

# **EPIQ AUSTRALIA PTY LTD**

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## **INQUIRY INTO THE CITY OF PERTH**

### **PUBLIC HEARING - DAY 104**

**MONDAY, 9 SEPTEMBER 2019**

#### **INQUIRY PANEL:**

**COMMISSIONER ANTHONY (TONY) POWER**

#### **COUNSEL ASSISTING:**

**MS KATE ELLSON**

#### **COUNSEL APPEARING:**

**MS JENNY THORNTON and MR CHRISTOPHER HOOD (Mr Jimmy ADAMOS)**

**CAV. MARIA SARACINI (Mr Martin MILEHAM)**

**MR ALAN SKINNER (Mr Dimitrios LIMNIOS)**

**MR JASON O'MEARA and MR NICK MALONE (Mr Reece HARLEY)**

**MS ALEXANDRA TOMASINI (Ms Judith McEVOY)**

**MS ALENA ZORIC ( Mr Gary Stevenson)**

**MR JOEL YELDON and MS EMILY CHAPPELOW (Ms Janet DAVIDSON)**

**MR MATTHEW CORNISH and MS PENELOPE FORD (Dr Jemma GREEN)**

**MR PETER van der ZANDEN (Ms Lisa SCAFFIDI)**

HEARING COMMENCED AT 10.03 AM:

5 COMMISSIONER: I will begin with an Acknowledgment of Country. The Inquiry into the City of Perth acknowledges the traditional custodians of the land on which it is conducting this hearing, the Whadjuk people of the Noongar Nation and their Elders past, present and future. The Inquiry acknowledges and respects their continuing culture and the contribution they make, and will continue to make, to the life of this City and this region.

10 Before anything else, I will make a order for suppression of certain information. Pursuant to section 19B subsections (5)(c) and (d) of the Royal Commissions Act 1968, which has effect pursuant to section 8.20 of the Local Government Act 1995, the Inquiry Panel orders that publication of any personal information of any person referred to during the evidence given or contained in any documents  
15 displayed during public hearings of the Inquiry during the period 9 September 2019 to 12 September 2019, is prohibited.

In this order "personal information" means:

20 *(a), particulars of any person's contact details, including but not limited to his or her residential addresses, the addresses of any other residential or commercial properties in which he or she has a interest, post office box numbers, telephone numbers or email addresses; and*  
*(b), any person's bank account numbers.*

25

I also made an order on Friday concerning who is entitled to be present in the hearing room during Mr Adamos' evidence. That order continues until the conclusion of his evidence, of course.

30

Ms Ellson, you are recalling Mr Adamos?

MS ELLSON: I am.

35 COMMISSIONER: Mr Adamos, please come forward and take a seat in the witness box.

**MR Jimmy ADAMOS, recalled on former oath:**

40 COMMISSIONER: Mr Adamos, you continue on your oath. I will now take appearances and hear any applications. Ms Thornton, you continue to appear with Mr Hood for Mr Adamos?

MS THORNTON: Thank you, Commissioner.

45

COMMISSIONER: Ms Saraceni, you continue to appear for Mr Mileham?

MS SARACENI: Correct.

COMMISSIONER: Mr O'Meara, you appear for Mr Harley?

5 MR O'MEARA: Yes, please, Commissioner.

COMMISSIONER: Thank you. Mr Mariotto, you appear for Mr Linnios - I'm sorry, it's not Mr Mariotto, it's Mr Skinner. I beg your pardon, Mr Skinner. You appear for Mr Linnios?

10

MR SKINNER: May it please you, sir.

COMMISSIONER: Ms Zoric, you appear for Mr Stevenson?

15 MS ZORIC: Yes, thank you, Commissioner.

COMMISSIONER: Mr Yeldon, you appear for Ms Davidson?

MR YELDON: Thank you, Commissioner.

20

COMMISSIONER: Mr Cornish, you appear for Dr Green?

MR CORNISH: Yes, thank you, Commissioner.

25 COMMISSIONER: Ms Tomasini, you appear for Ms McEvoy?

MS TOMASINI: Yes, thank you, Commissioner.

COMMISSIONER: Mr van der Zanden, last but not least, you appear for Ms Scaffidi?

30

MR van der ZANDEN: Yes, thank you, Commissioner.

COMMISSIONER: Thank you. Ms Ellson, are you ready to resume?

35

MS ELLSON: Yes, I am.

COMMISSIONER: Thank you.

40 MS ELLSON: Mr Adamos, I would like to talk you to firstly about Mr Stevenson and the manner in which he left the City of Perth?---Sure.

During Mr Stevenson's employment with the City of Perth, did he speak to you about the possibility that anything you were involved in might be reported to the CCC?---He did come into my office once, yes.

45

And?---Yeah, he spoke about tickets, about tickets to events and things like that.

Did you have the feeling he didn't have your back?---At that point, no, I didn't think anything of it, but yes.

5 But later you did?---Later I did, yes.

Can you tell me why?---It's just - it wasn't about that particular event, it was just about generally, about when you'd speak with Mr Stevenson about just different issues for the City of Perth, I just didn't feel he was always, I suppose, on our side,  
10 or not on my side but on the side of the City of Perth and Councillors.

He was a strong leader in the area of governance, would you say?---Yes, he was.

And that's important for the City of Perth?---Definitely.

15 In fact, it's very important, isn't it?---Yes.

Did you feel as though Mr Stevenson made veiled threats when he spoke to you about the CCC?---No, he never did that to me, no.

20 Mr Adamos, in around October 2015, did you have any discussions with the Lord Mayor about who may have reported her to the CCC?---No, I didn't.

Ever?---No, don't remember.

25 You don't remember?---No, I don't think I ever did, no.

Did you ever get the impression, Mr Adamos, the Lord Mayor was keen to share that information?---Sorry, which information?

30 About who reported her to the CCC?---No, I don't think so. I don't remember that discussion at all.

Madam Associate, if you could bring up 14.2093, please. Mr Adamos, from time to time, did you communicate with the Lord Mayor via personal email addresses?---Yes, I did.

