, all information coming to the board had been reassuring with respect to the levels of PFOS. The advice that we had received on several occasions was that the elevations did not render the water unsafe for firefighting purposes. If I look at page 12 of the CFA's response to the Joy report: CFA committed to 'eliminating PFOA and PFOS to the greatest extent practicable'.

On 2 March 2015 the board received, in my view, what was deeply disturbing information: that PFOS was found in places that were unexpected and unexplainable to us — namely, that there were outlets from tank water, which was being supplied by town water, that contained PFOS, fed by the mains system. So on 2 March the decision was taken to suspend all of those operations immediately because if there was PFOS in those outlets, our concern was: was there PFOS in other outlets that had not been detected? We asked the executive to test all of the outlets across the site. That was on 2 March. I want to reiterate: the concern about that was not about the levels of PFOS; it was actually about the fact that there was PFOS. It was unexpected from our perspective.

Mr RAMSAY — Why was that, given many training sites have PFOS: Point Cook — a lot of bases have PFOS?

Ms HIGGINS — Because those hydrants were being fed from town water. We had made a commitment about eliminating any potential exposure to PFOS. We felt that we had achieved that, and yet the water sampling still found PFOS. This decision was not about the levels of PFOS; it was about where it was and the unexpected nature of that. We ordered that test of 550 samples, and the information that came back to the board on 26 March was that there was no PFOS in the drinking water or the shower water on that site.

We were obviously relieved and very pleased about that. However, there were 65 results of positive for PFOS at the PAD, and then on top of that there was a PFOS reading from the hangar on the other side of the site. Again this was unexpected from our perspective, and we were concerned about the fact that we thought that we had taken steps to eliminate that exposure, despite the reassurances that we had had. I should say in between

3 March and 26 March we had a board meeting. This was not a conversation that occurred on one day; it was a conversation that came as a result of 2 March and continued through to the decision of 26 March.

Mr RAMSAY — Can I ask: who was providing the technical advice to the CFA board in relation to the PFOS?

Ms HIGGINS — This is from the executive, so the executive relying on Cardno Lane Piper and — —

Mr WOOTTEN — Senversa.

Ms HIGGINS — Yes, Senversa. Then on 26 March we had a telephone hook-up board meeting. The acting CEO was in attendance. He advised the board of these results, so the board had a conversation about what their views were around this information. Each board member expressed their view, and each board member concluded that they felt that the site should be closed. That was, as I say — I repeat that — —

Mr RAMSAY — Closed permanently?

Ms HIGGINS — Yes.

Mr RAMSAY — Every board member?

Ms HIGGINS — Yes. Sorry; there were two apologies. One was Ross Coyle, and the other one was James Holyman. Ross Coyle had a conversation after that meeting, and he agreed with the decision. I should say that all of the board agreed with the decision to suspend activities on 2 March. Unfortunately I have gone back to my notes and I cannot see where I have spoken to James Holyman, but it would surprise me if I had not. But I would not want to portray him as having expressed an opinion. Every board member concluded that as a result of the uncertainty that this information provided us that we were concerned that the exposure to PFOS was not controlled, and so that is why we took the decision. I then informed the minister, and then that media release came out.

Mr RAMSAY — Was there discussion within the board about potentially any sort of remediation? We know many countries are going through remediation in relation to high levels of PFOS. A permanent closure is fairly final. The technical advice you received, which is similar advice that we have had through testimonies and submissions, did not indicate they are unsafe levels; merely that there were levels of PFOS. As we understand, as we have gone through this story over seven months we all have PFOS levels in our systems. There are many, many areas: any airfields or any training sites or any local fire brigades will all have some levels of PFOS because of its long life. It seemed quite a harsh decision by the board, without really having a lot of technical advice and experience in PFOS, to make a decision to close the site permanently without discussing any potential options of remediation.

Ms HIGGINS — I would respond to that by saying that we had advice around the site and the levels of PFOS across that site from essentially the Joy report forward, and in fact there are references to PFOS within the Joy report. So we have been looking at the story of PFOS on Fiskville since 2011, and I believe that up until 2 March the board felt that they understood the potential exposures of PFOS across the site. And the 2 March information and then the 26 March information undermined the confidence that the board had with respect to the site, and that was why the decision was taken. Now if I or the board are proven wrong with the passage of time, then so be it, but from my perspective I felt that it was the cautious and appropriate action to take at the time.

Mr RAMSAY — I will leave it there, and perhaps through the course of the questions and answers I might come back to that issue.

Ms HIGGINS — Sure.

Mr RAMSAY — Thank you, Ms Higgins. Mr Wootten, I have a question in relation to evidence received from a Mr Cory Woodyatt — my apologies, if he is here, if I have not pronounced that properly. You are familiar with the gentleman?

Mr WOOTTEN — I have met him once.

Mr RAMSAY — He was a senior station officer with the CFA. Mr Woodyatt gave the following evidence about a briefing session at Melton about the closure of the Fiskville site, and I quote from his evidence:

A number of questions were asked by the members from Fiskville on that particular day —

and I might have to seek advice on the day that we are talking about, because you do not have it with you, in front of you.

Mr WOOTTEN — No, I do not.

Mr RAMSAY —

to the acting CEO, Michael Wootten, to Lex de Man, and another individual who was there, whose name I cannot recall. They said, ‘We understand that there are issues with the chemical and the water on the training ground, but why have the administrative staff, who were in a separate environment, been removed from the property?’.

This is certainly more about the staff that were asked to leave during that time frame in relation to the decisions around Fiskville:

After 10 minutes of dancing around the story, not one of those individuals in that room could give a clear answer as to why the administrative staff or the hospitality staff had been removed from that environment.

Just to put it in a time frame, it was a day after the announcement that Fiskville was closed:

So based on that evidence that I witnessed that day, I have no confidence in any part of the facility whatsoever. No-one could give a clear answer that day.

I wonder if you have any comments to make about that particular briefing session, which you are probably familiar with.

Mr WOOTTEN — Vaguely, because I did a number of those briefing sessions after the closure. I do not remember the specific question, I will be honest with you, Simon, but my response would be that the site had been permanently closed — the entire site; not just the practical area drill training area, not just the hangar and not just any other particular site. The entire site was closed because the board had taken that decision. Once the entire site was closed, everyone on that site was no longer able to access it, including hospitality staff and including the administrative staff.

Mr RAMSAY — I think — and the chair might well remember this — when we met with the staff in Ballan there was concern about the lack of communication and that there were decisions being made and the staff were not involved in those decisions. I think there was a view that the testing showed there was some contamination by PFOS and other things in certain parts of Fiskville but certainly not in the administrative and hospitality sections. So the 40 or 50 staff who worked there probably questioned why they would be out of a job, why they could not be part of the facility that could continue to be used and/or why they were not being communicated with in relation to decisions made and their potential future. I think that was all embroiled in that briefing session.

Mr WOOTTEN — Yes. I addressed the staff personally on the day that the facility was temporarily closed. I drove up there that afternoon and explained to them what had occurred. I then spoke to them after the permanent closure, again face to face — not at Fiskville, because we had closed the site, but at Darley — and I visited Darley again on a number of occasions in the ensuing months to try and keep them informed, not only of what we were doing in relation to a replacement facility but more particularly the trauma and the anxiety they were experiencing at having been removed from their site of work, and also giving them briefings on the conduct of this inquiry, because they were matters that were very close to their heart. I suppose communication is a judgement call: it can be too much, it can be not enough. I met with those people face-to-face on probably at least six or eight occasions and tried to keep them informed.

Mr RAMSAY — Mr Cory Woodyatt does not share your view. He found it, in his words, ‘unsatisfactory’.

My question now goes to any of you who would like to respond. When giving evidence about the closure of Fiskville to the committee a Mr Chris Bigham, acting operations manager at Fiskville, told the committee:

We continually feel isolated and victimised and unsupported by our employer, which has continually made decisions about consultation while failing to keep us informed about matters which significantly affect us.

Can you comment on this and on the information provided to employees about the closure of Fiskville? It is in the same vein in fact as Mr Bigham, acting operations manager in that felt he was not being involved in the discussions around decisions being made about Fiskville and its future.

Mr WOOTTEN — I think the board took a decision based on the reasons Claire has outlined. I do not think we ever sat down and talked about whether we would do that or not with the staff, so I take that on board, and that was on the basis that there were concerns about the safety of the site. So the board made a call on that. Subsequent to the closure, as I said, I met with other people on numerous occasions to try to help them to understand the reasons, but they were very difficult conversations, given the emotional attachment all those staff had to that site — and still do have.

