

CLOSED PROCEEDINGS

ENVIRONMENT, NATURAL RESOURCES AND REGIONAL DEVELOPMENT COMMITTEE

Inquiry into the CFA training college at Fiskville

Melbourne — 21 December 2015

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Ms Sherry Herman, former Program Manager, Informing the Future Program, Country Fire Authority.

The CHAIR — Thank you for coming to the hearing today. I will just go through some of the formalities before we start. Relax. We will just ask you questions and hopefully if you can answer them, that is good.

Ms WARD — We try to keep it pretty casual. Would you like a cup of tea or coffee?

Ms HERMAN — I am good, thank you very much.

The CHAIR — Good morning, and welcome to Ms Sherry Herman. As outlined in the guide provided to you by the secretariat, all evidence at the 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 you make outside this hearing will not attract such privilege. It is an act of contempt of Parliament to provide false or misleading evidence to the committee, and the committee may ask for further follow-up information if required and for further evidence to be taken from you at a later date. All evidence is being recorded, and you will be provided with a transcript of the hearings prior to it being made publicly available to check for any inaccuracies or problems.

Welcome again, and thank you for giving the time. I apologise again for the delay. As I understand, you have your own private consultancy company, which you have had since 1999, and you provide project management and program management services. In August 2012 you were contracted by the CFA to perform the role of program manager, Informing the Future program. It was a three-year contract in which you were required, amongst other things, to implement 10 of the recommendations of the Joy report and also respond to some of the comments from the Joy report.

In starting off the questioning, if I could perhaps ask you a little bit about some of the documentation. You were a private contractor with your own firm?

Ms HERMAN — Yes.

The CHAIR — Contracted, but you were also performing very involved CFA work as part of that program. Could you let us know what your area of responsibility was if you had responsibility, and also how you went about your work?

Ms HERMAN — Okay, sure. During my time with CFA I was dedicated to working for CFA, so I was not carrying another client load. My contract was with them exclusively during my period of time there.

The CHAIR — And that is what was required from them.

Ms HERMAN — That is correct, yes. Any other people who joined my team were actually hired by CFA. I did not bring in my own people; they were just contracting with me specifically in this particular instance. My responsibilities were to really provide professional program management services, which meant that I established the program office from early days from scratch. I, managed all of the budgets and the funding. I had project managers appointed and dedicated to various portfolios of work.

Some of them were CFA employees, and they had a dotted line relationship to me but still reported to their line manager. They were responsible to me when they were CFA employees only for implementing a particular project, sometimes a couple of projects, and they reported to me on a weekly basis on their progress with those, the establishment of the implementation plans for their projects, and any funding that they might need was managed through my office.

I also had project managers appointed from outside companies, so project managers from companies like Cardno Lane Piper, which later became the Cardno Group because they merged in with a larger corporate global company. I had project managers working with Senversa and a whole range of other companies who were providing services for us. My job was to make sure that the CEO in particular of CFA — and he reported to the board; any of their wishes were implemented the way they wanted them to be implemented. My job was also to on a regular basis — most of the time it was monthly informal, sometimes in between — provide updates on progress with all of the program of work and also updates on funding and with how the finances were being spent and so on.

In addition to that, I had several layers of governance that I was responsible for reporting to, so it was not just to the CEO but also to a subcommittee of the board. In the beginning I think it was called the Fiskville committee,

and later on it was changed to the health, safety and environment committee, and I reported to them whenever they met. I would go in for half an hour, provide them with an update and then leave and they would get on with their regular business.

I also provided evidence, if you like, to the independent monitor, Kieran Walshe. My office was responsible for all of that record keeping. So every time we had a project, all of the documentation around that project and the evidence of its either progression or completion was collated by my office. Kieran would come on a regular basis — whenever he wanted, really — and he would ask for whatever he wanted and we would give it to him. I also provided regular reports to the Department of Justice on the overall program of work and again on funding and progress, risk analyses, that sort of thing.

The CHAIR — The Department of Justice — what was the reporting that was required there?

Ms HERMAN — Just to provide some clarity, when I first arrived, CFA had \$5 million of its own money which it had dedicated to the portfolio that I was working within. So as long as it was within its own funding, I was reporting on that to the CEO and to the subcommittee of the board. Shortly after my arrival my team became responsible for putting in a business case for additional funding to cover any costs associated with remediation and assessment and so on. That business case was accepted and the state government announced \$16.8 million for the ongoing remediation of Fiskville and the training campuses, health and welfare programs, a whole range of things. As soon as that money was allocated by the state, the governance for it was directly to the Department of Justice, so I had to provide them with monthly updates in their formats to meet their requirements on, again, each of the projects' progress, the funding and how it was being spent, any risks associated with the money or with the outcomes of the projects and so on. So I had many different masters to provide reporting to in different formats, and the Department of Justice was an important part of that.

The CHAIR — When did the reporting with the Department of Justice start? When was that?

Ms HERMAN — I am just trying to think. I do not have access to any of my records, so I am going to rely on my memory.

The CHAIR — So they are all with the CFA?

Ms HERMAN — They are, yes. I do not have any copies of anything that I created or used in that time.

The CHAIR — Right. Okay.

Ms HERMAN — That was a condition of my contract: it was their property. I believe the funding was announced in May 2013, the 16.8 million, and I believe we got access to that money on 1 July 2013 and we started reporting at that point, if my memory serves me right.

The CHAIR — Okay. A couple of things. So you directly reported to the CEO. That was Mick Bourke at the time — he was the CEO.

Ms HERMAN — That is correct, yes.

The CHAIR — You also provided a report to the subcommittee of the board.

Ms HERMAN — I did. Yes, I did.

The CHAIR — At the same time?

Ms HERMAN — No.

The CHAIR — Or was the CEO day to day?

Ms HERMAN — Yes.

The CHAIR — And a reporting type of report for the subcommittee of the board?

Ms HERMAN — That is correct. My reporting to Mick Bourke was often much more informal. My office was just a couple down from him and on a daily basis we would bump into each other or not. On a regular basis,

usually fortnightly, I had a meeting with him. Sometimes it got shuffled around depending on his availability. Then on a monthly basis I would provide a formal report to the HSE committee. Actually, it was not exactly monthly — they met about 8 times a year, depending on how they were scheduling.

The CHAIR — We are just trying to clear in our minds. In terms of the work instructions, were you left to your own devices, if you like, based on the recommendations?

Ms HERMAN — No.

The CHAIR — Or you did get specifically told — —

Ms HERMAN — Very much so, yes. Basically the program of work was established before I arrived, so I arrived in mid-August and at that time the CFA had already agreed to implement the 10 recommendations from Professor Joy's report. They had already engaged Cardno Lane Piper, and they had already had a contract with them for them to undertake the assessment work. Shortly after I arrived the engagement with the toxicologist Dr Roger Drew was formalised by CFA and also a bit later the peer reviewer Professor Brian Priestly, who was peer reviewing the toxicologists work. The program of work was very well established. My job was to oversee it and to make sure that it got done and report on its progress.