40 You see there a email from a address, strongandvitalPerth to yourself at what appears to be a personal address, do you see that?---Yes, I do.

Is that your personal email address?---Yes, it is.

Do you recognise this as a message that was sent to you on Tuesday, 6 October 2015 at 1.06?---Yes, I see that.

45 I would like to draw your attention to the very last long line:

*PS. There is a lot more about who referred me to the CCC which I'm very keen to share but for now one haemorrhaging step at a time!*

Do you see that?---Yes, I do.

5

Reading this now, are you able to say whether or not the Lord Mayor spoke to you about who referred her to the CCC?---I don't. I mean, I see the email and I would have received it but I don't remember speaking to her about it.

10 Thank you, Madam Associate, the document can be removed. Mr Adamos, did you attend a Special Council Meeting on 20 January 2016?---Is that the Special Council Meeting about Gary Stevenson?

Yes?---Yes, I will have been there, yes.

15

Do you recall how you were advised to attend?---I don't remember exactly. I think from memory, we were phoned - we were contacted.

20 From time to time did you communicate with the Lord Mayor and other Elected Members using WhatsApp?---Yes.

And there was a WhatsApp Team group, do you recall that?---Yes, I do.

And you were part of that?---Yes, I was.

25

Madam Associate, could you bring up, please, 14.0069, TRIM 13609.

COMMISSIONER: Thank you.

30 MS ELLSON: Mr Adamos, do you see here a extract of WhatsApp chat-137-Team?---Yes, I do.

And amongst the numbers, one you recognise as your own underneath Lily Chen?---Yes, I do.

35

You would accept this as a record of the WhatsApp Team chats?---Yes, it looks that way.

40 Madam Associate, 14.0137. I draw your attention to the last message on the page, Mr Adamos, 19 January 2016, 1.36 pm?---Yes.

Read the message:

45 *Please all remember to be here at 9.15 am tomorrow for a urgent Special Council Meeting at 9.30 am.*

And the message goes on, do you see that?---Yes, I do.

Madam Associate, if you could turn, please, to page 14.0138. Mr Adamos, there's a message there from you, "OK, I'll be there for the 9.30"?---Yes, I see there.

5 And another message from the Lord Mayor that says, "9.15 for 9.30, please. Can't be waiting around for anyone", do you see that?---Yes, I do.

And, "This is very important" in capital letters?---Yes.

10 Underneath you say, "Sorry, I meant 9.15", do you see that?---Yes, I do.

Reading this, Mr Adamos, do you consider that the Lord Mayor was calling an ^ urgent Special Council Meeting for 20 January 2016?---It seems so, yes.

15 At the time you got the message on 19 January 2016, did you know why?---At the time this was about Gary Stevenson and him moving on.

Did you know that before the Lord Mayor invited you to the meeting?---We'd had a briefing session or a committee meeting beforehand, so I knew we were having a  
20 Special Council Meeting after, that's if I've got my dates right.

The time that the Lord Mayor suggested, is that the time you attended?---It would have been, yes.

25 You said "would have been", did you?---From memory. I don't remember exactly.

The document can be taken down, Madam Associate. Mr Adamos, were you a member of the CEO Performance Review Committee at all?---No, I wasn't.

30 You mentioned a briefing session, Mr Adamos?---Yes.

[10.15 am]

Do you have a recollection of attending a briefing session?---I do. I remember we  
35 had the briefing session in the committee room, and from memory that was attended by all the Councillors.

Was that one of the ordinary briefing sessions that occurred from time to time?---It wasn't an ordinary one, I think it was a special one to discuss Gary Stevenson.

40 Could you be wrong about that?---I don't think so, no. I remember we had a meeting about Gary Stevenson, and it was just before that Special Council Meeting.

45 Mr Limnios - - -

COMMISSIONER: Mr Adamos.

MS ELLSON: I'm sorry, yes?---That's okay.

That's my fault, I apologise, Mr Adamos?---No worries, that's fine.

5

Madam Associate, if you could bring up, please, 14.0123. Mr Adamos, could you read through the messages on this page, please?---Read them out aloud?

COMMISSIONER: To himself or aloud?

10

MS ELLSON: To yourself, Mr Adamos?---To myself, okay. Sorry. Yes.

Mr Adamos, do you recognise that as a Team chat on 14 December 2015?---Yes, I do.

15

And you were a part of that?---Yes, I was.

Does this help you to remember when the briefing session you were talking about occurred, with respect to a meeting concerning Mr Stevenson? Was it in December 2015?---I don't think so. I thought the briefing session was just before the Special Council Meeting.

20

You agree there appears to have been one around 14 December 2015?---Yes, I see that.

25

And Mr Stevenson was discussed?---It seems that way, yes.

Madam Associate, the document can be taken down. Mr Adamos, when you attended the Special Council Meeting on 20 January 2016, were you provided with any papers?---I don't think we were, I don't think we were. We would have received an agenda, a meeting agenda. We always - every time we had a meeting, there was always an agenda so we would have received that.

30

Can you tell me what happened at the meeting?---The meeting opened as normally it would open and then, there was only one item and that was about the CEO's, I don't know if it was about his Performance Review or it was about his contract and the meeting was opened by the Lord Mayor and she discussed that Gary had offered his option and one of the options in the document was that we pay him out. So there was, I suppose, a summary about that issue.

35

40

Orally?---Orally, yes.

What did you understand - you said "offered his option", what did you understand by that?---The options were that we would renew his contract for another five years or the other option was that Mr Stevenson had actually offered for us to pay him out if we let him go straightaway, so to speak.

45

Did you think he was resigning?---I suppose you could look at it as being a resignation, yes. I didn't think he was resigning, I thought he gave us two options and one was to extend his contract and the other was to not extend his contract but if we weren't, then to pay him out. So I think that was what was going on.

5

Were you told why?---No. I mean, we discussed it beforehand that he hadn't achieved very well in his Performance Review and we were all kind of in agreement about, Mr Stevenson, he may not have been possibly the right fit for the City.

10

So the reason for what was occurring wasn't raised at the meeting - the Special Council Meeting on 20 January?---I don't remember, I'm sorry.