Mr RAMSAY — So to put it in context, the staff were feeling somewhat isolated in the way decisions were being made about their employment and where they were employed, the career staff were concerned about not being engaged in some of the decisions or being informed about decisions that were being made by the board, and we have Craig Lapsley indicating publicly way back in 2012 that he wanted Fiskville shut down. You can probably see that there is a view, certainly in the local area, that there is some sort of conspiracy going on when the commissioner, actually well prior to any decisions being made about Fiskville, has already stamped his position loud and clear and publicly. He wanted it shut down, even before the PFOS tests were done. I assume you are aware of that view, and I have asked if he shared that view with you. Did you have discussions about the closure of Fiskville back in 2012 when he was making public comments about that?

Ms HIGGINS — Certainly I had conversation with Mr Lapsley when he expressed to me about Fiskville needing to be closed. At that time — and it was probably around 2012; I would have to go back and recollect — his views were, as you say yourself, well known, but as were a number of views of people. The board's view was that if we could be satisfied about the safety of and exposure of people on that site, we would have kept that open. But, as it transpired, we were surprised by unexplained and unexpected results, and our confidence was diminished significantly as a result of that. So any link between the commissioner's view and the board's decision to close the site is not correct, in my view.

Mr RAMSAY — I will get back to you, Ms Higgins, on that shortly. I have a question to Mr Ferguson. In December 2011 you provided the public with a reassurance about Fiskville being safe. The secretariat will provide you with a copy of the media release by you entitled 'Reports of Fiskville links with cancers'. I will give you a moment to briefly oversight that. In the media release you say:

We have no evidence to suggest that there is any risk to those living, working and visiting Fiskville today.

In light of your position then and the press release that you put out, did further information come to light between that media release and 2012 when Commissioner Lapsley decided that Fiskville should be shut down? I am curious to know. You had quite a strong position. You felt comfortable with the fact that Fiskville was meeting its operational standards, whether it is occupational health and safety or others, yet barely a year later Craig Lapsley is of the view that it should be shut down. What happened in between?

Mr FERGUSON — The communication that I put out in 2011 would have been based on the information we had at the time, which would have included information from EPA and WorkSafe. Certainly it was in respect of the quality of the water that we used for firefighting. It was recognised at that stage that there were some emerging issues in some of the dams. The views of Commissioner Lapsley were made known to me late in 2013. We had a conversation, and he expressed the view that Fiskville should be shut and closed down completely.

That probably needs to be seen in the context of the time. EMV were wanting to have more of a collegiate and sector-based approach to training. Around about that time all of the CFA training centres were rebadged as Victorian emergency management training centres. Around that time MFB were constructing the new facility out at Craigieburn. I think one of the discussions that we had been having was: where should both career and volunteer firefighter training be primarily conducted from? What would be the pre-eminent training venue in Victoria once VEMTC at Craigieburn opened? I suspect that the views expressed by the emergency management commissioner were reinforcing the need to look at the capability and the training facility out at Craigieburn and CFA use of that facility.

Mr RAMSAY — Yes, I have no doubt about that. I guess my last question is that here in south-west Victoria we have a \$130 million facility that was well supported and appreciated by CFA volunteers right across regional Victoria for training — real-life training. There was the introduction of Craigieburn, a \$220 million facility, state-of-the-art, looking at providing training for both MFB and CFA volunteers and career firefighters. There was a push to merge the fire services, and that continues today, as we know. A CFA board has made, whether it is under duress or not, a decision around closure of that facility, not based on any science or technical advice about the operations facility being unsafe for firefighters but merely based on the fact that there were some PFOS samples taken and the board, under advice from this executive, as Ms Higgins said, determined that the site should be closed.

I ask you if you could refer me to any documentation, any science or technical documentation, that tells me that indicates that Fiskville and its operations — its fire PAD, its water reticulation system — currently are unsafe or cannot be remediated to a standard that would be safe for firefighters to use in their normal training processes.

Mr FERGUSON — Can I just put on the record that the decision by the board to initially suspend and then close Fiskville was a decision by the board, and I was not part of that decision.

Mr RAMSAY — No, I understand that, but in all the documentation that we have received and I am sure you have pored over as senior leaders in the organisation, show me or refer me to one piece of documentation that indicates, demonstrates or shows that current practices are unsafe for firefighter training at Fiskville.

Ms HIGGINS — I cannot direct you to that document, but I would reiterate what I said before: the decision to close Fiskville was a decision of the board related to the fact that there were unexpected and, I emphasise, unexplained outcomes of some testing results, and given the commitment that we made on page 12 of our response regarding the elimination of PFOA and PFOS to the greatest extent possible, this brought into doubt the program that we had embarked on and the confidence that the board had in the site. So we took a cautious approach because of that commitment we have made and because of our concern for our people, and I stand by that decision.

Mr RAMSAY — I reiterate again PFOS has long life. It is found in many areas where it has been used previously, and I have not seen any documentation to show that even the tests taken at the hydrant, as I understand it — the hangar — which could have been there for years for all we know and not coming through the reticulated water system from Central Highlands Water, or the other sites would pose a threat to human health in relation to those who work on that site. I appreciate your candour in the responses. Thank you.

Mr TILLEY — Firstly, regardless of the future recommendations, the response by the government of the day and the future decisions that will be made, I sincerely want to place on the record firstly, Claire, the work that you have done with the board and your colleagues working on the board who have previously served and those who continue to serve with the CFA board — I thank you all.

Euan, your service as the chief officer, your service to the CFA and I hope, retirement now is doing you well — thank you — and likewise, Michael, for all your service. There have been some significant challenges, and no doubt what I take from your evidence today absolutely is a certain distinct — that occupational health and safety, particularly safety, is not something that some may say today has been boring or that safety has ever been taken lightly as far as the organisation or the board have been concerned. So on that I thank you all.

Where I would like to lead to is that by agreement the committee has a scenario we are talking about. Where I have been given an indication is particularly to get some of the insight into the CFA interaction with the minister and the emergency management commissioner. On a lot of it, Claire, you have gone into some significant depth, and likewise, Euan, you have probably covered a lot of that already, so I will not harp on it too much, apart from that notwithstanding any existing legislative requirements that you may have incumbent upon you, whether it is under the Public Administration Act or those things, but in this conversation or any other act of legislation I would like to be able to have a plain-language, continuing conversation about the dynamics, because we all know that when we talk about the minister and those conversations there are a number of players. There is quite possibly the chief of staff, the minister's office — direct representatives of the minister. That is where I would like to not dumb this conversation down but get to the proper dynamics of it.

Specifically talking about when the *Herald Sun* story came out — and, as I say, you have significantly covered this — what information, if any, did the board provide to the minister regarding contamination at Fiskville,

including the risks around occupational health and safety both prior to and around that period? I know you have gone into it, but I want to try to get the simple — not the simple but the lie of the land, how it transacted, rather than the stone wall sort of conversations that took place.

Ms HIGGINS — Unfortunately I was not chair at that time, so these would have been interactions between the previous chair, Kerry Murphy; the CEO, Mick Bourke; and the minister. In terms of the December 2011 interactions with the minister, unfortunately I cannot enlighten you.

Mr TILLEY — That is fine. It is important to get this on the record so it all fits in with the time line, and we will be going to our future deliberations. Bearing that in mind, notwithstanding talking about the period during the *Herald Sun* story, what instructions — if any, at any time — did the board receive from the minister or ministers during that period, all around the period of the decision-making? That is what we are presented with today.

Ms HIGGINS — Okay. I have regular meetings with the minister — or did, I should say, have regular meetings with the minister, and not just this current minister but previous ministers as well, as I believe is the proper process for a chair of a board interacting with the minister in a transparent way. So if an issue arose, then usually I would ring the minister and advise — if it was an urgent matter that required advice, I would ring the minister, or if I was not able to do that, then the CEO would have done that. But that is absolutely how I operate: if there is an issue that my boss, if you like, needs to be aware of, I would be ringing and advising, and that is what would have happened in this case.

In terms of instruction, I do not believe I was ever instructed to do anything. I was questioned about our approach, but I was never instructed to do anything with respect to our response to Fiskville — and that is both ministers. I worked under Minister Wells and I worked under Minister Garrett.

Mr TILLEY — Can you provide the committee with some examples of having that access to government, so it was readily available across all governments? Likewise, is there some form of example about the imperative, some of the issues that were taking their course at the time?

Ms HIGGINS — An example — I was going to say a good example, but it is not a good example — was the discovery of PFOS in the fish in Lake Fiskville. At that time we went in and briefed the minister, told the minister what we were doing, told him about the fact that we were going to have Dr Drew look at those results et cetera. So it is really information and alerting him — or in the current minister's case, Minister Garrett — to potential issues and what we were doing about them. So, as I said, an approach of transparency and being clear about what our course of action was going to be.