There was a whole range of other CFA employees who were responsible for various aspects of work, who had a dotted line into my office, and handled, you know, regular reporting to me which I would then collate and write up. The people and culture directorate, for example, managed all the health and welfare programs, and they had a specialist team established before I arrived. Then after I arrived they would meet with me on a regular basis, keep me informed, provide me with reports and so on.

The CHAIR — What did you think of the Joy report? Did you think it was a rigorous and well-researched report?

Ms HERMAN — It seemed like it to me. I need to clarify: I am not an expert in environmental matters; I am an expert in program management.

The CHAIR — Sure.

Ms HERMAN — It was probably one of the most thorough inductions I have had in any job in that there was this quite big body of information. Whether or not it was done as thoroughly as it should have been or not I could not say because I was not around at the time and do not really have that sort of expertise, but it certainly seemed to me, walking into the job, that there was quite a lot of research and quite a lot of information available and a pretty good road map for what needed to be done.

The CHAIR — Did you have any disagreements or differences in terms of the management of the project, or if you provided advice, that was what the CFA went with?

Ms HERMAN — Most of my advice I tended to confine primarily to matters of program management rather than technical expertise —

The CHAIR — Yes, of course.

Ms HERMAN — because there were so many technical experts.

The CHAIR — How they were doing things, yes.

Ms HERMAN — I am sure along the way I would have given advice that was either taken or not, but I do not recall ever having any major disagreements with anyone in the CFA about what needed to be done.

The CHAIR — Just a final background question. The Joy report finished in 1999. From your experience in dealing with the issues and managing the issues, do you think that was an appropriate time for the report to be conducted to?

Ms HERMAN — That is a good question; I asked that question going in. In my very first discussions with Mick Bourke about taking on the role, before I took it on I asked him to allow me to do some due diligence so I had a bit of an idea of what I was getting into. That was one of my first questions. The response to that was very

much that the practical area for drills, the industrial area, at Fiskville had been renovated or remediated at that stage from a prior issue and in 1999 it had reopened and that was why they had chosen that particular year to end the investigation, and I just accepted that.

The CHAIR — What about now? Do you think looking back that was perhaps not the right end point?

Ms HERMAN — I think because it is now being called into question it might have been prudent to have gone into the present day just so that there were not those questions hanging over what was done. As far as it being something sinister, I never saw anything sinister in it. But with the benefit of hindsight everybody is asking that question, so in order — —

The CHAIR — And that is why I asked it, not because there was anything untoward. It is just that often you can look back and say maybe — —

Ms HERMAN — In hindsight I would say that it probably would have been prudent to take it all the way up to the present day just so there were not questions lingering over whether or not there was some other reason for that.

The CHAIR — Okay, and do you work with government? Do you do a lot of consulting with government? Is that your sort of expertise?

Ms HERMAN — I used to. My first role in government was working with CFA in 2006 on an IT matter, a totally different matter. Their IT systems needed some upgrading and I helped them with that. Then I worked with ESTA and the Department of Justice on the upgrades of the SMR radio system, MMR and EAS, so I did a lot of work on renewing all of those contracts for state-based radio telecommunications.

The CHAIR — Okay. Well done.

Mr McCURDY — Sherry, thanks for coming in. I want to talk about the blood tests with Matt and Beccara Lloyd in particular.

Ms HERMAN — Yes.

Mr McCURDY — Can you shed some light on how all that transpired?

Ms HERMAN — I can, yes. Again, I will be fuzzy on dates. I will just check my notes because I made some notes on this because I thought you would ask — in June 2013 I was approached by the executive director of operational training and volunteerism, Lex de Man. He asked me to come to a meeting with Mr and Mrs Lloyd, because they had contacted some managers at Fiskville about concerns that their property might be contaminated because it was in close proximity to Fiskville itself.

I attended a meeting with them in their kitchen. We sat down and they discussed with us what their fears were. During that meeting the executive director of OT&V offered Mr and Mrs Lloyd an opportunity to have health checks, and part of that was blood testing. I believe Roger Drew attended that meeting as well, so he was there and he was able to answer some of their questions to the best that he could about PFOS and what the health effects might be of being exposed to PFOS in particular.

I went on leave about two or three days after that meeting. I was gone for about six weeks and during that period I understand that Mr and Mrs Lloyd did attend the health checks with PHM. I think the doctor who was assigned to them was Dr Sergeant. My understanding is that they did avail themselves of those blood tests and they did get feedback from PHM on the outcomes of those blood tests. But I personally was not involved in that loop.

Mr McCURDY — Dr Sergeant was their physician but was also engaged by the CFA.

Ms HERMAN — Dr Sergeant has been a long-term CFA physician I believe. In fact he might even have retired in the time since I have left. But he provided CFA with services for many years through his company called PHM in Melbourne.

Mr McCURDY — Can you give us any indication of why when the Lloyds tried to get those full test results they went to Dr Sergeant and he said, ‘You have got to go to the CFA’, and when they went to the CFA they said, ‘No, you have got to go to Dr Sergeant’.

Ms HERMAN — I would be very surprised because as far as I know the blood tests were always kept by the doctor. There is patient confidentiality. I personally never received anybody’s blood tests, and I do not know that anybody in CFA ever would have. Even though Dr Sergeant was CFA’s doctor, the medical relationship, as I understand it, existed between Dr Sergeant and Mr and Mrs Lloyd. If they had queried their blood tests and he did not deliver them, I would find that pretty remarkable.

Mr McCURDY — It is remarkable and it is odd. Mr Lloyd was certainly in the high-risk group while at the same time he was denied access to those blood tests by the CFA, which seems quite odd.

Ms HERMAN — The CFA did not have the blood tests as far as I know. I genuinely do not believe they ever received the blood tests so I cannot explain why Dr Sergeant would not have given them the blood tests, because he is the one who had them. All of the pathology and all of the transport of any samples between laboratories — I think it was Dorevitch they were using — was all organised through PHM. Dr Sargeant would be in possession of those blood tests results, without question.

Mr McCURDY — What about the health check program? You were engaged by the CFA?

Ms HERMAN — Yes, I was.

Mr McCURDY — Can you tell us a bit about the health check program?

Ms HERMAN — Are you talking about the health surveillance program?

Mr McCURDY — Yes. Who was eligible, when was it established, what was the intention of that health check program?

Ms HERMAN — The health check — I think they were calling it the health surveillance program when I got there — was established before I arrived. It was managed out of the people and culture directorate, and there was a manager there by the name of Angela Seach, who really looked after the whole of the thing. I think Jeff Green also had some role to play in actually developing the program.

It was launched, I believe, shortly after the Joy report was tabled and slightly prior to my arrival. Basically what it was for is anyone who was considered to be in the high or medium risk of exposure groups as determined by Professor Joy in his report. There is a page in his report — I think it is page 96, because I looked at it that many times — where there is a table. It sets out his analyses of who might have been most at risk of exposure.