Madam Associate, if you could please bring up 9.0207, TRIM 17352.

15

COMMISSIONER: Thank you.

MS ELLSON: Mr Adamos, do you see here an agenda for Special Council Meeting, 20 January 2016?---Yes, I see that.

20

Madam Associate, 9.0210. Although it's an agenda, there's members in attendance and you're among them, do you see that?---Yes, I do.

9.0211, please, Madam Associate. Do you see there "resolves that the Council endorses the minutes/recommendations of the CEO Performance Review Committee held on Tuesday, 19 January 2016"?---I see that.

25

Do you recognise this document as the agenda papers?---Yes, I do.

30

And you recall receiving them on 20 January 2016 for the Special Council Meeting?---Yes.

Any other papers?---Not from memory, no.

35

Madam Associate, if you could bring up, please, 9.0177. Mr Adamos, have you ever seen this document before? Just take a moment to read through?---Yes, I see this. This was a summary of Elected Members' comments about his Performance Review.

40

Was it before you were at the Special Council Meeting on 20 January 2016?---I'm sorry, I don't remember receiving it.

At all?---No. I probably would have, but I don't remember receiving it.

45

When did you see it?---I don't know, I'm sorry. I don't remember seeing it.

Madam Associate, if you could turn to page 9.0190, please. Mr Adamos, have you



ever seen this document before?---No, I haven't.

MR van der ZANDEN: Objection.

5 COMMISSIONER: Yes, Mr van der Zanden.

MR van der ZANDEN: Perhaps this could be developed in the absence of the witness, please.

10 COMMISSIONER: Yes, of course, Mr van der Zanden. Mr Adamos, I will have you excused from the hearing room for the moment. Thank you.

**WITNESS WITHDREW.**

15 COMMISSIONER: Yes, Mr van der Zanden.

MR van der ZANDEN: I apologise, Mr Commissioner, I'm going to withdraw that objection, upon reflection.

20 COMMISSIONER: That's all right. Just keeping me on my toes, Mr van der Zanden.

MR van der ZANDEN: Yes.

25 COMMISSIONER: That's helpful. Thank you. Madam Associate, would you please bring Mr Adamos back in? Mr Adamos, would you please resume your seat in the witness box.

**MR Jimmy ADAMOS, recalled on former oath:**

30

COMMISSIONER: Mr Adamos, in your absence, the objection which was made was withdrawn, and that's no reflection on counsel. From time to time counsel need to make objections and sometimes on reflection, they will need to withdraw them. So that happens from time to time. Your exclusion from the hearing room is no reflection on you?---Thank you.

35

Ms Ellson.

40 MS ELLSON: Commissioner. Madam Associate, the document can be removed. Mr Adamos, is it fair to say that following on from the meeting that you were confused about whether or not Council had accepted Mr Stevenson's resignation or whether Council had terminated him?

COMMISSIONER: Well, terminated his employment anyway.

45

MS ELLSON: Yes?---No, I thought we had two options on the table and one was to extend the contract and one was to accept his offer, I suppose, which was to pay

him out and let him go. I didn't think we were terminating him.

Madam Associate, if you could bring up, please, page 14.0138. Do you see here a record or an extract of WhatsApp chat 137-Team?---Yes, I do.

5

Do you accept that this is a record of Team chats you participated in on WhatsApp?---Yes.

10 Could you start reading the messages from 20 January 2016, 1.18 pm, second last, two-thirds of the way down the page?---Yes.

[10.30 am]

15 14.0139, the whole page, please, Mr Adamos?---Yes.

14.0140?---Yes.

14.0141, just past the middle of the page, please, Mr Adamos?---I see that.

20 Madam Associate, if you could return, please, to 14.0139. Mr Adamos, do you see at the top of this page a message, "Agree with Lily"?---Yes.

That's a reference to Councillor Chen?---Yes.

25 Who had said, "Thanks for Lisa and Employment Committee for the hard work you have done"?---Yes.

"Hope the next one is better aligned to us", do you accept that's your message?---Yes.

30

When you say "better aligned to us", are you referring to Mr Stevenson?---Yes.

35 What do you mean by "better aligned to us", Mr Adamos?---Just somebody that's more easier to kind of work with. I just felt that Gary wasn't - I don't know, he wasn't, I suppose, supportive of the Council. It was a kind of a him versus us approach.

There's a need to maintain a division between the role of Council and the role of the CEO, isn't there?---Yes, there is.

40

45 And Mr Stevenson was very good at that, wasn't he?---Yes, he was. I suppose my experience with CEOs was that the previous CEO, Frank - I've forgotten his surname, but Frank, he was a different CEO. He'd come into your office just before a Council meeting, ask you if you had any questions about the agenda and just a more sort of collegiate working relationship. With Gary, it was just very - he was in his office and we were in our offices, so just didn't - I didn't think it worked very well.

You wanted Mr Stevenson to be more personable?---I just wanted him to work with the Council in a more, I suppose, collegiate manner.

5 Further down the page, Mr Adamos, almost to the end, there's a message 1.45 pm?---Yes.

Which says:

10 *Hey, I just noticed that The West says that we terminated him. I thought WE accepted his resignation.*

Do you see that?---I do.

15 Did you believe at 20 January 2016 that you had, or Council had accepted his resignation?---From looking at the text message, yes, that's what I thought we were.

20 Madam Associate, 14.0140. Mr Adamos, toward the middle of the page you will see a message, 20 January 2016, 2.24 pm?---Yes.

:

25 *The release says that we terminated him. This is the wrong message. We accepted his resignation because the City is moving in another direction and he didn't want to be part of it. It was mutual. The release does not say that.*

Do you see that message?---I do.

30

Mr Adamos, where did you get the idea that you were accepting Mr Stevenson's resignation because the City was moving in another direction and he didn't want to be part of it?---I don't know where I got that from. I mean, I - I don't know where I got that from.

35

You believed it at 20 January 2016?---I must have believed it because that's what I wrote down but I don't know where I got that from.