Mr TILLEY — Putting aside now speaking about the minister's office, the person who was formerly the fire commissioner, now the emergency services commissioner, those relationships and interactions, how did they sit with not only the board, the chief officer, the CEO, those interactions? Since 2009 we have seen quite dynamically some significant changes with those types of appointments and the changes to how the CFA does business. Can you expand in layman's terms how those — —

Ms HIGGINS — The board would have had the commissioner visit two or three times whilst I was chair to talk about the priorities, the strategic plan for the sector, those sorts of things. I would have social interactions with him if we happened to be at a brigade dinner together or at a graduation. Occasionally, probably whilst I was chair maybe three or four times he and I would catch up and have a coffee and a conversation, but just about the world. Because as the chair it was important for me to listen to the views of important stakeholders and the commissioner was an important stakeholder.

Mr TILLEY — Absolutely, perfectly natural and it would be expected. Have you got anything to add, Euan, about those, as chief officer?

Mr FERGUSON — Yes. I suppose the first thing is that interactions with fire services, now emergency management commissioner, was constant and the majority of those were on operational issues. But there was a period when I was acting CO, from late September 2012 through to mid-October 2012. This was a period when MFB had a recruit course and were wanting to use Fiskville, so this is pre VEMTC Craigieburn being commissioned. MFB had raised a number of concerns with me almost as soon as I took over the acting CO role, and there are a number of items of correspondence which I think the Chair might have referred to.

In my role as CO, the first thing I wanted to do was to make sure that every issue that MFB raised — or anyone else, for that matter — was responded to, preferably in writing. However, around that time there were some concerns raised by MFB around suspended solids in some of the water supply. Later we were told it was not actually a health issue, but it is something that the UFU had drawn attention to and the MFB had quite rightly asked questions to seek a reassurance. Based on that, there were a number of meetings that I had with Nick Easy and Peter Rau from MFB, but they also involved Craig Lapsley in his role.

One of the critical meetings was where we were talking about the firefighting water supply at Fiskville, and we looked at a couple of options. The biggest challenge we had — and I do not want to bore the committee with the detail of it — was actually with the quantity of water and the flow. There was one green tank which had been established, and when we sat down, I had a briefing from Sherry Herman and also from one of the PAD staff. There was a question as to whether, if we used a town water supply, the one tank was going to be sufficient to provide the volume of water. So there were a number of interactions I had, in particular on 4 October — a meeting with Craig, Neil Robertson, Shane Wright, Melissa Battiste from MFB.

We first of all went through a number of reassurances that we had. At that stage we had a letter from WorkSafe. This is in my terms. Effectively they said they did not see any reason not to operate using our standard controls. We were also able to produce some quite detailed evidence from Cardno Lane Piper, and within that evidence or within that report Cardno Lane Piper also indicated that there was no evidence that we should not continue to operate. It then came to a discussion around the volume, and the option of putting a second tank in there was considered and it was agreed by everyone around the table.

So that is an example of a significant decision around the firefighting water supply, ensuring that there was sufficient water supply of that town water standard. You might ask, ‘Why the town water standard?’. I think at the time there was a lot of noise around not only suspended solids but dam 1 and dam 2, and the decision had been made to establish that tank water supply in order that we could work through all the issues with the dam and develop a remediation process. By using the tank water supply, whilst the quality of the water was higher than we used elsewhere, at least it gave us firefighting water. It was above the class A standard, which is generally required for firefighting water training —

The CHAIR — Sorry, Mr Ferguson, can I just clarify? We understood it was town water, but I think you mentioned it was of town water quality. Was it town water, or were you saying it was of town water quality. I do not think the word was ‘quality’, but there just seemed to be a little bit of a nuance there, so if you could just clear that up.

Mr FERGUSON — Yes. The intent was to produce water of a quality that satisfied the questions that MFB were raising. The water that went into both of those green tanks was from the town water supply.

The CHAIR — Sure.

Mr FERGUSON — Now, a little bit later on —

The CHAIR — The one tank first off?

Mr FERGUSON — The one tank first off, and then — I guess this is all about the involvement of other people. I guess what I am trying to demonstrate here is that a bit of a collegiate approach was emerging to the management of these training grounds and we saw MFB, particularly until VEMTC was properly finished and commissioned, as a really important client, as a partner — more than a client, a partner — and we wanted them to be involved in decisions so that they were reassured and they could reassure their people and we could jointly reassure the UFU that there was no risk from using that firefighting water supply.

Mr TILLEY — So, as far as the CFA or the board were concerned, whether it was an issue of water or anything, it did not matter whether it was a member of the MFB or the CFA, those issues of safety applied to all who set foot on the Fiskville training centre?

Mr FERGUSON — Correct. There are a number occasions when I have gone up with a number of my senior staff. It was not to prove that the water supply was safe, but we trained with new recruits, we trained as a group. So if at any point there had been a suspicion that that firefighting water supply was unsafe to use, then we would have taken action to suspend the use until we had found out what the actual problem was. But at the

time there was no evidence — and this is backed up by the correspondence we had from WorkSafe and also from Cardno Lane Piper — that we should not continue to use that water supply for training.

Mr TILLEY — Just in closing, just a final one. The committee has been hearing recently that with those decisions that have been made — and they have been important decisions — part of the commentary that has gone with them is ‘brand damage’. In my view — once again, I cannot speak for the committee — the wording ‘brand damage’ is specific only to the Fiskville training college. As the commentary continues, do you have a view or can you express a view about containing it so that it does not extend to the organisation as a whole? I mean that this issue of brand damage that is becoming contemporary as part of the conversation only relates to the Fiskville training college?

Mr FERGUSON — The CFA is a large, distributed organisation, with many people directly associated with it — around 58 000 — and many other people within communities. There is never a day in the CFA when something does not happen. The concerns around Fiskville, as serious as they are, were always dealt with, in my view, in a very professional and thorough manner by the board and the CEO, who is also an ex-CEO of EPA. We sought and acted on advice. We sought to validate that advice.

The board set up a special purpose committee, which was then the health, safety and environment committee, and it is my view as chief officer, whilst I was not on the board and was not involved in all the decision-making, that the actions being taken and the governance around those were quite appropriate. Now, some might, with the benefit of hindsight, make some suggestions about how it could have been managed, and I am happy to take those matters on board. To me there was a plan that evolved over a period of years which would lead to the ultimate remediation of the total site.

Mr TILLEY — Thank you for your time.

Ms WARD — Thank you. It is my turn. Claire, I also want to thank you for the direct and candid response that you have given regarding the board’s decision to close Fiskville. I appreciate how up-front and direct you have been about that.

It would seem that the board has had a similar experience as this committee about information coming from Fiskville in that it has not always been consistent or clear, and indeed we heard evidence from an MFB staff member yesterday who also has shared in this experience. The Joy report tells us on page 124 that the board considered day-to-day and operational issues. In the time that you were on the board from 2007, how was the issue of water contamination passed on to the board for consideration and discussion?

Ms HIGGINS — Between 2007 and 2011, I do not believe that water contamination was raised at board level. We had papers on recycling of water, we had papers on redevelopment of Fiskville. I do not have a recollection of water contamination coming to the board until December 2011.

Ms WARD — So the report that we have — I think it is Cardno’s report from 2009, which talks about the need to remediate the sludge in dam 1 and so on — does not get brought to the board’s attention?

Ms HIGGINS — No. I have not seen that report.

Ms WARD — Thank you. You have mentioned the Fiskville committee. Can you give us some more information about that, please: who was on it, how often you met, the kinds of things that were spoken about?

Ms HIGGINS — Okay. That was established by the board at its board meeting on 19 December 2011, in response to the revelations, if you like. It was chaired by Ken King, former board member. Members were Peter Harmsworth, Robert Spencer and — I apologise; off the top of my head I cannot recall the members, but it was a board committee. Reporting to it was the CEO. My recollection of the dates: 6 February, 6 March, early May, early June I believe were the meeting dates for the Fiskville committee. So essentially what that was was a committee where the CEO could work closely with the board about the responses to the 2011 —

Ms WARD — Story.

Ms HIGGINS — story. Thank you, yes. It talked about things like the two hygienists that were asked to do a review of the current status of the site, things like the WorkSafe visits to the site. What else? And just any other sort of concerns around the — oh, sorry, the activities of the Joy review were also covered in that meeting as

well. On at least one occasion I recall Professor Joy visited the committee and talked about his processes. I recall that they had a conversation about extending the term of the Joy report because of the volume of contact that Professor Joy had had and the volume of documents that he had wanted to access. So it was really about just getting a bit closer to our response to Fiskville. With the passage of time, though, what happened, with the establishment of the health, safety and environment committee, was that there seemed to be some parallel work going on between those two committees, and so the work of the Fiskville committee was merged into and absorbed into the health, safety and environment committee.