If you look at the categories, there are things like full-time instructors, PAD operators and the like, who worked and trained at CFA for long periods of time and were considered to be either high or medium. That was the primary intent, and the program enabled people who were in those groups in particular to be able to get counselling, to be able to get blood tests, medical works — that sort of thing — over a five-year period. I believe CFA picked up the cost for all of that. Sometimes people could not get to the doctor, so the doctor would go to them in remote areas, or CFA would pay their transport and accommodation if they had to go into the city, that sort of thing.

The program was also widened out to anybody really who had any real concerns. What would happen occasionally is people from the public or people who were previous employees of CFA who maybe did not fit neatly into those categories would bring some real concerns about their health. The way that would progress is we would always provide them with a visit to the doctor, and then the doctor would decide whether or not, based on the outcomes of their tests and so on, they required continued health surveillance, and then CFA would provide it if the doctor felt they needed it.

That program was expanded a couple of times over the course of the program as new information came to light. For example, when we discovered that there were high levels of PFOS in the fish in Lake Fiskville and we determined that people may have eaten the fish, we mobilised very quickly and expanded that program so that anybody who might have been concerned, either within CFA or members of the public — we put newspaper

ads in the local papers — anybody who wanted to come forward and have health tests were then also availed that program. It started off for a specific group, and it widened as circumstances were encountered.

Mr McCURDY — We received a submission from a wife of one of the CFA employees who lived at Fiskville for three years. She was part of the health check program with annual check-ups. She made a comment:

It really feels like we have been given that medical check to appease rather than to see if we are okay.

Have you got any comments on that?

Ms HERMAN — I do not actually, no. I think there were a lot of people quite understandably feeling very nervous. I would certainly feel nervous if I lived at Fiskville for a while and this was all happening and I was receiving this information from CFA. But my understanding of the program and how it played out was that it was quite thorough.

Mr McCURDY — We also understand you were a member of the health, safety and environment committee in — —

Ms HERMAN — I reported to it. I was not necessarily a member of it. They were a governance body that I reported to.

Mr McCURDY — So what was your role in terms of reporting?

Ms HERMAN — Whenever they would meet I would provide them with updates on the whole program of work. The committee was chaired by Peter Harmsworth. I would go in normally for about half an hour and give them what was called a 'Fiskville Update'. I would go through the whole program of work, provide them with an update on progress of each of the key projects, again on funding, any key matters of risk or issues that we were encountering and so on. That would happen on a regular basis.

Mr McCURDY — In the 2013–14 annual report it stated:

CFA internal auditors, PWC, has characterised CFA's OH&S approach as having a strong compliance focus with the inference being that there is a need now to more comprehensively and successfully embed HS&E within the culture of CFA.

What is your opinion of that finding?

Ms HERMAN — I would agree with that. You might recall in the CFA's response to the Professor Joy report there were 11 management initiatives. One of them was to strengthen the health, safety and environment capability of the organisation over all, and the other one was to put in better systems and procedures, and I absolutely believed that it was needed.

From my observations of what occurred at Fiskville and the training campuses, they were very much left to their local management, if you like, and each of them did their own thing. My view, having trawled through their financial records for years past to try and get an understanding of what happened there, is that they were grossly underfunded and they were doing everything on a shoestring. The people there, primarily the men — the men and women; I think there might have been one or two women who worked there — were I think extremely personally engaged in trying to do the right thing, but had very little money to do it with, so they were very inventive in the way they went about making things work. To look at it by today's standards, a lot of it you would say, 'Not good enough'.

Mr McCURDY — So it was needed, and you agree it was needed in terms of that finding. Did you see any actions by the CFA to demonstrate that they had taken steps to — —

Ms HERMAN — Yes. There were several, and they were still in progress when I left. To go through the ones, the first one was the establishment of a health, safety and environment committee. When I first arrived at CFA there was not one, so the board I believe, might have taken on HS&E matters ad hoc, but shortly after I arrived — I think it was in November of 2012 — they established a health, safety and environment committee as its own committee and gave it responsibility for governance, if you like, of those sorts of matters. They hired an independent expert onto that committee, and that committee is the one that I reported to.

The other things they did, some of them were through my office. We hired an environmental specialist and a health and safety expert, who were dedicated to the training campuses in particular. They were the leaders, if you like, of the establishment of AS 4801 and IS 14001, which are international standards for health, safety and environment. I will not lie to you: getting progress on those things was very difficult. CFA is an organisation, from my point of view, that is very, very good at responding to emergencies. When the bell rings and you have got to get the truck out the door, everybody responds and there is a process for doing that. When it comes to policies and procedures and day-to-day management, they do not have as much capability in that area and the culture is not one that looks at planning and setting out established processes and following them.

My understanding of CFA from my time there is that it kind of grew up as a cottage industry. You had a lot of local brigades coming up all over the state, and they were in many ways self-governing for many, many years, and now trying to pull them all back and say, 'Okay, we're going to do it one way now', you meet with quite a lot of resistance. It is a very difficult thing to do. I do believe they need to do more and that is probably one of the greatest challenges they have.

Mr RICHARDSON — Thanks, Sherry, for coming in. Just a few questions around broader community engagement and interaction with the board. The CFA submission to the inquiry states the welfare of CFA people is the board's first priority. Can you elaborate further on that and your experience with the CFA board, with particular reference to occupational health and safety?

Ms HERMAN — Just to clarify, too, I personally never reported to the board per se; I always reported to the subcommittee, so I cannot comment on anything that actually happened in the full board. In the actual subcommittee that I reported to, they always were most interested in the health and welfare aspects, so I would usually kick off my presentation with what was happening with health surveillance, what was happening in the health and welfare part of the portfolio, and also in the progress we were making with AS 4801 and so on. In terms of what was happening across CFA on a day-to-day basis on that, to be honest with you I could not tell you.

Mr RICHARDSON — In the reports and your networks with the health, safety and environment committee, were you familiar with the ALS report at all?

Ms HERMAN — I was apprised that there was a report prepared by ALS prior to my arrival and it had something to do with water contamination at Fiskville. I personally never got involved in it because it was not part of my remit, but I am aware of it.

Mr RICHARDSON — That report found that there were known carcinogens in dam 1 in particular, and it has come to the committee's attention that some of the attempts to try to remediate that were not actioned or given priority at a board level. Was that an experience you faced? When going through and implementing some of the recommendations of the Joy report, were there some barriers there where some of the work that you were doing in terms of improving the site were hit with roadblocks?

Ms HERMAN — The biggest roadblocks — there were a few, there were not many — were very much in that AS 4801, IS 14001 space. When I was trying to facilitate the development of health and safety procedures at the training campuses, it did meet with resistance. We would often find that things were happening that they were not telling us about. The health and safety guys would go down and have a look and come back to me and go, 'Hey Sherry, do you realise this is actually going on?', and I would have to escalate that, which would cause angst. There were established ways of doing things at the campuses that I think the managers of those campuses had fallen into the practice of doing because it was expedient and because they could never get money for things. It was very hard to change that type of culture. When you try to come in over the top of that and provide an expert, they were suspicious of the experts and they sometimes saw them as people who were going to slow them down and make things harder, so, yes, I did hit resistance sometimes.