40 Madam Associate, the document can be taken down. I would like to talk to you now, Mr Adamos, about your understanding of Mr Stevenson's leaving. If you had understood that it was not Mr Stevenson's preference to leave, and Council was terminating his employment, would that have changed your approach at the Special Council Meeting on 20 January 2016?---I'm sorry, can you repeat that?

45 Yes. If you had understood that it was not Mr Stevenson's preference to leave the City on 20 January 2016 and Council was terminating his employment, would that have changed your approach on 20 January at the Special Council

Meeting?---Changed my approach in having made that decision?

Yes?---No, it wouldn't have changed my approach at all.

5 Would you have wanted more information from someone about the reasons Council were terminating Mr Stevenson's employment?---We'd known he hadn't done very well in his Performance Review, so I don't think I would have needed any more information than that.

10 When you're talking about a Performance Review, are you talking about the last one, the 2015 Performance Review?---That's the one, yeah.

And were you told about his performance in relation to that by an Elected Member?---I thought we received a summary document of people's comments  
15 which is similar to what you may have shown me earlier.

When?---I don't remember when we received it but I remember receiving a summary document, and we had that briefing session as well.

20 Did you receive it as at the briefing session?---We may have, yes.

Madam Associate, if you could bring up, please, page 9.0177. Looking at the document on the screen now, Mr Adamos, do you have a memory of receiving it?---I do have a memory of receiving it, I just don't remember when.

25 Before or after the Special Council Meeting on 20 January 2016?---I don't remember.

30 MS THORNTON: Objection, Commissioner, sorry. He's said in response to the question about four times he doesn't remember receiving it.

COMMISSIONER: Yes, I'm conscious of that.

35 MS THORNTON: Thank you, Commissioner.

MS ELLSON: I can move on, Commissioner.

COMMISSIONER: Please do.

40 MS ELLSON: Madam Associate, please take the document down.

Mr Adamos, I would like to talk to you now about Mr Mileham's appointment?---Yes.

45 Do you need a break?---I'm okay to go for a little bit longer yes. Thanks.

COMMISSIONER: What we might do, Mr Adamos, is continue to 11 and that

will be an hour?---That's fine, thank you.

And then we might take a break then, if that suits?---Thank you.

5 MS ELLSON: Mr Adamos, were you involved in the process to recruit  
Mr Mileham to the position of CEO to replace Mr Stevenson?---The only part I  
remember was during that briefing session where we discussed Mr Stevenson  
moving on. I remember that there was a discussion about making Martin the  
Acting CEO.

10

At the same Special Council Meeting?---During that briefing session beforehand.

I'm trying to focus your mind on a timeframe which is a little bit beyond that. Did  
you participate in - I withdraw the question. Did you attend some interviews or  
15 second round interviews where two candidates gave PowerPoint presentations in  
relation to the recruitment of the CEO?---Sorry, this was about where the  
recruitment of the CEO for the permanent, full-time position?

20 Yes?---Yes. I remember going to a briefing session, there were two applicants,  
one was a lady - I forgot her details - and the other was Martin.

Who went?---All the Elected Members went and I think there was a lady there  
from HR and I think that was all.

25 Were you given any documents before you attended?---Yes, I remember we  
received, I think, CVs of Martin and CVs of the other lady as well.

Were you given any documents to fill in?---Sounds familiar. I don't remember  
exactly. I don't remember.

30

You mentioned a session for a lady or a female. Can you tell me from the start to  
the end what happened?---The actual meeting opened, the Lord Mayor told us why  
we were meeting and then there was the two presentations and from memory, it  
was the lady who presented first and told us about herself and her background and  
35 then we had a discussion, and then we had Martin do exactly the same thing. So  
he'd give us a presentation and then we had a discussion about Martin.

Were questions asked of the female candidate?---I remember we asked questions  
of both of them, yes.

40

Did you ask any?---I think I did. I don't know from memory what they were but I  
remember asking questions of both.

45 Can you tell me what happened after Mr Mileham's presentation?---I don't  
remember what happened exactly after, no.

Was there a discussion about who would be more suitable for the position,

between the Elected Members?---Yes, sorry. Yes, we did have that discussion.

5 Tell me more about that?---The discussion that we had is, I suppose, is looking at the plusses and the minuses of both applicants. I suppose we had experience with  
10 Martin having been in that role for a little while before but Martin had a really great, strong CV, he was passionate about the City of Perth and he had just - he was very - we just thought he'd make a better CEO than the other lady. I can't remember now why we went down that path but I remember I was always very impressed with Martin. Right from the outset, the first time I met him as the  
15 Planning Director, he was always very - highly skilled and was just really passionate about the City.

[10.45 am]

15 Were there differing views amongst the Elected Members?---I don't remember. I think from memory, most of us were very supportive of Martin, in fact, I think all of us were supportive of Martin.

20 Did you understand that you were participating in the decision-making process by going along to the presentation?---I didn't think - I mean, I've probably since known that now, but I didn't think so at the time because it was the CEO appointment committee, so to speak, and we had charged them with making the final decision and then recommending back to Council. So I think they wanted our input but I didn't think we were actually making the final decision.

25 Madam Associate, if the witness could please be provided with a bundle, 9.0671 to 9.0710. Just wait a moment, please, Mr Adamos. If you could please look at page 9.0672, all the way through until the end and tell me if any of your handwriting appears on any of the pages, please?---My handwriting is on the first two pages.

30 Which red numbers?---9.0672 and 9.0673.

35 Looking at 9.0672, Mr Adamos, can you tell me what your handwriting relates to?---It relates, I suppose, to some of the positive things I thought about Martin's interview. Like he had spoken here about the data unit and he had a good understanding of this issue about data. "Promotion and decision-making", I think from memory what that was about was he was keen to sort of build on the capabilities of the staff of the City of Perth so that's what that was about. So sort of staff matters and then one was about data. So I was very passionate about the  
40 issue about data.

45 Other than what you've written down, Mr Adamos, did you have any negative views of Mr Mileham's interview?---No, I didn't. As I said, I've always been very supportive of Martin. I thought he'd been a great Director of Planning and so becoming CEO was a good decision.