Ms WARD — Okay. Thank you. We had some interesting conversations yesterday regarding the money that was allocated to the CFA, I think in 2010 — the \$6.8 million, I think. A fair amount of that money was spent at Fiskville and a number of it was spent on new buildings, refurbishment and new toilet block and ablutions building. We have also had discussion around the damage that was done or the pollution — the toxic chemicals — that were found in the sludge at dam 1, and how that still was not remediated by staff at Fiskville during this time that the building works was going on. Can either of you talk about any discussions that you had regarding the pollution in dam 1 and the priorities around the rebuilding that was going on at Fiskville at the time? I will start with you Claire and then I will move on to Euan, if that is okay.

Ms HIGGINS — Could you give me the date again of that 6.8? Was it prior to 2011?

Ms WARD — I think in 2010 the money is allocated, is budgeted for or — —

Ms HIGGINS — I think that is right. It was a reallocation of funds from Bangholme to Fiskville is my recollection, and it related to the needs of the Fiskville site to enable the training of the CFA recruits. The details of the paper I do not recall, but that is my understanding of the background. We needed ministerial approval to reallocate those funds. That is why my recollection is related to that. I do not have any recollection of a reference to the dams in terms of clean-up in that paper.

Ms WARD — Okay. Thank you. Euan?

Mr FERGUSON — So the budget announcement by government was what we loosely called project 2016.

Ms WARD — Yes, that is the money.

Mr FERGUSON — So it was part of a very large program. Part of that was the recruitment of and the appointment of 342 additional firefighters. But there were also around 10 major fire stations to be either significantly upgraded or built. I was actually the director for that project. It probably stands as one of the largest single projects CFA ever had. My requirement as chief officer and director of project 2016 was to go to the organisation in respect of the 342 firefighters and say, ‘Put in place a process where we can select, recruit, engage, train and then allocate those people onto fire stations’, as well as requiring new fire stations of a particular standard in a number of locations. My request would have been discussed at the executive leadership team. The executive director, people and culture, was critical to that because they did the actual recruitment and the initial allocation of those people onto Fiskville, but the real crux was: did we have sufficient capability at Fiskville to run up to four recruit sessions with each recruit session being 25, maybe up to 30, people?

My understanding is that Lex de Man, who was the executive director of operations training came back and said that no. 1, he needed to upgrade certain facilities and he needed additional capability, particularly for accommodation, to undertake that recruitment program, bearing in mind that project 2016 was a project that went through to the start of the year we are currently in. So the reallocation of the funds, in my view, was an example of the board shifting its priorities to support the government priority for the recruitment of those 342 firefighters.

Ms WARD — So there was discussion around how to accommodate these new recruits, but what about the discussion around how they would actually perform their training? You have already spoken about the challenges of getting water to Fiskville. So if you not able to supply clean water through the damage that has been done to dam 1, you are part way through the process of building a couple of tanks to supply the water, how is there not a conversation around how you actually have recruits doing their drills, when you are only discussing accommodation?

Mr FERGUSON — The concerns that were raised about the water at Fiskville were in, I think, December 2011. During 2010 and the early part of 2011 Project 2016 really took off. My memory is, and I may be corrected here, that in 2011 we ran three recruit courses. I am not sure how many we ran during 2010, but there would have been some. At that stage I was not aware of any question mark over water quality, be it with the firefighting water or in the dam. The December 2011 revelation was really my initial introduction to concerns about the water quality.

Ms WARD — So there are conversations happening at Fiskville about the toxic sludge in dam 1, there are emails going around amongst CFA managers, and I think there is an email that also goes to Peter Rau about the need to remediate. Justin Justin sends an email in February 2012 also expressing his concern that dam 1 still has not been remediated, and yet this is the time at which building works are being talked about at Fiskville and none of this goes through to you? You are not informed by any of these people under you that this is an issue?

Mr FERGUSON — I reported to Nick. Nick reported back to the executive leadership team. The management of the facility was under Lex's overall control. There was an operations manager there, Justin Justin.

Ms WARD — Justin Justin sends an email to Lex de Man and one other person, who I cannot recall, in February 2012 saying the dam still has not been remediated and this concerns him.

Mr FERGUSON — I am sorry, I am missing the question.

Ms WARD — I do not understand how you are out of the loop in this or how you are not informed that, 'Yes, we are building these things at Fiskville but we have a fundamental problem here with pollution in a dam'.

Mr FERGUSON — I think the fundamental problem was identified through the Rob Joy report in a follow-up to the revelation in the *Herald Sun*. I do not know exactly what the timing was, but Project 2016 funding was allocated initially in the 2010–11 financial year. I came along late in 2010. So the planning around this increase in capability for Fiskville to churn out more trained firefighters and the discussion around and the request by Lex to allocate funding, again I might stand corrected, I think was before the identification of issues around water quality and all of those historical things.

I have looked at and read the blogs. Mick came down and reported to me. As I said earlier on, the day after the revelation around Fiskville in the *Herald Sun* I note that the executive team met. I had a meeting with Paul Garvey, Jeff Green and Lex de Man. We talked about AMCOS, the hygienist and toxicologist, being engaged and they were engaged in the next 24 hours. We talked about advice to WorkSafe, consulting our CFA doctor and also contacting the EPA. There was a whole body of work which was initiated as soon as we realised that this was coming out in the *Herald Sun*. That whole body of work obviously would be in the evidence that you have.

The capacity issues at Fiskville were still very significant for us in terms of the throughput of career firefighters and it was important that we address that issue which was here, now, right in front of us. I take up your comment about concerns being expressed about the sludge in dam 1. I think we were on a process of discovery until the Rob Joy report came out as to exactly what the extent of the problem was. Mick Bourke had carriage of that with Lex de Man. Mick and I did have a conversation very early in the piece, bearing in mind that there were a significant number of things that I was involved in post the Victorian bushfires royal commission recommendations — Project 2016 and many others. Mick said, and this may have been discussed also at the CFA board, 'You look after the day-to-day service delivery, particularly the operational and the community safety', which was what I did. But I did not turn a blind eye to what was happening at Fiskville. As part of the executive team I sat in on a number of the board conversations, I observed the various committees as they were being set up and there were no alarm bells ringing in my ears.

Ms WARD — The report I referred to earlier was a Wynsafe report from 2009, and that talks about that dam 1 contains sludge contaminated with hydrocarbons and heavy metals from past practices and that the options for remediation or removal of the sludge were assessed and that it was necessary. This is 2009, so this does not come out of the Joy report. This does not come out of the *Herald Sun* article in December 2011; this is two years earlier, yet you were not informed about this at all?

Mr FERGUSON — I was the chief officer in South Australia in 2009.

Ms WARD — But once you came on board and you started talking about spending your money and the money that is being spent at Fiskville, this report never came to you?

Mr FERGUSON — No.

Ms WARD — The other thing that I am really interested in is again this lack of water resources at Fiskville, and 2012 seems to be a very confusing time line in terms of activities at Fiskville. One of the first things I would like to understand is why there was about a six-month delay in building tank 1 and then building tank 2. Are you able to explain that?

Mr FERGUSON — I will try. The hydraulics are a little bit complex.

The CHAIR — We have pretty well heard a lot about water supply so do not tell us all of it. I think we will be able to pick it up.

Mr FERGUSON — There was a decision made to put the first tank in so that the firefighting water supply could be guaranteed to MFB. There was a second water supply, which was for — —

The CHAIR — A guarantee of the quality of the water supply, being from the town mains?

Mr FERGUSON — Yes. My understanding is that there was a backup water supply, which was the safety system.

Ms WARD — What do you mean by backup water supply?

Mr FERGUSON — If for some reason there was a problem with the fire main, which was established around Fiskville, such as the pump cutting out during a critical drill, you could have safety lines which were on a completely separate, stand-alone system.

Ms WARD — And these were plugged into dam 2?

Mr FERGUSON — No. I actually think they were plugged into what is called the pit.

Ms WARD — Okay. So they stopped using the pit in around June 2012?

Mr FERGUSON — Yes. So there were some concerns, in my notes, around the sedimentation, the suspended solids, in the pit. Now — and these are some of the discussions that we had with Craig Lapsley and Peter Rau and MFB, in order to overcome those concerns immediately, because the clock was ticking; MFB wanted assurance so that they could book their firefighters in in I think it was a matter of weeks — we took the decision to put a second tank in, which effectively bypassed, we did not have to go past the pit.