Mr RICHARDSON — Those experts, those ones they are referring to, can you take us through that process? Was it that they were wanting experts that were more receptive to their concerns?

Ms HERMAN — They did not want 'experts' at all. Basically on my read of it, from my interactions with them, is they had been allowed to do a lot of what they wanted for a very long time without a lot of oversight or control from a high level.

The CHAIR — When you say ‘they’, can you be more specific?

Ms HERMAN — Sure. I am talking about the local management of the campuses themselves. There was a management team at Fiskville. There was a management team at Bangholme, and then there were managers — far fewer staff — at the other six campuses across the state. The smaller campuses I had very little problem with, to be honest with you.

One of the other things that CFA did, which I forgot to tell you, is that they centralised the reporting lines of all of those campuses into one executive directorate, which prior to my arrival, again, they were all part of the regions and they all did things their own way and they all had their own practices and procedures. Once they all had a reporting line to the executive director, OT&V, the smaller — —

Ms WARD — That was Lex de Man?

Ms HERMAN — That was Lex de Man. The smaller campuses were ecstatic. The managers of those campuses felt like that for the first time they had a line to executive and that they were going to be able to get some of the things they needed. The larger campuses did not welcome that quite as much as the smaller campuses because they had enough momentum of their own that they could do a lot of things that they needed to do on their own. I think they kind of resented having another layer of management sometimes, overseeing what they do.

Mr RICHARDSON — Yes, because we have heard that Bangholme had been screaming out for funding for many, many years.

Ms HERMAN — Yes.

Mr RICHARDSON — It was probably a watershed moment for them. Can I clarify the subcommittee that you reported to at the board. What was the subcommittee?

Ms HERMAN — It was the health, safety and environment committee.

Mr RICHARDSON — Okay. How frequently would you attend those meetings or report to those meetings?

Ms HERMAN — Every time they met, and they met probably eight times a year — something like that — so they would not meet, obviously, Christmas and January, and sometimes there was a gap somewhere in there. I think it was about eight times a year.

Mr RICHARDSON — And what was generally the contention in those meetings? What were the main points covered?

Ms HERMAN — Besides mine? I would go in and do the Fiskville update. They also had members of the people and culture directorate, so people like Jeff Green and his team — he was the head of health and safety; Angela Seach, who looked after health and wellbeing. They would go in and give updates as well, as would the director of people and culture. She would go in and give an update on any sort of incidents that might have occurred or progress they were making on various programs and so on, but I did not normally sit through those. I think I might have once or twice just because they scheduled me at the end and had me come in and I waited, but they had a whole program of reports that they would get on a regular basis, primarily from people and culture.

Mr RICHARDSON — So did you provide any reports on the liaison with the Lloyds?

Ms HERMAN — That is a good question. No, I did not. I was told that that was not part of the health, safety and environment committee’s remit, and that Mick was taking that matter to the appropriate people so I did not report on the details of that to the health, safety and environment committee. I was actually asked not to.

Mr RICHARDSON — Okay, and so community engagement, the health surveillance, was that — —

The CHAIR — Sorry, can I just ask: Mick Wootten or Mick Bourke? Which one, just for clarification?

Ms HERMAN — Who asked me not to report it to the health, safety and environment committee?

The CHAIR — Yes.

Ms HERMAN — It was actually Peter Harmsworth, the chair of that committee.

The CHAIR — I thought you mentioned the name Mick, and because there are two, I just thought that I should clarify that.

Ms HERMAN — I have not answered your question correctly, either, I am sorry. I just realised what you have asked me. So the person who asked me not to report it to the committee was Peter Harmsworth. The person who said he would report it to the appropriate people was Mick Bourke.

Ms WARD — And that decision was made because your relationship was mainly with Fiskville and the committee did not have their concerns around neighbouring properties?

Ms HERMAN — To be honest with you, I am not entirely sure why that decision was made.

Mr RICHARDSON — Community engagement, was that another topic that was covered in that, and what was the nature of those updates?

Ms HERMAN — Yes. I would give them an update on whatever we were doing in terms of communication and community updates. There was a lot of communication and community updates that were going on throughout the whole life of the program and they tended to fall into two camps. One was the regular updates that we would provide as a program office, or Mick Bourke did blogs and so on, which were just part of the regular machinery of running a program office. Then we had quite a few campaigns around key events, so things that happened that we did not expect to happen or that we felt were so important that we needed to get out and do a lot more in terms of community engagement or communication overall.

We also had the whole machinery of the health surveillance program, so if you could imagine they were trying to find and get in contact with people who were working at Fiskville 40 years ago, so it was a pretty big endeavour. There were no computers in those days, so records were scarce. So what that team did — and they did report their progress up through me so I was getting quite familiar with it — is they brought in people who were long-term volunteers, who really knew CFA and knew the communities within CFA quite well, and they would go and visit with people and sit down and just get lists of names — ‘Who worked there when you worked there? Where are they now?’. They got out old photographs and old newspapers and microfiche, death notices, anything they could possibly get their hands on, and then whenever they would find one person they would sit down with that person and then find out everybody they knew, so it was quite a long and painstaking process.

All of that was a very intensive form of engagement with people who had concerns or were notified that there might be some reason to be concerned for having worked at Fiskville all those years ago, and I would give the committee updates on that. So how many people were contacted, ? What was the status of people attending their doctors’ visits and those sorts of things, if that is what you are asking me.

Mr RICHARDSON — Just finally, the committee has heard, and you might be aware of this, of an offer that was made to the Lloyds, a severance offer effectively, of \$350 000, made on their property. Were you familiar with the details of that offer made to the Lloyds?

Ms HERMAN — Yes, I am.

Mr RICHARDSON — Could you give a bit of detail on that?

Ms HERMAN — Yes. I attended probably half a dozen meetings with the Lloyds at the request of CFA, and at one of those I was with the acting CEO, Michael Wootten at the time. At the meeting he made an offer to remediate their dam, clean up their dam, and I believe purchase their livestock, and I think the total of that was around \$350,000, and I was asked to put that in an email to the Lloyds after the meeting, so I am familiar with that.

Mr RICHARDSON — Were you also aware of the statement put to the Lloyds that if they sought third-party advice or advice from their lawyers, that the offer would be null and void?

Ms HERMAN — No, I am not aware of that, no.

Mr RICHARDSON — Okay, because that is evidence that has been tendered by the Lloyds to this committee, that upon seeking legal advice that offer would not apply. So you are not familiar with any of that?

Ms HERMAN — I am not, but I did not attend every meeting with the Lloyds, so I cannot say whether that occurred or not, but I am not aware of it.

Mr RICHARDSON — Do you think that is a bit of a strange approach given the sensitivities around that — that there would be such a demand put on the Lloyds?

Ms HERMAN — I personally would find that unreasonable, yes.

Mr RICHARDSON — Thank you.