Can you tell me how it came about how you filled this document in?---Looking at

them now, I remember having done them at the interviews, the briefing sessions we had with the two applicants, the lady and Martin.

Who gave them to you?---I don't remember who gave them to us, I'm sorry.

5

Do you know who collected it?---I'm sorry, I don't remember.

Mr Adamos, could you look now, please, at 9.0673?---Yes.

10 You recognise your handwriting on this page, you say?---Yes, I do.

What does this page represent?---This represents my - I suppose my thoughts about the interview for Joanne.

15 Are there positive and negative thoughts set out here?---Yeah, there is.

Perhaps if you could assist us to read your handwriting, Mr Adamos, you could read out what it says, please?---Sure.

20 From the top left and then moving to the right?---No problem. So the first one says, "The City of Perth is a social, likened to a not for profit. Set out to provide services to ratepayers", and my question is, "Where do you think profit has in this environment", so that was my, I suppose, question to her is that, whether she felt that profit features in this kind of social enterprise environment. My thinking about that was that - so the City's income was about \$180 million, \$90 million of that was from commercial services and parking and the other \$90 million of that was roughly from ratepayers. So I think the City was pretty dependent on commercial revenue and I didn't think that she had that kind of understanding or sort of bent to her, so that was my concern.

30

You didn't write down your concern?---That's what - I suppose my concern comes about from, "Where do you think that profit has in this environment", that's the two Ts.

35 That's your reference to your concerns?---That's my reference to that concern, yes.

Following on?---"Asset management issues", she mentioned significant asset management issues. I think she is were - - -

40 Without explaining, what does it say underneath that?---It says, "Asset management issues. She mentioned significant." And then the next point was, "First 100 days" and then she had a suggestion here, "Vertically aged care facility."

45 Underneath that it says?---"Safety through the metropolitan area and the capital city."

Underneath that?---Then it's got, "Strategic manager" and my question is, "I'll

question, is she a strategic manager."

Thank you, Mr Adamos. Mr Adamos, turning to page 9.0677?---Yes.

5 You see your name - it may have been misspelled - at the top of the page, underneath the heading, "Punctuality"?---Yes, okay.

Can you just read that to yourself for a moment, please?---Yes.

10 Do you recognise what's written there as anything you said during either of the briefings, or either of the presentations?---I don't even know who wrote that, so - look, the only comment that would relate to me is something about data "useful to several other agencies and businesses, create the greater role about data." The other ones - the other points, I don't remember about those.

15 And to whom would the comment about data being useful to several other agencies and businesses relate?---The only - from my comments earlier, it would have only been that Martin Mileham would have raised the issue about data. I don't know why it's attributable to this lady, Joanne.

20 Thank you, Mr Adamos. Madam Associate, the documents can be returned. Mr Adamos, do you recall attending a Special Council Meeting on 1 September 2016 where you were asked to decide on Mr Mileham's appointment?---Yes, I would have been to that meeting.

25 Madam Associate, if you could bring up page 9.0791, please, TRIM 17416.

COMMISSIONER: Thank you.

30 MS ELLSON: Mr Adamos, do you see here some Council minutes from 1 September 2016?---Yes, I can see those.

Madam Associate, 9.0793. Do you see here among "Councillors present", you're listed?---Yes, I was there.

35 Do you accept that you attended the Council meeting on 20 September 2016, the special meeting?---Yes, I accept that.

40 9.0794, please, Madam Associate. Do you see here a matter for which the meeting may be closed and a confidential item pertaining to the appointment of the Chief Executive Officer?---Yes, I see that.

Madam Associate, if you could move forward to 9.0801. Mr Adamos, do you see here Confidential Schedule 1?---Yes.

45 Which appears to be an application by Mr Mileham for the position of Chief Executive Officer?---Yes.



Do you accept that his application was before the meeting on 20 January 2016?---Yes, I do.

5 Madam Associate, 9.0810. Do you see here what appears to be a curriculum vitae from Mr Mileham?---Yes, I do.

Marked also, "Confidential Schedule 1"?---Yes, I see that.

10 Do you accept that Mr Mileham's curriculum vitae was before the meeting?---Yes, I do.

Madam Associate, 9.0795, please. Just make a moment to read through the information on this page, please, Mr Adamos?---I've done that

15

[11.00 am]

Mr Adamos, you voted in favour of the motion moved by Councillor Davidson and seconded by Councillor Limnios, do you see that?---Yes, I do.

20

Did you understand that Mr Mileham would be appointed to the position as a result of that resolution?---Yes.

25 COMMISSIONER: Ms Ellson, it is just ticked past 11 am. Would this be a convenient time for a short break for Mr Adamos?

MS ELLSON: Yes.

30 COMMISSIONER: Mr Adamos, would five or 10 minutes suit you?---That would suit me, thank you.

Which would you prefer?---Five minutes will be fine.

Are you sure?---Yes, that will be sure.

35

All right. I will adjourn for five minutes.

**WITNESS WITHDREW**

40

(Short adjournment)

HEARING RECOMMENCED AT 11.08 AM.

**MR Jimmy ADAMOS, recalled on former oath:**

45

COMMISSIONER: Mr Adamos, you're okay to resume?---Yes, thank you very much.

Thank you.

5 MS ELLSON: Mr Adamos, you indicated to the Inquiry that you considered Mr Mileham to be appointed once the motion had been moved on page 9.0795. I just ask you then to consider what you think point 2 of the motion meant?

COMMISSIONER: Do you want it up on the screen?

10 MS ELLSON: Yes, thank you. 9.0795, please, Madam Associate?---Yes, what it says there, that if there is satisfactory reference checks, then he will be appointed. If the reference checks weren't satisfactory, then he wouldn't be appointed.

15 What about the contract provisions?---The contract provisions, I thought he was just being employed at the highest rate because we were the capital city. I've forgot what band it is, I think it's Band 1. So that was always my understanding, that the CEO of the capital city would always get employed at Band 1.

20 Did you consider that in voting for this motion, you had voted on the provisions of the contract?---I hadn't thought about it, no, but - yes, I hadn't thought about it.