I think the concerns that were raised, predominantly I think by the UFU, were that when firefighters are out on the PAD doing stuff, the water obviously hits the PAD and then it drains off and some of it could drain off into the pit. The water is mains town water so the run-off going back in should be run-off from mains town, so there was no real concern about it, but in the process it was picking up suspended solids. Now the advice we were getting was that suspended solids have no health risk, but in the discussions the option of putting a second tank in means we could bypass the pit, it means the issue around suspended solids was not there and that was the decision made.

Ms WARD — But I am still not clear why it took so long to put the second tank in.

Mr FERGUSON — I think the consideration around the second tank was triggered by concerns MFB raised around suspended solids.

Ms WARD — But it still took a number of months for that to happen.

Mr FERGUSON — I know that when I was involved this was, you know, a real hurry up job. So I think it was around about the time that I took over as CEO, acting, from Mick Bourke, that MFB through Nick Easy raised these concerns about suspended solids in the pit.

Ms WARD — So it is possible that if dam 1 sludge had been cleaned and the dam remediated earlier, as had been requested from 2009, that the problem with the water may not have continued at Fiskville in 2012?

Mr FERGUSON — I do not think there was a problem with the water in 2012.

Ms WARD — There was a problem with the water supply. There was not enough water at Fiskville.

Mr FERGUSON — Well, we took moves to put the second dam in to resolve that water supply problem. The water supply problem was going to emerge when MFB had their training session booked, which was some probably two or three weeks hence. So the problem of that, the volume and capacity of the water supply, was not there at the time I took over; it was on the radar screen. So we made the decision to put the second tank in. That took some weeks to establish, to plumb it in. The intent was that when MFB were ready to use it there would be no volume or capacity problem with water.

Ms WARD — Can you explain to us how the collar tanks were used at Fiskville from June to October?

Mr FERGUSON — No, I cannot explain that.

Ms WARD — Are you aware of the use of collar tanks at Fiskville during June and October?

Mr FERGUSON — No.

Ms WARD — Because it is interesting. We heard evidence yesterday that they were used as an additional water supply, which would have been around about 17 000 litres all up. So we have a tank that has around 240 000 litres, I think; we have 17 000 litres in these two collar tanks that are like inflatable swimming pools. We have an email from Shane Wright in September 2012 to the MFB that says that the Fiskville facility has ample potable water supply and capacity to run up to six drills on the PAD simultaneously or one after the other continuously without the need for a period of time in between the drills to refill tanks or boost water supply. So is that let us say 260 000 litre capacity enough to do those drills, because I think you would run through that water in around half an hour?

Mr FERGUSON — Yes. Just in relation to the single green tank, the answer is no. There needed to be additional capacity to ensure sufficient water supply for both the practical firefighting drills and the backup main. Now, coming back to the floating collar tank — I am speculating here — I just wonder, because I know there were some real concerns expressed about the timing and how quickly could we get the second green tank in commission. It may have been that as an interim a couple of floating collar tanks could have been used to provide that water supply.

Ms WARD — But if they are only supplying 17 000 litres, how would that be enough to do the six drills?

Mr FERGUSON — I could not answer that; I do not have all the details. One of the PAD staff, John Myers, was involved in a number of conversations that I had around that time. He was the one who worked and there was a hydraulic engineer who was working with him. So they talked about things like the diameter of the outlet, the pipe to the pump house — —

Ms WARD — That is okay. I was just trying to work out the water supply and how they were actually able to perform these activities with the limited amount of water, so thank you.

Mr FERGUSON — I think the critical thing is that at the end of this decision point we were able to reassure MFB that we had water which was of a town water standard — sorry, it was town water — and that by putting the second tank in, that addressed all of their concerns around the volume and capacity for water during the drills and also for backup water supply.

The CHAIR — Yesterday we heard from Kirstie Schroder from the MFB and I think she was a little bit involved in some of the — I am not sure with you — and she said that there was a site tour to Fiskville on I think 18 October 2012 and the MFB was concerned that they did not believe that the second tank could be filled, that it would take days and days. So they actually did not allow people to go back for training because they suggested that they did not believe that the water in the second tank would be just mains water because it was physically impossible to do so. This was what was said. I guess we are trying to get to the bottom of this.

Mr FERGUSON — The way I would respond to that is that there had been a decision made — —

The CHAIR — But had you heard that? Were you told that this is one of the reasons?

Mr FERGUSON — No, but the intent of setting up the second tank and having that supplied by the town water was to be absolutely unequivocal that that was water supply from the central highlands, Ballan water supply. There was never any suggestion from CFA that we would shandy or harvest and mix any other water source in with the water in those two green tanks.

The CHAIR — Another example she used was that they were also told there was no foam on the site at Fiskville, then they opened a cupboard or a shed and here is all this foam stacked up in there. So there was a bit of scepticism about — and maybe it was just that people did not know, but I guess there was a concern that here is an example: no foam on the site, open the shed door, and here is all this foam. Yes, it is town water in the second tank; prove to us that it can be filled up and has the capacity for use in training — we cannot just rely on the say-so of an individual, whoever that was. I am surprised that you had not heard any of that.

Mr FERGUSON — No, I have not. And in respect of the foam, I do not know whether you are referring to class A foam or class B foam, which are different products.

The CHAIR — I am just talking about the evidence that we heard yesterday.

Mr FERGUSON — It has never been raised with me. As I said, when I took over as acting CO, I had a number of conversations with Nick Easy and also a little bit later on with Peter Rau. I did everything in my power to make sure that Nick in particular was engaged and if he had an issue that I would investigate and follow that through either verbally — and on a number of occasions he asked, and I sent letters back to him. Again, I use the word ‘partner’. We wanted to see MFB as a partner. Probably more importantly, if the MFB had identified a concern, that was a concern for all of us. We were not just satisfying MFB questions and concerns; I saw them as part of the validating process. They were almost like a devil’s advocate. My conversations with Shane Wright and Nick Easy were, ‘If you do have concerns, let us know, because we’ll take those on board, we’ll thoroughly investigate them and come back to them’, which was — —

The CHAIR — Your knowledge was based on Justin Justin’s confirmation of whatever was happening at the site; would that be right?

Mr FERGUSON — My knowledge was probably largely through Lex de Man. Justin was looking after the things on Fiskville, but the majority of the interactions I had were with Lex de Man as the executive director of operations and training in my role as acting CO. In my role as chief officer, I was one step removed.

Mr RAMSAY — Can I just ask, just on that question about the foam, Fiskville is an operational facility, so it would not be unusual to have foam on site, because they may well be called out to fight a fire, and they would require some foam for present purposes. That is my understanding, so that is normal procedure?

Mr FERGUSON — Yes, that is correct.

The CHAIR — We were not questioning the foam.

Mr RAMSAY — The other point I want to make also is in relation to tank 1 and tank 2. My understanding is that they are connected, so you can actually backfill tank 2 from tank 1, whereas we heard yesterday in evidence that there was a garden hose that was plonked into tank 2 or something and took 15 hours to fill. Like most tank connections, you can fill from one to the other, so the perception of just having a garden hose in tank 2 is probably not a reality if there is a requirement to fill tank 2 fairly quickly.

Mr FERGUSON — Chair, around this time, when I was acting CO and the second tank, as you have reflected, it was quite complex. We had a discussion, Sherry Herman and I, and I am pretty sure Lex de Man and John Myers were involved in that. What we wanted to do was to develop a schematic, a plan, showing the old pit, tank 1, tank 2 and all the pipework and how it all worked. I can recall having that put in front of me. It was prepared. I would make an assumption that that was also sent to MFB but I, like you, would be very surprised if the consideration of interconnecting those two tanks was not part of that pipework, but I just do not have that detail with me.

The CHAIR — I guess I am just sort of trying to test the evidence, what we have been told, to give you an opportunity, but I guess in some ways you were not there looking at it all; you were getting your reports through Lex de Man in terms of what was happening to then report to the MFB what was going on.

Mr FERGUSON — Yes. I do not want to bore the committee, but I would regularly go up to Fiskville. I would regularly talk to both the students, particularly our recruit firefighters, but also to the instructors and also to the PAD staff and other Fiskville staff. Part of doing that is that I would be sure that if there was a real concern, it would have been raised with me. I know there were concerns about the sludge in dam 1 and all those other dams. That was a real concern to staff. There were some real concerns about the revelations in the *Herald Sun* in December 2011. But in terms of the here and now, back in around 2012 I can recall standing up and talking to groups of instructors and students and also new recruits and saying, ‘The advice we’ve got from our independent experts, from organisations like WorkSafe and so on, is that Fiskville is safe to use with the processes that we’ve got in place’, and that included the use of the town water supply. Again I want to reiterate: if it had not been safe to use, that would have caused us to consider suspending until we had fixed that problem. The CFA was very, very determined to reassure everyone in the CFA community that it was safe to use with all those changes that we brought about.