Ms WARD — I just wanted to talk about remediation and the handling of contamination. In the CFA's submission to us they have said on page 2 that 'the local environment is to be safeguarded and action taken to correct environmental damage'. How do you feel about that statement in itself, and do you think the CFA either does or does not prioritise the environment in how it goes about its operations?

Ms HERMAN — I think it is clear that in the past they did not. I think that all of the efforts that were taken in trying to remediate Fiskville from the time they started doing the assessments that led to the Joy report and then all of the assessments afterwards, I saw quite a concerned and committed effort, bear in mind that my prism was into the training campuses themselves and not into the everyday operations of CFA, so if you asked me what was happening in the brigades, I could not answer those questions. But certainly in my experience and in my time with them, it was a very high priority because that was everything I was doing, yes.

Ms WARD — So you think that as more and more information became open to them and they understood everything that had gone on, their concern around the environment was increased?

Ms HERMAN — Absolutely, yes. There were some watershed moments where we would sit down with the local management teams of the campuses and show them aerial photographs of the waterways and say, 'Do you realise that what you are doing here is going all the way down to the Moorabool River?'. And they just literally had never thought about it. It was after we had had a few of those sessions that they started to proactively ring me, which was brilliant, and say, 'Should I be doing this?' or, 'We have been storing this here in this way. Should I continue to do that? Should we be having more bunding?'. So yes, it did improve quite a bit in terms of their awareness and their commitment as time went on.

Ms WARD — I find that interesting what you said because that seems to be my reading of it too, that there was not a lot of thought put into how everything operates. So do you recall having any information around how the water processing developed at Fiskville and how it evolved and what was the science or the recommendations behind them creating that, or was it more of an ad hoc approach?

Ms HERMAN — I have to be honest, I did not find a lot of science. I think a lot of it was industrial expediency. The dams themselves and the manner in which they flushed into Lake Fiskville and then the overflow of that lake would have been going on for a long time, and I do not think there was any thought given to it. If there was, it was not apparent. There might have been individuals who had those concerns, but I certainly did not find any real evidence that there had been a lot of thought put into it.

Ms WARD — I will just direct you to the report by Cardno Lane Piper in March 2014. In one of the surface water and sediment contamination assessments one of the recommendations was that:

All reasonable measures be taken to reduce or stop further discharge of contaminated water from the water management system at the site, including Lake Fiskville, from discharging to surface waters downstream ...

In the CFA's submission to the committee in March of 2015 this recommendation was marked as 'stage 1 complete'. Do you recall what the stages were for implementing the recommendations?

Ms HERMAN — I do.

Ms WARD — Can you talk us through stage 1 and how it was completed?

Ms HERMAN — Yes, I can. Starting with stage 1, another report that Cardno Lane prepared was a feasibility study for remediation, and in that they put forth a blueprint, if you like, a conceptual model, of how you could actually remediate the whole of this site. It started off with what they called the first stage, which was ‘containment’. Before you could actually do any real remediation of what was there, you had to stop the flow. We asked Cardno to put a formal design together for us of what that would look like — engineering drawings and full specs — and they did do that. Basically what it entailed was bypassing the lake — rerouting the creek so that it bypassed the lake and putting in a number of other measures — things like increasing the capacity of the lake by raising its banks up, removing the levy that overflows from the lake into the creek, putting in place bunding around a lot of the dams and installing underground pipes and so on to make sure that water that was created in the industrial area of the PAD was, to the extent possible, kept on site as part of that first stage.

We took those drawings and lodged them with Moorabool Shire Council. We got a permit to move ahead, and we put a tender out. The tender was awarded to Bitu-mill, which Cardno superintended, and that work commenced in January of 2014, I think it was, and finished in July. I think it was all commissioned in July 2014. At the commissioning, basically the industrial water was from that point onwards primarily contained on the site. Mind you, water being water, it is not foolproof, but it certainly was the best measure we could take or that the engineers said we could take in the first step to at least really minimise any off-site flow.

The next stage was then full remediation. At that stage my instruction was that the place was going to be a going concern, so the remediation had to include not only the clean-up of what was there but the prevention of the problem ever happening again. That entailed a whole range of things. It included remediating all the water and sediments in all of the dams and the lake. It included remediating the landfills, so there are some old landfills out the back. It included putting in a water treatment plant on the industrial area and appropriate storage facilities for water so that it was not open air any longer — so a whole range of things which were subject to a second tender which commenced in I think it was October of 2014. A member of my team was running that: a project manager, Amy Fuller. That was well in progress, and it came to a bit of a stop in March because we discovered that there was PFOS in the water infrastructure on the PAD, which we did not expect.

Ms WARD — In the containment did Cardno Lane Piper talk about how to contain any flow from the PAD itself? We understand that the PAD operates like a bit of a sponge in terms of PFOS and PFOA, and every time it rains it leaches out.

Ms HERMAN — Yes.

Ms WARD — Was there any discussion around how to contain that?

Ms HERMAN — There was; in fact it was even bound up in the Environment Protection Authority’s notices. There was core testing of the PAD — so you pull up some of the concrete and test it. That was not done at the time that I had left; it was still on the slate to be done. If we had found PFOS in those infrastructures, we would have had to remove them or there are also some methods of covering them and that sort of thing. It depended on how much money you had and how long you wanted the result to last. But we had not gotten that far.

Ms WARD — When the EPA was here not so long ago it still had not got to that point. It would seem that it was not aware of where the PAD was up to next, so thank you. We also understand that from January 2013 your program management services were expanded to include the CFA’s response to the EPA’s clean-up notices.

Ms HERMAN — That is correct.

Ms WARD — The committee has evidence suggesting that there have been a number of instances where the CFA has not complied with the EPA audit process — for example, according to the time line attached to the EPA submission on 31 December 2013, the CFA applied for an extension of time to complete the environmental audit, and the EPA granted an extension. What is your view about the compliance of the CFA with the requirements imposed by the EPA up until March 2015 when you ceased working for the CFA?

Ms HERMAN — That is a good question. The whole process of getting the auditor’s report out was an extremely, extremely complicated one, and it consumed an enormous amount of my time and my team’s time. The way it happened is that the program of work was established before the EPA clean-up notices actually were issued, and when the auditor was appointed in January 2013, he took some time and looked at the body of work

that Cardno Lane Piper and others were doing, and he had to determine whether or not that was enough. But everything was in full train by then. He — being Darryl Strudwick of AECOM — basically was doing his own assessments. So he had some site visits and he had his own team of experts, and they were trying to assess the whole situation.

At the same time Cardno, who were seriously struggling to produce such a large volume of reports within the set timeframes, would provide the auditor with drafts of their reports. The auditor would review them, and then he would send back spreadsheets with questions or things that Cardno had to address. Cardno would address them, update the reports and give them back to the auditor, and then he would question them again, and it would go round and around and around.