Should you have voted on the provisions of the contract?---In hindsight, I probably should have, yes.

25 What makes you say that?---Well, it says here, "The CEO Recruitment Committee's recommendation to appoint the preferred candidate", et cetera, et cetera "for a period of five years under the contract of employment", so I suppose, yes, we should have had a copy of the contract of employment there as well. I don't remember seeing it.

30 At the time that you voted for the motion that was moved at the meeting, Mr Adamos, did you believe Mr Mileham to be suitably qualified for the role?---Yes, definitely.

35 Based on what?---Well, I suppose just based on previous experience with him, his CV, how he interviewed, yes, those three factors.

40 Did you necessarily think you needed to have regard to the reference checks?---No, not really. I wouldn't have thought about it. He was employed by the City for a period of time in a very senior role. I wouldn't have thought that was necessary.

45 Mr Adamos, you mentioned that you had a expectation Mr Mileham would be paid at the highest rate?---That's right.

And you mentioned a band?---Mm hmm.

Can you tell me when you first formed that view?---It was when - it would have been even way before Martin was employed. It would have been even when Gary Stevenson was employed. I always understood that the CEO of the City of Perth would always be at the highest band. So I didn't think about it for Martin's role, I  
5 just always knew that.

You've mentioned a band, Mr Adamos. Madam Associate, if you could bring up page 9.0799?---Yes.

10 Do you see hereunder the heading, "Financial implications", reference to a Band 1?---Yes, I see that.

Is that the band you're referring to when you're talking to me about the highest rate in a band?---That's right.

15 Underneath, "Contract provisions. Total remuneration, total package, \$364,450"?---Yes.

Can you tell me whether or not at the time you voted on the motion at the meeting on 1 September 2016, you were aware of the precise or the total remuneration package being offered to Mr Mileham?---I wasn't fully aware of it but I always knew it was in the high 300s, knowing he was at the highest band.

25 As at 1 September 2016, Mr Adamos, were you aware as to what the significance of the band was in terms of Council's ability to pay within, above or below that?---The only thing I remember is that as a Council we could only pay within the band, we couldn't pay outside the band. That was my understanding.

30 If you had seen an indication on 1 September 2016 that the total remuneration package being offered to Mr Mileham was \$379,950, what would you have done?---I would not have been able to vote for it because it was outside the band, so it wouldn't have happened. I would have been asking the question why that's come up

35 [11.15 am]

If at the time you voted, Mr Adamos, you had known that Mr Mileham's professional qualifications had not yet been checked, would that have made a difference to your vote?---No, it wouldn't have.

40 Why not?

MR YELDON: I object.

45 COMMISSIONER: Should I hear this in the absence of the witness?

MR YELDON: It's not necessary. I can just say, it's the construction of the

motion point. The question's improper on the basis of the construction of the motion.

5 COMMISSIONER: I think I'd better hear this in the absence of the witness because you might need to develop that.

MR YELDON: I tried to use shorthand, I'm sorry.

10 COMMISSIONER: No, I appreciate what you're doing, Mr Yeldon, but this may be a longhand situation. Mr Adamos, I'm sorry to ask you to do this again, but would you please leave the hearing room.

**WITNESS WITHDREW.**

15 COMMISSIONER: Yes, Mr Yeldon.

MR YELDON: Yes. The motion is a two part motion and in its terms, it's a conditional appointment.

20 COMMISSIONER: I will just get Madam Associate to bring it up.

MR YELDON: Yes, thank you.

25 COMMISSIONER: Madam Associate, 9.0795, four pages back from the one we are on at the moment. Thank you.

30 MR YELDON: The witness' evidence was that he understood that Martin Mileham would be appointed by the resolution but it's not clear whether that's in the ultimate course of events because the motion in itself is a conditional appointment and what counsel is attempting to do in the questioning, in my submission, is effectively to have the witness ignore the conditional nature of the appointment in order to suggest that contemporaneously with this motion, the reference checks should have occurred prior to this having been done, but in its terms, the motion suggests it's left to be done. That's why I object. The question  
35 should be put on a proper, factual foundation.

COMMISSIONER: Not just a proper factual foundation but you would also say, presumably, on the basis of what you say is a proper construction of clause 2?

40 MR YELDON: That is correct. Clause 2 must be read - clause 1 must be read and is governed by clause 2, and must be read together.

COMMISSIONER: You've made this construction argument before and I do understand it.

45

MR YELDON: Yes, thank you.

COMMISSIONER: Thank you. Is there anything else, Mr Yeldon?

MR YELDON: No. I hope not to rise too much today.

5 COMMISSIONER: You're all entitled to rise whenever you think it's appropriate. I'm not certainly not going to stop you doing that.

MR YELDON: Yes.

10 COMMISSIONER: Thank you, Mr Yeldon. Ms Ellson, what do you say about the objection?

MS ELLSON: Commissioner, I say that the question was an hypothetical one aimed at determining whether or not the witness would have cast his vote the same way had certain factors been brought to his attention or had he known them.

COMMISSIONER: But Mr Yeldon's objection really is directed at the probative value of the answer.

20 MS ELLSON: I can rephrase the question, Commissioner.

COMMISSIONER: Can you indicate to me how you're going to do that so I don't have to ask Mr Adamos to leave the room again, please?

25 MS ELLSON: "Had you known that Mr Mileham's professional qualifications had not been verified as at 1 September 2016, would you have believed Mr Mileham to have been suitably qualified for the position? "

COMMISSIONER: I will hear Mr Yeldon on that. Mr Yeldon.

30

MR YELDON: At this point in time, it's obvious that the reference checks had not taken place, so it's an hypothetical of very little weight indeed. The probative value of that is such that a question like that should not be permitted.

35 COMMISSIONER: I will say two things to you, Mr Yeldon: firstly, in normal circumstances, I would be with you on that, it would have little probative value, but this is an Inquiry and there are things which the Inquiry knows about which counsel at the Bar table may not necessarily know about. If at the end of the day those things that I know about do not add to the probative value of the answer to that question when I have heard all of the evidence, then I will give it little probative value.