The CHAIR — I might foreshadow that after Vicki’s questions, could you come back after a break? Because you have been going so long you might be getting a bit worn out. We have a few questions from Tim Richardson. Are you happy if we have the break or would you prefer to continue on?

Mr WOOTTEN — Yes, sure. I am fine.

The CHAIR — Which suits you? What do you prefer?

Mr FERGUSON — I have a teleconference with some people in Western Australia at 1.30 p.m.

Ms HIGGINS — I would have a preference to continue, Chair, if that is okay.

The CHAIR — Would you like a 5-minute break just to get a cup of coffee? We might do that. Do you want to continue first?

Ms HIGGINS — No, let us do the break now.

The CHAIR — We will have a 5-minute break so the witnesses and the questioners can have a bit of a refresh. Thank you.

Hearing suspended.

The CHAIR — We will now begin the hearing after that adjournment. Thanks to the gallery for your patience.

Ms WARD — Euan, what is your understanding of when town water was being exclusively used at Fiskville?

Mr FERGUSON — I think — so my notes say on 28 September 2012, I sent a letter, as acting CO, to Shane Wright, who was acting MFB CO, and in that I have referred to the water volume and capacity constraints. So it must be around that time that — sorry, no, no. It might have been around about 12 October, thereabouts. No, I do not have any specific date, but it is around that time.

Ms WARD — Around October 2012 is when mains water was exclusively used at Fiskville?

Mr FERGUSON — Yes.

Ms WARD — Thank you. I am also interested in Airservices Australia. We heard yesterday that Airservices Australia had been building at Fiskville in 2010 and then pulled out because of PFOS level concerns. Are you aware of that?

Mr FERGUSON — No.

Ms WARD — Claire, had you heard anything in your dealings with the board?

Ms HIGGINS — I know that there were discussions with Airservices Australia about their presence on the site, but I do not understand that they withdrew due to PFOS. I have no information that supports that.

Ms WARD — No worries. Thank you. Did the board have any discussion around the water issues and amounts of water that needed to be at Fiskville from 2011 onwards?

Ms HIGGINS — No. Actually, that was an interesting conversation. No, not in terms of volumes, but I support what Euan was saying about the first move to potable water was June, and then there were the secondary tanks that were installed, and my recollection is October as well.

Ms WARD — Would it be your view that potable water is the best water to use for firefighting training?

Ms HIGGINS — Well, it would be better than contaminated water. I think the answer is yes, but I am not an expert.

Ms WARD — Yes, sure. Thank you for your time.

The CHAIR — Maybe everybody might like to answer that question.

Ms WARD — Yes. Is potable water the best way to go for firefighting training?

Mr FERGUSON — My advice is that it is essentially an industrial process that we are using the water for, for firefighting, and potable water way exceeds the standard which is generally accepted, which I understand is class A recycled water.

Ms WARD — Drinking water?

Mr FERGUSON — Sorry?

Ms WARD — With potable water, we are talking about drinking water?

The CHAIR — Yes, but Mr Ferguson is talking about what is the standard.

Ms WARD — Sorry.

Mr FERGUSON — I understand that the standard that is more commonly used is class A recycled water. Now, if you ask me to tell you exactly what that is, I could not tell you, but at our other training grounds we do not use potable water. We are not required to use potable water, so potable water is beyond the customary standard that is used in the fire industry, to my knowledge.

Ms WARD — Is that what you would like to aim for, going beyond industry standard?

Mr FERGUSON — I would seek and take the advice of experts, hygienists, water engineers, health people. They, in my view, are the best ones to provide advice on the quality of water required for firefighter training.

Ms WARD — Thank you. Michael, do you have any views?

Mr WOOTTEN — I probably share the view of Euan, Vicki, to be honest. I am clearly not an expert in the field, so I would need to be better informed before I would make a call.

Mr RICHARDSON — Thank you, Claire, Euan and Michael, for coming in today. Just a couple of questions to follow up on occupational health and safety across your terms. I might start particularly with some evidence we heard from James Stitz yesterday and the letter that he received from Wynsafe that Vicki referred to. The evidence that James put forward yesterday was that he made a number of recommendations or proposals about investment, significant investment, on site at Fiskville. That included remediation works of dams, but it also included a package of accommodation and a range of other things. The point I make on that is that in that Wynsafe report it made recommendations — and I am quoting from it here in its conclusions and recommendations — that:

Funds should be sought from CFA to carry out a remediation of dam 1 in the near future.

And that:

Pressure to clean up this dam will only increase with time from both an environmental and health and safety perspective.

Given the Occupational Health and Safety Act was established in 1985, putting forward that employers should take a proactive approach, was there anything that came forward to any of you about remediation of those dams based on that report that was provided to James?

Ms HIGGINS — Not from my recollection. Nothing came to the board asking for funds to do that.

Mr RICHARDSON — So part of his package of works that he put forward that included consultation with Lex de Man, did any of those discussions about remediation as well as the other package of works come forward to the board at any stage?

Ms HIGGINS — Not that I recall, no.

Mr RICHARDSON — Extrapolating that out and the fact that, just on your comment before, Euan, the need for accommodation and expansion — which was probably from the Black Saturday royal commission report; it talked about capacity and the need for extra training — that it was here now and right in front of us, is what you said, with this Wynsafe report and the fact that the ALS report of February 2012, during your tenure, was also available to the CFA, what could have been more front and centre than ensuring that extra volunteers going through were accessing water that was at a quality that was deemed appropriate?

Mr FERGUSON — What was the date of the Wynsafe report?

Mr RICHARDSON — The Wynsafe report was June 2009. That was provided to James.

Mr FERGUSON — What was the date — —

Mr RICHARDSON — The ALS report was February 2012, which made the same findings about dam 1 and dam 2.

Mr FERGUSON — What was the date of the correspondence from James Stitz?

Mr RICHARDSON — James had that from Wynsafe in 2009 — in April 2009 that was provided to him. What he told us yesterday was that that led to a sequence of events to recommend a number of upgrades to Fiskville, but part of that was remediation. Given that this was provided when in fact that was not part of the board's deliberations, then what was the purpose of him pitching the funding for remediation and what was the consideration provided?

Mr FERGUSON — I have no knowledge of the correspondence from James Stitz or of the Wynsafe report. I commenced in November 2010. There may well have been some response back in 2009. The other point I would make is that the focus — in order to maintain the churn through of recruit firefighter and volunteer training — was to focus, in the terms of the here and now, on the water quality of the water venues for firefighter training.

Mr RICHARDSON — Is it a concern to you that the report that found that the water was not satisfactory, there is a risk, and that the ALS report found in 2012 the presence of benzene, arsenic, zinc and other well-known chemicals, the fact that you could not guarantee the movement between dams — should that not have been of high priority to the CFA to rectify that situation? If you are not being made aware of those reports, then who is responsible for making those decisions?

Mr FERGUSON — In terms of the Wynsafe report, I was working with another organisation interstate, so it is probably reasonable that I was not made aware of that report at that time. Now, was I made aware of it when I started with CFA? Operations training was part of Lex de Man's portfolio. He reported to Mick. I would have thought that there may have been awareness at that level. I was never briefed on that report.

Mr RICHARDSON — So you were never briefed on risk from either the ALS report in 2012 to trainees going through Fiskville, when you have two independent experts or authorities saying that the water is not up to quality and there is the presence of chemicals that are of great concern?

Mr FERGUSON — Which water are we talking about?

Mr RICHARDSON — We are talking about dam 1. Those two reports find that because they are interrelated you cannot rule out the fact that both are contaminated. Primarily dam 1 was of great concern.

Mr FERGUSON — I think that is well acknowledged, and the Professor Joy report certainly acknowledges that as well. The process of remediation of those dams is a long-term process, which has commenced.

Mr RICHARDSON — This is maybe a question as well, Claire, for your dealings with the board and maybe your experience as well, Michael. It is a long-term process, but why was it not started in 2009 and why was the catalyst an article in the *Herald Sun* rather than independent reports that you had access to? You could have accessed these reports. They were not hidden; they were commissioned by CFA staff. Why did it take in excess of 30 months before the issue was taken seriously, when we know that the OHS act says ‘be proactive as an employer’? Why was that approach not taken when those reports were put forward to CFA staff?

Mr FERGUSON — It was not put forward to me, because I was not with the organisation at the time. I cannot comment on how CFA staff at the time managed or reacted to it.

Mr RICHARDSON — What about you, Claire? When works come forward or recommendations to the board about funding are put forward, is it striking that there is an omission of these reports as a reference on works that should take place at Fiskville?