The other thing was that there were things happening that we did not anticipate. The fish issue was one, which added a whole new report onto the load, and then obviously the issue with the Lloyds. That created an enormous amount of work that was not anticipated at the time that that time line was established by the EPA. I believe the actual testing, particularly the Lloyds' property, and the results of those tests would have come in in November of 2014, which did not give anybody enough time to really write them up, so in early December of 2014 I received a call from Darryl Strudwick saying he was not going to make the time line. We got together as a group, we went to EPA, we met with them, we explained to them the situation we were in — that we were still waiting on reports from not only Cardno but also Dr Drew — and we asked for an extension and we were granted the extension. I do not know that it would have been physically possible to have the reports written, given that there was so much information coming in that we did not anticipate.

Ms WARD — Just quickly going on with the Lloyds and following up from Tim's questioning, you attended a number of the meetings with the Lloyds and I think Lex de Man as well. Do you remember any conversation with Lex de Man regarding him recommending they get lawyers?

Ms HERMAN — I told them to get a lawyer.

Ms WARD — You told them to get a lawyer?

Ms HERMAN — Twice.

Ms WARD — Twice. And why did you do that?

Ms HERMAN — I just felt they needed one. It was my personal advice to them, because they asked me. They were in enormous distress. It was a really difficult thing to see — very, very difficult.

Ms WARD — And what was Lex de Man's view on that?

Ms HERMAN — I am not sure he had a view on that, to be honest.

Mr RAMSAY — I am just wondering: did you work with Mick Bourke when he was CEO of the EPA?

Ms HERMAN — No, I did not. I did not know him then.

Mr RAMSAY — Do you find his past experience on the EPA a useful tool to have, given his role as CEO of the CFA?

Ms HERMAN — I had not really thought about it, but he certainly seemed to understand what the EPA process was, so he was able to give a lot of, you know, instruction on what it is we needed to do to be able to comply. He understood that area very well, which I did not, so whenever I went to him with questions he was able to answer them.

The CHAIR — Just going on with the Lloyds, do you know why the offer of compensation was withdrawn?

Ms HERMAN — I actually do not, no. I attended, as I said, probably about half a dozen meetings with the Lloyds. The last meeting I had with them was when I attended their farm with Tony Britt and a couple of DEPI agents and we took tests of their lambs and so on. When I say 'we', I stood there talking to Mr Lloyd and the DEPI guys did the testing. But that was my last meeting with them. After that I was asked not to get involved in

anything further. CFA took me off it, asked me to refocus on my own program of work and that they would take it on from there.

The CHAIR — There might be a couple of other questions about the Lloyds, but can I just quickly ask: were volunteers involved in the health monitoring? We have heard claims that volunteers were sort of not really supported. They might have had the first visit with a doctor but then there was not really anything else.

Ms HERMAN — Yes. That is a good question. Because of Professor Joy's hierarchy table, his relative risk of exposure, only people who were at Fiskville for long periods of time were deemed to be in the high or medium group of risk of exposure. So they were the ones who were given access to the five-year health surveillance program unless the medical doctor said that somebody else had need for that. So volunteers did not really fall into those groups unless they were also PAD workers or instructors.

The CHAIR — Do you think that was a reasonable categorisation?

Ms HERMAN — Again, I am not a doctor and it is hard for me to say, but I do get that volunteers did not spend as much time at Fiskville. Whether or not that is reasonable or whether or not they were exposed, I could not really say, but that was the driver behind it.

The CHAIR — I guess one of the reasons why it is so pertinent at the moment as well of course is for the individuals and their wellbeing but also in terms of presumptive legislation. It is almost drawing a conclusion that volunteers, in terms of the CFA's own view, are not eligible because of the fact of the categorising of people, but anyway I just wondered.

Ms HERMAN — No, it is a good question because the same categorisations that were used for determining whether or not people were eligible for the health surveillance program were very much similar to those for the people whose names were submitted to the Monash study and the cancer council study, with the exception that that included people who had trained there on the recruit courses because the recruits were there for something like 16 weeks. So they were considered to be there for a long period of time and they were included in the Monash study and the cancer council study. But even then, they are not volunteers. So again, in hindsight, given what it looks like, it seems strange that you would not add volunteers, but I think the assessment was made very much on the basis of risk or perceived risk.

Mr TILLEY — Good afternoon, Sherry. All the best for the season. It is nearly upon on us, and we can enjoy family and friends very shortly. I want to have just a very brief conversation in relation to stock contamination notices and community engagement. We have a time line here. I am not sure whether you have that. It might assist.

Ms HERMAN — I do not have a copy.

Mr TILLEY — That is the one.

Ms HERMAN — I recognise that. I prepared that.

Mr TILLEY — Just to get through this quickly, if we go to 25 September 2013.

Ms HERMAN — Down the bottom of page 2?

Mr TILLEY — Page 3, I think, on my copy.

Ms HERMAN — Yes.

Mr TILLEY — We are talking about a meeting that you were having with Roger Drew and Michael Wootten and the Lloyds.

Ms HERMAN — Yes.

Mr TILLEY — This is the day, the notes reflect, that two men from biosecurity arrived during that same meeting.

Ms HERMAN — Yes.

Mr TILLEY — Were you or anybody aware of any stock contamination notices prior to that meeting?

Ms HERMAN — No. I did not even know that such a thing existed until the day of that meeting, so no, I was not.

Mr TILLEY — I suppose probably the best is: can you describe just briefly how that meeting transpired and these two gentlemen have arrived?

Ms HERMAN — Yes. It was a pretty crazy week. I am just going to go back and refresh my memory of the dates. Just going from memory, I think it was roughly — it must have been a Friday that Roger Drew gave us a call and said he needed to meet with us urgently because he had the results of the ewe testing. We met — when I say ‘we’, at the time it was Michael Wootten, the acting CEO, members of the health and welfare team and so on — and sat around a table and Dr Drew gave us the results of the tests showing that there was PFOS in the tissues and in the bloods of the ewes.

Immediately following that meeting, we literally got up and went to the city and met with Dr Rosemary Lester, the chief health officer of the state, and she had some staff with her and we briefed her on the outcomes of this work. During that meeting, Roger gave some advice based on what he felt the implications might be of human consumption of that meat. Rosemary asked Roger to provide some more technical information in the coming week so that she could come to some conclusions, I assume, on what to do next. We had already had a pre-programmed meeting with the Lloyds the following Wednesday. It was not always easy to get the Lloyds. Mr Lloyd worked, and they were always very careful to not have the children present and to have the two of them together, which I completely understand. So we had booked a meeting because we knew the results were coming in.

On the Monday, I think it might have been, or the Tuesday — it must have been the Tuesday — I was asked to attend a briefing at the minister’s office to give an update on what had happened with Michael Wootten, and we advised the Minister for Police and Emergency Services of what had transpired. I went home that night, and I got a phone call from the Premier’s office. I was asked, with Michael Wootten, who was also on the line, to provide the acting Premier — it was Peter Ryan, and I do not know who else was in the room with him, but there were other people in the room, other ministers — and for about 20 minutes I gave an update on what was happening at the Lloyds.