40

MR YELDON: Yes. I accept that explanation, I'm grateful for that.

45 COMMISSIONER: Thank you, Mr Yeldon.

MS SARACENI: Commissioner, I have, on behalf of Mr Mileham, an objection

in relation to how the new question might be asked. Previous witnesses and Mr Adamos has said that Mr Mileham had already been a senior executive within the City for a period of time. Qualification checks, reference checks, one would assume they were done the first time around. Whether the question this time should perhaps be couched on the basis of, for this role as opposed to a previous role.

COMMISSIONER: I'm not going to insist on Counsel Assisting doing that, Ms Saraceni, but I have been listening carefully to the answers that have been given by Mr Adamos, including why he thought Mr Mileham was adequately qualified. So the answer to the question that is about to be asked, as I have said to Mr Yeldon, will be given its appropriate probative value in due course.

MS SARACENI: Thank you, sir.

COMMISSIONER: Thank you, Ms Saraceni, for raising the point. Mr van der Zanden.

MR van der ZANDEN: Might I rise as well? The question that my friend indicated she proposed to ask sounded very similar, to me, to the one that she had just asked and had been answered.

COMMISSIONER: There are some similarities between the questions, I acknowledge that, but I have now given Mr Yeldon an explanation as to what I propose to do with it in due course, that is the answer to it. Is that not satisfactory for you, Mr van der Zanden?

MR van der ZANDEN: If it's the same question, then it doesn't assist anybody.

COMMISSIONER: It's not the same question. It has some similarities

MR van der ZANDEN: Yes. Thank you, Commissioner.

COMMISSIONER: Did you want to press your objection any further?

MR van der ZANDEN: No, I won't take it any further.

COMMISSIONER: Thank you. Is there anyone else who has an objection? Madam Associate, could you please bring Mr Adamos back into the hearing room. Ms Thornton, you appear to be in some discomfort, are you all right?

MS THORNTON: Yes. I hurt my back, Commissioner.

COMMISSIONER: Very well. If you need a break at any time, let me know.

MS THORNTON: I'm supposed to stand up every hour but like the witness, I forgot.

5 COMMISSIONER: Hopefully you won't be standing up every hour with an objection. You stand when you need to and perhaps give me some sort of secret signal that you're not making an objection, you're just flexing your back. Thank you. Mr Adamos, please resume your seat in the witness box.

**MR Jimmy ADAMOS, recalled on former oath:**

10 COMMISSIONER: Mr Adamos, in your absence, some objections were heard and they were addressed and I want to again make it clear to you that your exclusion from the hearing room is no reflection on you?---Thank you.

Ms Ellson.

15 MS ELLSON: Commissioner.

Mr Adamos, if you had known at 1 September 2016 that Mr Mileham professional qualifications had not yet been verified, would you have believed Mr Mileham to be suitably qualified for the position?---Yes.

20 Can you tell me why, in the absence of professional qualifications being verified, you'd hold that view?---Because he was employed as the Director of Planning, I would have thought those things would have been verified at that point. So having to re-verify them a few years later, I didn't see the point of that.

25 So you're assuming they were being re-verified?---Exactly, yes.

If they hadn't been verified at all as at 1 September 2016, would you still have believed Mr Mileham to be suitably qualified for the position?---It's hard to say. 30 Yes, I still would have thought he was suitably qualified because he had - his CV was very extensive, he had lots of experience. I'd worked with him before, I thought he would make a good CEO.

35 The document can be taken down, please, Madam Associate. I would like to talk to you now, Mr Adamos, about the movement of the Grand Central Hotel through the heritage registration process?---Sure.

In 2016, Mr Adamos, you were a member of the Planning Committee, that's right?---That's correct.

40 Do you have any memory of attending a Planning Committee meeting on 13 September 2016?---Yes, that was one of the Planning Committees, yes.

Sorry, that was one of the meeting dates?---Yes, that's right.

45 Do you remember attending?---Yes, I do.

Can you tell me what happened?---That was the - I think that was one of the Planning Committees that we were discussing some other heritage buildings as well, so the Grand Hotel was one and there were some other ones in there as well.

5 COMMISSIONER: When you say the Grand, do you mean the Grand Central?---Sorry, the Grand Central, yes.

There are just times we need to be precise, Mr Adamos, and times when we don't need to be so precise?---Thank you.

10

MS ELLSON: Madam Associate, if you could bring up, please, 27.1035, TRIM 1122, Commissioner.

COMMISSIONER: Thank you.

15

MS ELLSON: Do you see here Planning Committee minutes, 13 September 2016, Mr Adamos?---Yes

Madam Associate, if you could turn, please, to 27.1038. Mr Adamos, do you see here you're listed as a member in attendance?---Yes, I do.

20

Madam Associate, 27.1039, a confidential item, "Agenda item 2. Proposed entry of Grand Central Hotel in the City Planning Scheme No 2", do you see that?---I do.

25 Madam Associate, 27.1040. Do you see here, Mr Adamos, a deputation?---Yes, I do.

Which was approved by the Presiding Member, Councillor McEvoy?---Yes.

30 And Mr Simpson has attended and has apparently spoken for two minutes?---Yes, I see that.

[11.30 am]

35

40

45



Do you remember what Mr Simpson addressed the meeting on?---It was about the Grand Central and it was about his client's objection to having it listed for heritage. He did speak about proportionate registration, or sorry, proportional registration, about certain parts of the building having heritage value and other parts not.

5

Were there any questions asked of Mr Simpson by the committee members?---I don't remember. There may - no. I don't know remember if more questions were asked of him, no.

10 Was Mr Simpson making a recommendation to Council?---No - yes, his recommendation was that we don't register it for heritage, yes. That was his objection, I suppose.

In what context did proportionate registration come up then?

15

COMMISSIONER: Proportional.

WITNESS: Proportional, yes. So he was saying that there was only certain parts of the building that required - that it was possible they would have any kind of heritage value so he was talking about the front dining room, I think the front facade, some ceilings. There were just certain aspects of the building, it wasn't the entire building.

20

MS ELLSON: As at 13 September 2016, do you know whether the City had considered proportionate listing before?