Ms HIGGINS — Yes, it is striking.

Mr RICHARDSON — Why would there have been a falling down on that? Who was responsible for bringing that to the board’s attention, given that you have two reports that have been CFA commissioned, yet the catalyst for action was the media rather than a proactive approach by an employer?

Ms HIGGINS — At board level it is my expectation that, should the organisation become aware of a risk to health and safety or the environment, that is an issue of significance that the board should be alerted to for action. In this case it has not happened.

Mr RAMSAY — We did hear, though, from Mr Myers yesterday that there was regular water testing of the pit and dams 1 and 2, and that the results indicated no high levels that were deemed to be unsafe to the firefighters. I guess just to put it in context, my understanding was that Fiskville regularly tested the water, through Mr Myers testimony, both from the pit and the two dams, and I cannot remember whether he indicated there was any significant risk associated with those samples. It is not as if, as I understand it, there were not procedures going on about the quality of water both in the pit and dam 1 and dam 2.

Mr RICHARDSON — Taking that point, it still does not lend itself to the fact that there are reports independently commissioned by CFA staff that have not had recommendations acted upon. There is a recommendation from Wynsafe saying capital works are required and should be allocated. From our knowledge, that was never done and the remediation work commenced after the *Herald Sun*’s article in 2011. So, regardless of the testing — these reports were not commissioned by WorkSafe; they were from CFA themselves, of people potentially being proactive, that hit stumbling blocks along the line. It is important for us to get to the bottom of why were they not and in future, if such things come up, how is that responsibility forthcoming. That is, I think, the focus.

Going again to the ALS report of February 2012, we heard from Kirstie Schroder yesterday about an inability to access information from the CFA and that a precautionary approach that they had taken was to remove people, remove their personnel, in the absence of being able to access information. Upon asking Kirstie whether they were made aware of the ALS report, she said that the MFB were not informed of that report. Do you think that the CFA should have told the MFB? Going on from the comments you have all made about a proactive partnership with the MFB, to make an informed decision, should the MFB have been informed of some of those risks that were present in the dams that were alluded to in the ALS report? I would probably start with you, Euan.

Mr FERGUSON — I cannot recall the ALS report that you refer to, but it seems reasonable that it should have been shared with MFB, yes.

Mr RICHARDSON — Okay. Because that was information that was asked for by Kirstie in correspondence with Justin Justin, and they were not made aware of it at all. So, in making that informed

decision in a working partnership, it seems very difficult when you are not provided with that information about the concerns of water quality.

Mr FERGUSON — It is also difficult when I am also not provided with the letter from the MFB. As I have said, particularly at the time when I was acting CEO, every time Nick Easy, Shane Wright or Peter Rau raised an issue, I made sure that it was responded to and the information provided to the very best of our ability.

Mr RICHARDSON — Taking that, I think we might provide a copy, just for your information, of the ALS report. Does that look familiar? Has that been something that you were briefed on?

Ms HIGGINS — It is not familiar to me.

Mr RICHARDSON — Just on a side note on OHS issues, you can see — Claire, in particular — a real progression from the time of the *Herald Sun* article through to probably March 2015, a more proactive approach from the CFA. Do you think there were significant failings on the fact that it took that article, and there were a number of incidents — the Linton disaster is one that sticks out — before there was an occupational health and safety committee reporting to the board? Do you think that that should have happened sooner, with occupational health and safety being at the forefront of briefing the board on matters going on?

Ms HIGGINS — Occupational health and safety matters were being reported directly to the board. I think the governance process has been enhanced by the establishment of that committee.

Mr RICHARDSON — What are some of the benefits that have subsequently occurred as a result of establishing that dedicated committee, and should that have happened sooner?

Ms HIGGINS — The enhancements that have occurred I think firstly relate to the activities as a result of this story. There has been, I would say, an increase in conversation and reflection on the risks across the organisation and how those are being monitored and addressed, so I think it is an enhanced conversation, yes.

Mr RICHARDSON — I might go just quickly to one more thing under occupational health and safety and in particular other persons and those obligations. Is there a reason that you can refer to potentially, Claire, on why remediation or other assessments of other persons and neighbouring properties has not come under consideration, so nearby dams and properties for remediation, which is a requirement under the Occupational Health and Safety Act? Was that an assessment done by the board, or were there any deliberations on third parties that might be affected by some of the practices at Fiskville?

Ms HIGGINS — Following 2011 we were working through a process of discovery, and I think you would be well aware that we discovered the contamination or we learnt more about the contamination in Lake Fiskville and the fish et cetera. My understanding is — and I think Michael has already spoken to this — that we had talked about working on the neighbouring dam in terms of remediation, so I think it is appropriate.

Mr RICHARDSON — Just to go back to some of the decisions made about investment on site at Fiskville, we heard earlier from Mick Bourke about consulting on investment and that investment being made in consultation and on the advice of government. Was the board part of that process or was there any interaction of the board on what investment needed to be made and was any consultation with government in relation to that investment?

Ms HIGGINS — I am not clear on your question. Are you talking about the 6.8 million, et cetera?

Mr RICHARDSON — Yes.

Ms HIGGINS — The 6.8 million was originally allocated to Bangholme. We required ministerial approval to reallocate the 6.8 million from Bangholme to Fiskville, so there would have been a conversation with government for that to happen.

Mr RICHARDSON — In terms of the works that needed to be carried out at Fiskville, was there any schedule or priorities or assessments of the overarching needs at a board level, on what was required?

Ms HIGGINS — Not at that time. I have a recollection — I do not have a date — that there were the beginnings of a Fiskville master plan, but it never came to the board in a final form.

Mr RICHARDSON — What about you, Euan? Was there anything in particular about consulting you about the needs on the site and the transfer of funds? I think Bangholme has not had much investment since it was transferred from the Frankston treatment plant. What were some of the discussions? Were you privy to any of that information or discussion with the government or the department on that investment?

Mr FERGUSON — Certainly not with government, but just generally — and again I was not directly involved; I am not sure whether it was in his time as fire services commissioner or emergency management commissioner — there was a push to have a whole-of-sector approach to training. I think actually there was a little committee that was established around the time that the branding was changed. One of the intents there was to develop a statewide strategy in which the training capability and the training venues could be then put on a future master plan for funding.

Mr RICHARDSON — So it was more at a general, macro level rather than the initial challenges on site that were put forward by various reports?

Mr FERGUSON — I think around that time we were all grappling with the increase in firefighter training for both MFB and CFA, and that was very much front of mind. Could I go back one, to the 2009 Wynsafe report? I was not around at the time, in CFA, but I do want to say that, just to put it into context, we are talking about five months after Black Saturday, and the royal commission, I believe, was putting out an interim report. I do not know the answer to the question about what happened with that report, but it would have been a very, very busy agenda that CFA and other agencies had at the time, perhaps focused on the royal commission and the interim recommendations coming out of the royal commission. That is not an excuse, but — —

Mr RICHARDSON — I take that point, but it is certainly not the only report — 2009 was not the first. In fact there was a David Clancy report of 1996 that raised significant concerns. So if it was in isolation you could probably say that there were reports before that, and you are led to the view that if it had not been for a media outlet breaking the story, where would we be? Would this committee even be deliberating? Would it still be in the same sort of position, because the Joy report would not have been commissioned?

So I take that point, but it was on file and the David Clancy report of 1996, which we can make available as well, raised concerns as well, but it seems that — and I know there was a changeover of staff as well — there was not a, ‘Oh, we will bring up that file note, because there has been significant work done by someone that we have commissioned, that we have budgeted for. We have paid them as a contractor to give us that advice, yet we have just ignored it’. It seems that is a concern in itself, that there is not a reference or a flow-on of information, that there are two reports that pretty much say the same thing — paying contractors and commissioning funds to get that work done — that were not acted upon

I just wanted to go to the Lloyds quickly and round out some of the stuff that we heard from Mick Bourke, if that is okay, Michael.

Mr WOOTTEN — Yes.

Mr RICHARDSON — This morning we are clarifying some of, I guess, the nitty-gritty about some of the details. Mick Bourke gave a bit of an overview of some of the offers that were made and made some comments in particular about a version of events. But one of the things he said was his view of the offer that was made was it was outside the realms of what he would accept as being appropriate. I just wanted to get your comments on that and the fact that there was such a change when Nick came back to his desk, within that period that he was on leave.

Mr WOOTTEN — I suppose I was in the chair for four weeks and the issue arose, and as I said earlier to Simon, Tim, I dealt with it in the best way, in the most appropriate way, that I thought given the situation that Mr and Mrs Lloyd were facing. We had a number of conversations about a variety of different remedies, but it was clear to me from the information that the health of the 1200 sheep was their primary concern — apart from the family, which was human health testing, which was separate — and it was on that basis that I felt it was the right thing to do. It may not have been in accordance with the conventional approach of government or the bureaucracy. Nonetheless I was in the position at the time and I made a call.