I was told to hang up and that they would talk and they would call me back. So I hung up, I had a bite to eat and my phone rang again. It must have been about 8 o’clock at night, and they said, ‘We want you here tomorrow at 8 in the morning’, and I said, ‘Can you give me an idea of what to prepare for or what to do?’. They said, ‘No, just come here at 8 in the morning’. So I hung up, I rang Michael Wootten and I said, ‘Do you want me to be there?’ — because I was a contractor — and he said, ‘Yes, I want you to be there. I’ll see you there’.

So the next morning we went to the Department of Justice, and we went to the minister’s office. The minister was not present, but there was a whole group of people sitting around a table, a lot of them from the department of biosecurity, which again, prior to that day, I did not really know existed. We also had a conference phone console on the table and two DEPI officers, I think it was — last names, Nash and Campbell — were on the phone from I think it was their Ballarat or Bendigo office. We were queried on what was going on, and we gave them an update. Roger Drew joined us. We gave the whole table an update on what was happening.

That was the Wednesday morning, and we had had a pre-programmed meeting with the Lloyds at about 6 o’clock that night that we knew was coming, and we were told in that meeting that the Department of Environment and Primary Industries, as it was known then, was going to be serving two stock containment notices during our meeting with the Lloyds. We talked about that at length, and they said the best approach would probably be for us to go in first — because at this point poor Mr and Mrs Lloyd did not even know their sheep were contaminated yet. Michael Wootten and I and Roger Drew sat down with Mr and Mrs Lloyd, and I think their accountant was at that meeting as well, and we gave them the results of the tests and tried to explain to them what it meant, and about half an hour to an hour into that meeting the two DEPI officers arrived and issued the stock containment notice. The Lloyds were distraught. They were absolutely distraught. It was pretty tough.

Mr TILLEY — Understandably. Going on from that, in the lead-up to when the stock containment notices were issued, are you aware or did you have any involvement in relation to the community engagement or any

advice on how that would go into the community to either facilitate, dispel or give the community what they needed to know?

Ms HERMAN — As soon as we advised Dr Rosemary Lester of what was going on, I think that kicked in some sort of an established procedure, and at that point in time I and the CFA had no further control of what was happening. It was basically the minister's office, DPC, the Chief Director of Biosecurity, the Chief Health Officer, the chief vet — there was a whole group of people — and I was just basically going along for the ride at that point. There was a process in place.

Mr TILLEY — With the comment about just going along for the ride, do you recall anything during your participation there or your involvement? Did the CFA provide the community with anything specific about PFOS and PFOA?

Ms HERMAN — Along the way there were updates to the community that had nothing to do with the Lloyds' property but there were updates along the way, media releases, radio interviews and so on where PFOS was discussed, and there were facts, question and answer sheets, provided with commonly asked questions and that sort of something. That was all done via media releases. It was put onto the CFA website. It was distributed. For example, with the fish issue, which was well before the Lloyds, we took out local newspaper ads and that sort of thing.

I do know that CFA's communications department was preparing stuff for each of these events, including the events related to the Lloyds. They had a whole communication strategy behind what was going to occur and what should occur with the Lloyds' property, but that got submitted into the minister's office and everybody else, and CFA did not have control of it any longer.

Mr TILLEY — Right. On that note, so it was all part of this rollercoaster ride that was started around 25 September.

Ms HERMAN — Yes.

Mr TILLEY — You have had a conversation with Mrs Lloyd in relation to some contact she had from the media.

Ms HERMAN — Yes.

Mr TILLEY — Can you expand on that sort of conversation and what advice you may or may not have provided to her?

Ms HERMAN — Yes. A common theme throughout the last few meetings that I had with the Lloyds was their fear of the media. They were very concerned because they had been selling meat to the local community for a long time, and they felt like they were going to be potentially hung out to dry. They felt terribly guilty. It was not just a matter of feeling persecuted; they actually felt personally responsible and guilty. Mrs Lloyd said to me on several occasions that she was very fearful that the media would knock on her door and she did not know what to do.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Ms HERMAN — She broke down and cried a lot with me. I went back to CFA on one occasion, and I said, ‘Look, if we can just help them with that bit’, because she was fearful. The CFA had a communications consultant by the name of Michael Smith. I sat down with the ED of communications, Mark Sullivan, and we talked about what we could do to help them with that. He agreed with my suggestion that we might offer them Mike Smith to just support them if that were to occur. Mike Smith came with me to a meeting on, of all days, grand final day, when the stock containment notices were lifted, and he offered his services. In hindsight that was awful; I know that that was absolutely awful in hindsight, but at the time it was quite a genuine offer.

Mr TILLEY — Apart from those offers, during your contract were you approached by any person purporting to be a representative of the CFA who you now may suspect may not have actually been the CFA? They may have been from another organisation?

Ms HERMAN — I am not sure if I am understanding the question, sorry.

Mr TILLEY — With all your dealings under your contract arrangements, the committees and things, you would have had to deal with quite a number of people. Is there anyone that may have purported to you that they were directly representing the Country Fire Authority who you may now suspect — —

Ms HERMAN — I do not think so, no.

Mr TILLEY — I just want to close off on one thing just to assist you. Earlier you mentioned in the first part of the contribution in relation to the contractual arrangements with not having or retaining any documents. Can I just confirm with you that as a result of that — emails? Have you burnt your hard drive?

Ms HERMAN — I do not have a hard drive of anything. I honoured my commitments to CFA. Basically in my contract it stipulates that everything I created is their property. At the time that this Inquiry was announced I made sure that everything got handed over to the CFA to be given to you. When I left CFA I asked if they could give me a copy of everything and they said yes, but they wanted me to sign a form that eventually amounted to an unlimited indemnity, and my lawyer and my insurer said, ‘Don’t do it’, so I did not. So I have nothing.

Mr TILLEY — Thank you. Enjoy your family and friends.

Ms HERMAN — Thank you.

The CHAIR — Can I just ask a quick question about the contamination notice? There was the one that was issued and then it was withdrawn.

Ms HERMAN — Yes.

The CHAIR — After the issuing of the contamination notice, were you involved in any meetings that discussed the lifting of the contamination notice?

Ms HERMAN — I certainly was, yes.

The CHAIR — Were they the same people there — —

Ms HERMAN — Pretty much, yes. Do you mean the same ones that were at the table the first time?

The CHAIR — Yes. So I think there were the people who issued — Nash and — —

Ms HERMAN — Yes.

The CHAIR — Then there was the chief vet. There was Peter Ryan, ministerial advisers — —

Ms HERMAN — That was a bit different. Basically after the meeting with the Lloyds where the stock containment notice was issued, the very next day Rosemary Lester invited a whole group of people to sit around a table to try to get our heads around what was going on. At that meeting there were representatives from Rosemary Lester's team, the food safety people, DEPI — I think it was Tony Britt who was there from DEPI. I do not remember Campbell and Nash being at the meetings, but they might have been; I cannot recall. Roger Drew was there. I was there. Cardno Lane Piper came to one of those meetings to give an overview of the downstream issue all the way to the Moorabool.