Mr RICHARDSON — Mick, just rounding out his comments this morning, said generally that generally those offers are made in consultation with government and on the advice of government. Was that the case in this instance?

Mr WOOTTEN — No.

Mr RICHARDSON — Okay. So you would accept that that was outside of standard procedure?

Mr WOOTTEN — I had not been involved in a situation like that before, so it may well have been — I acknowledge that — but nonetheless I felt it was the right thing to do.

Mr RICHARDSON — So going on from that and some of the elements, what was your view of the offer that was made and what was it to cover, just to clarify?

Mr WOOTTEN — Over the course of three meetings — there were three meetings held in the time that I was acting chair — it was the second meeting where we discussed replacement of 1200 head of sheep. Again, it was not about paying any money to anyone; it was progressively replacing 1200 sheep over a period that was suitable to Mr and Mrs Lloyd, so they could have clean sheep, which was the nub of their business. In addition to that, we had a conversation around fencing off access to the creek on their property, given it was connected to Fiskville.

The third limb of the offer was to connect them to a town water supply from Fiskville so that the water coming onto their property was potable. That was conveyed in writing. We suggested that if they wanted to get quotes for some of that work, they should do that and give them to us but they could choose the supplier. That happened the day after the meeting. The next meeting we had was about a week later, when Mr and Mrs Lloyd's accountant was present and talked about the fact that there were a whole range of things that they thought would be the necessary remedies from their perspective, and he undertook to send me that finalised version of that letter in the next few days, which he did.

Mr RICHARDSON — And what happened subsequent to that, for clarity?

Mr WOOTTEN — I stepped back into my former role. The letter came in on the 13th or 14th — I cannot remember — and I was back in my role on the 15th, so I had no more involvement with the matter personally. My understanding is that a letter was sent back to Mr and Mrs Lloyd's accountant in response to his suggested remedy, and from there I think Slater and Gordon were engaged and the matter has been protracted.

Mr RICHARDSON — From that, I am just clarifying that it covered the sheep.

Mr WOOTTEN — Yes.

Mr RICHARDSON — Fencing.

Mr WOOTTEN — Yes.

Mr RICHARDSON — And fencing off contaminated areas, and then connecting to an appropriate water source, probably mains water.

Mr WOOTTEN — Yes. And, I am sorry, there was also discussion around remediating a dam onsite at the Lloyd's, and we undertook to investigate options to do that, but we did not identify what those options might be.

Mr RICHARDSON — Do you think it would have covered every possible liability that had been experienced?

Mr WOOTTEN — It is hard to say because the letter that came in suggesting the things that had been affected by Fiskville's operations were not quantified in any way. I think that is one of the reasons the matter has gone on for so long. It is about trying to say, 'Well these things have been affected: our business, our property. How do we quantify that in the context of having a mediated discussion?', which is where I think it was heading after I stepped back. I do not know what else might have been involved and what the quantum of those matters was, because they were not in that letter.

Mr RICHARDSON — Given that there were loss-of-income issues and a range of other things in terms of discussing settlement, the fact that they were offered a \$350 000 amount and there was a quick time frame for them to accept that, was it reasonable for them to seek third-party advice from Slater and Gordon to, you know, understand the ramifications of accepting that offer?

Mr WOOTTEN — There was no offer of \$350 000, Tim. There was an offer of replacing 1200 sheep at \$200 a head — \$240 000 — and then the costs for fencing off access to the creek and connecting to a town water supply, which had not been quantified at that stage, and I do not think it ever was.

The second point is that there was not time line given, saying, ‘You must accept this tonight, tomorrow or in the next week’. I had an email sent from my office the next day confirming the offer in writing so that we were all clear on what we were talking about. We did not put down a time line to respond to that letter, and the email is clear about that.

The next part was the response back about the letter from the accountant, which was where the negotiations started to take place.

Mr RICHARDSON — We will not quantify costing, but it is reasonable that those costs could have been greater than the amount that has been said in evidence by the Lloyds, and in not seeking that advice they actually may have been accepting something or a conclusion of that matter — —

Mr WOOTTEN — It is possible, but I do not know because we did not get to the stage of detailing what the amounts might be. At no time did I indicate that their seeking legal advice would affect the offer that I had made. It was not conditional on not getting legal advice. I think it is entirely appropriate that they got legal advice. They in fact asked me to suggest a lawyer for them and I said, ‘No, I can’t do that’. They said, ‘What about Slater and Gordon?’. I said, ‘That is your call’.

Mr RICHARDSON — So once you returned to your role with the CFA, what consultation was then had with Mick Bourke on the negotiations up to that time?

Mr WOOTTEN — I took no part in any further conversations about the matter.

Mr RICHARDSON — So you had detailed discussions to the point of quantifying what you were willing to put forward, yet you were not contacted again about the offer?

Mr WOOTTEN — It was not part of my responsibilities when I went back to my former role because it was a matter being handled through the office of the CEO. Obviously I was not there after Mick came back from leave.

Mr RICHARDSON — So there was no consultation to say, ‘We are up to this point’?

Mr WOOTTEN — I would have done a handover back to Mick and said, ‘This is where we’re at’, and virtually the next day the letter arrived from the accountant, so Mick was clear that ‘This is what I have done in your absence’ — so the meetings, what was discussed, who was involved, and where the matter was at. The letter came in. Similarly, when Mick departed in February last year I undertook straightaway to ascertain where the matter was at. So in between times I had no involvement.

Mr RICHARDSON — So there was no contact from Mick Bourke asking why the offer was made, why it had gone down this procedure, what had been done to this point? It just ceased?

Mr WOOTTEN — I cannot remember the conversation, but in terms of handing over back to him however many matters were on the go, I probably would have said — in fact I would have told him — I had made an offer, yes.

Mr RICHARDSON — Okay. Thank you.

The CHAIR — Just following up on a couple of those, in terms of — —

Mr TILLEY — If I may, Chair, it is 5 minutes past 1.00. Mr Ferguson said he has an appointment at 1.30. We have to give him some time. You have had a good go.

The CHAIR — The only thing was in terms of justice for victims; it was around apologies. I understand if Mr Ferguson has to go because of a prior engagement. It will only take 5 or 10 minutes.

Mr FERGUSON — That is okay.

Mr TILLEY — He has not got 10 minutes; it is now 5 past 1.

The CHAIR — Do you need to get going there now?

Mr FERGUSON — It is a teleconference so I probably need to be out of here by 25 past 1.

The CHAIR — I just wanted to put a couple of things and one was in terms of an apology. We had evidence from Mr Michael Whelan in June last year, and what he said was that he believed that there ought to have been an apology from the CFA to those people that have been harmed or affected by the operations at Fiskville. We are talking about the contamination from the 70s, 80s, 90s and so on. And as we understand it, the CFA's response to the Joy report was, and I quote:

What took place at Fiskville, and to a lesser extent at our other —

RTGs —

— was not good enough and we regret what happened.

But it was not actually an apology. Is there a reason why an apology was not or cannot be given?

Ms HIGGINS — Not that I am aware of.

Mr RAMSAY — He made a number of recommendations, from memory, in his submission in relation to the consolidation of fire services and a whole lot of other things.

The CHAIR — This was just talking about a public apology.

Mr RAMSAY — Yes, that was one of his recommendations. There were a number of them.

The CHAIR — The other thing is in terms of the engagement with Brian Potter. We heard evidence from his wife Di Potter that he had asked to have a meeting with the board to go through, prior to the article in the paper. Was that reported to you that there was a request — I guess that is with you Ms Higgins — to meet with him?

Ms HIGGINS — Chair, at that time I was not the chair of the board. I was a director and I am not aware that that request came in.

The CHAIR — So as an ordinary board member, you do not remember that there was any — —

Ms HIGGINS — I am not aware of one. I have heard and I have read about that, but I have no confirmation myself that that happened, but it may have.

Mr FERGUSON — Chair, my recollection around the time of the revelation in the *Herald Sun* is there was a statement which I think might have been attributed to Brian Potter that he had made a contact with a senior person in CFA. In the 24 hours or so after the revelation I understand that it was identified that that was a board member, and that board member had failed to follow through on an actual meeting contact with Mr Potter.

The CHAIR — Okay, thank you. Apologies for us taking so long, but we are trying to be as thorough as we can and sometimes things go a bit longer.

Ms WARD — Thanks for being here such a long time.

The CHAIR — Thank you very much for your time today.

Witnesses withdrew.