Who else was there? There were communications people there, so there was a communications person from CFA and a communications person from Rosemary Lester's office. PrimeSafe was there, and so on. So over a period of two days, the Thursday and Friday, it was pretty intense. Roger was giving a lot of scientific information. There was discussion around community engagement, the communications going on. I do not think there were any decisions about communication made in those meetings, but there was a lot of conversation about it. Cardno gave a presentation. It just went on and on.

Late on the Friday, Rosemary Lester came to the conclusion that she did not believe that it represented a public health risk or a human health risk. Then Tony Britt, based on that, said he could lift the stock containment notices. I had kind of become the pseudo-liaison officer for the Lloyds — not something I am relishing, but anyway. I was asked to attend a meeting the next day where he attended, I attended, Michael Smith was there, and we visited them and he lifted those notices.

The CHAIR — So then after that it seems that there were a whole lot of terrible things happening. Were there any other further meetings — what is going to happen with the Lloyds and to manage the situation there?

Ms HERMAN — Yes, there were.

The CHAIR — And then were there government representatives involved in this whole issue of PFOS, I guess, and what was to be done or said or looked into in terms of the PFOS issue as a whole?

Ms HERMAN — There was. We met again the following Monday. When we had convened on the Friday everybody in the room agreed that a more in-depth and formal study was required to validate the conclusions that they had come to based on the tests of four ewes. So in the following week there were more intensive meetings, starting on the Monday, where a methodology was agreed upon for how we would get that information. I cannot remember whether it was a couple of meetings, and there was a lot of email traffic going back and forth primarily between DEPI, Roger Drew and the Department of Health.

It was agreed that we needed to test, I think, 30 lambs. Ten of them would go to slaughter — 30 of them would be blood tested, 10 would go to slaughter and be tissue sampled. We also had to test some ewes and some ewe milk. It was quite a comprehensive testing strategy. Also the property needed to be re-tested, so every single inch of their property, practically — all of their water, their soil, their water tanks, their other troughs and so on.

Once that testing regime was agreed upon, Michael Wootten asked me to attend another meeting with the Lloyds, where we would sit down and talk to them about that and ask them if they would give their permission to do it, and they did, they agreed. So I was at that meeting. Following on from that, all of that testing was actually done.

The CHAIR — I guess what I am trying to understand is because this PFOS and PFOA is a bit of worldwide concern and issue, and it just seems that all concern and worry stopped after, 'Okay, the sheep, we're not going to worry. We've had some advice from various people'. I am just trying to understand in terms of public policy: was that the end? Did people see that as the end of it — that there was not really an ongoing problem or issue with PFOS and whether people should be told in a more general sense or whether the government or whoever should find out more about the problem?

Ms HERMAN — I think they came to the conclusion — just about everybody who had anything to do with it, including the EPA auditor — that it was not a public health risk, that the PFOS was there, but the advice that I was receiving is that it was at such a low level that it was almost impossible to consume enough meat to actually become a human health risk. That was based somewhat on Dr Drew's analysis of all of that, and I assume something that was being analysed in the Department of Health or possibly DEPI. I know there was talk

of the chief scientist and so on looking at all of those things, and I assumed there was something going on within government to do that.

The CHAIR — I suppose I am thinking more in terms of the contamination. I mean the end result, the consequence, was in the meat, but I suppose it is more about the consequence of the actual contamination itself rather than the fact that it had spread — or was that just left to the CFA to worry about?

Ms HERMAN — There was a lot that we were worried about. It was CFA and EPA to a large extent. If you look at the actual test results of the soil, for example, all of the test results for the soil on the Lloyd property were below US EPA health criteria for residential property. They were low enough that you could build a kindergarten on it, so it was low enough for housing according to the US EPA. So I think a lot of the soil contamination associated with any off-site, anything outside of Fiskville's industrial zone, was considered to be safe.

With regard to the water, it was considered that no-one would be drinking that water, but even so we had to advise the downstream community not to drink it, so we did. If you look at an aerial map of the zone between Fiskville and the Moorabool River, there are some 20-odd properties on either side. We identified every one of those, and a member of my team personally went and doorknocked every one of them and put flyers into mailboxes and so on. A number of those properties were uninhabited and we could not figure out who owned them, so we gave a list of those properties to Moorabool Shire Council, and they agreed on our behalf to find the owners of those properties and send them the information about the hazards of drinking that water — if you want to call it that. So we did identify and communicate with everybody in that zone, and that was done under the auditing of the EPA auditor. That was a requirement that he gave us, so that was certainly undertaken.

Then the other thing was that CFA has to take action to cease the off-flow of water from its property downstream; the first stage of that having been completed, and the second stage of that was in tender when I left. It was not just dropped; it was definitely: 'You have to remediate, and you have to tell people not to drink that water'. And that was all in train when I left.

The CHAIR — Thank you. And the compensation of the Lloyds was after the contamination notice and after the second lot of testing of the stock, was it not?

Ms HERMAN — Sorry, the what?

Ms WARD — The compensation offer to the Lloyds, that was after?

Ms HERMAN — I think it might have even been that night or maybe the next day. It was right around that time.

The CHAIR — I am just trying to remember.

Ms HERMAN — It might be in my time line.

The CHAIR — We can look it up. If you can, but otherwise we can look it up. I was just — if it was at the top of your head.

Ms HERMAN — It was pretty emotional stuff at the time.

The CHAIR — Yes, awful.

Ms HERMAN — And I think that Michael Wootten made the offer it might have been a day or two after the stock containment notice.

The CHAIR — The revocation of it?

Ms HERMAN — No, the issuance of it. Gosh, I cannot remember. It was within a week.

The CHAIR — All within a hurried flurry. That is okay; we can sort that out. That is fine.

Ms WARD — Why do you think that you were asked to cease liaising with the Lloyds?

Ms HERMAN — I think it was getting very litigious. I think it was getting to the point where it was getting really contentious — quite understandably. My understanding is that a lot of the control of the situation had gone up to cabinet. It had become cabinet in confidence, so I was just basically told by CFA to : ‘Focus on what you need to focus on’. I did not have any further communication with the Lloyds after that, and I think that is because it was following a legal path.

Ms WARD — What are your own personal views on how the CFA worked with the Lloyds?

Ms HERMAN — I think in the beginning really well; I think in the end not so well.

The CHAIR — Maybe because it was out of their hands by then.

Ms HERMAN — Possibly. I have a strong sense that at that point there were things above Mick Bourke that were going on that he did not have control of, and he was having to do pretty much what they were asking him to do. I think that in the beginning it started off really well. We had really good communication with them. I think there was a genuine feeling in CFA that we could do something to help them. I am not sure if you are aware of it, but Lex de Man actually got an evaluation of their property in anticipation of maybe paying them out. All of that kind of just fell away once it all blew.

The CHAIR — Thanks for your time and for coming in today. As you know it was a closed hearing, but the transcript is not part of the closed, which you understand.

Ms HERMAN — I understand.

The CHAIR — We really appreciate you coming and being so open and caring, really. Thank you.

Witness withdrew.

Open hearing follows.