25

COMMISSIONER: No, I'm correcting you again, it's actually proportional.

MS ELLSON: I thought I heard the witness say both words.

30

COMMISSIONER: Yes, he did, but he corrected himself and in the documentation it's "proportional".

MS ELLSON: Commissioner, my mistake. Thank you?---Sorry, what was the question?

35

In what context did Mr Simpson raise proportional registration with you then?---Okay. In what context? It would have been - I don't understand your question, in what context?

40

You've indicated Mr Simpson submitted or recommended that Council not register the Grand Central Hotel on the Heritage Register?---Yes.

You've also spoken about Mr Simpson talking to the committee about proportional registration?---Yes.

45

How do those two things fit together?---They came together because I suppose he

was giving, I suppose, an option to say, well, the whole building shouldn't be Heritage Listed, saying proportional parts of it. It's a proportional part of it, so he went through to dictate, I suppose what he thought were those that had any kind of historical value. I don't know if I've answered your question.

5

At the end of the page on the screen, Mr Adamos, 27.1040, can you see there a reference to a reporting unit, Arts, Culture and Heritage?---Yes.

10 This is the traditional way in which a report from the City's officers is introduced in minutes, is it?---That's correct.

27.1041, please, Madam Associate. Do you see there a continuation of the report?---Yes, I do.

15 27.1042, please, Madam Associate, a continuation of the officer's report?---I see that, yes.

20 27.1043, please, Madam Associate. There's an indication here that the officer provides a recommendation to Council in the middle of the page, Mr Adamos, do you see that?---I see that, yes.

And there's an indication that three assessments or three Heritage Assessments have been done?---I see that, yes.

25 And that the third report, an independent heritage consultant's reports, had not been undertaken for the Motor House or the Kastellorizo property, do you see a reference to that underneath?---I do, yes.

And the report goes on to say:

30

*The extra Heritage Assessment was commissioned to ensure that an additional independent and full assessment of the place was obtained, given the recent media attention that the possible Heritage Listing of this place had attracted.*

35

Do you see that?---I do.

40 Are you able to provide some information to the Inquiry about, or further information in relation to the reasons for the extra Heritage Assessment? What was happening?---Yes, well - because it was owned by the Lord Mayor, there was a lot more - there were stories in the media around that time that there was some - so there was just stories in the media about that particular property going up for heritage. There was also a lot of interest internally at the City of Perth with a few Councillors and they were putting together, almost a bit of a submission by taking  
45 photographs of the building and putting them in our pigeonholes. So there was a lot of attention, I suppose, by the media and also internally, other Councillors as well, around this particular property. So I suppose, I'd never seen, I suppose, so

much attention on any one particular property around that time, so we just wanted to make sure that we got every single I dotted and every single T crossed, to make sure that we had gone that extra step over to make sure that we were having the right decision made.

5

27.1046, please, Madam Associate. The very last sentence, Mr Adamos:

*The findings of all three Heritage Assessments agree that the Grand Central Hotel meets the threshold for entry on the Heritage List.*

10

Do you see that?---Yes, I do.

Madam Associate, 27.1047, please. Under the heading, "Deemed provisions - requirements", there's a passage there:

15

*Should Council resolve to propose that the Grand Central Hotel be included on the Heritage List, further consultation will be undertaken with each owner and occupier of the place. A copy of the draft Heritage Place Assessment will be provided and the owner and occupier will have a period of 21 days to make a submission on the proposal.*

20

Do you see that?---I do, yes.

25 And:

*Following the close of the submission period, officers will report back to Council. At this time, Council may consider the draft Heritage Place Assessment and any submission received as part of making a final decision on the proposed Heritage Listing.*

30

Do you see that?---I do, yes.

Is it your understanding then that the officers intended to undertake further consultation with the owner and occupier following on from any recommendation or any motion by the committee?---It seems that way, yes.

35

When I say motion of the committee, to move the matter forward to Council?---That's right.

40

So further consultation was going to occur?---Yes, it was.

27.1048, please, Madam Associate. The officer writes in the second paragraph, Mr Adamos:

45

*Further consultation will be undertaken with the owner and occupier prior to Council making its final decision on the proposed Heritage*

*Listing.*

Do you see that?---I do, yes.

5 And then the officer makes a recommendation in the terms I read from page 27.1047, do you accept that?

COMMISSIONER: Just give Mr Adamos a moment to read that?---Yes, I do.

10 MS ELLSON: Please continue to read the balance of the page, Mr Adamos?---Yes, I see that. I've read that.

The committee agreed to defer the item and the motion was moved by Councillor McEvoy, seconded by Councillor Yong, and you voted in favour of it, do you see that?---Yes, I do.

And the reason was for the committee to:

20 *Defer the item, expressing a desire for City of Perth officers and the property owner to consider matters associated with the proportional registration of the building as outlined by the property owner's representatives.*

Do you see that?---I do, yes.

25

In circumstances where further consultation was going to occur if the matter moved to Council?---Yes.

30 Why did you vote to return the matter to the officers?---It's the only way of actually getting more work done on it, because you can't actually make changes to the officer's recommendation in the Council meeting, you can only send it back to committee, and then it's up to the committee then to initiate the additional discussions here with the owners. So the actual part that has to be worked on has to go back to the committee. It was just a procedural kind of process.

35

What part was to be worked on, Mr Adamos?---The part of going back to speak to the owners about the proportional registration.

40 Could that not have occurred though if the matter went to Council?---No. My understanding is you have to send it back to committee so then the officers can take it from the committee and then do the review, speak to the owners and then come back to committee and then you send it from committee back to Council.

45 Could the committee not have moved a motion for those discussions to have occurred anyway?---I guess we could have. It's probably something we didn't do before it went to that Council meeting. We should have done it at the Planning Committee meeting.

So you're saying that you should have recommended further discussions with relation to proportional registration to Council on this occasion?---That's right.

5 Thank you, Madam Associate. Can you tell me why, Mr Adamos?---I think it's because there was so much - as I said earlier, there was so much attention on this particular building and so much media around it, we just wanted to make sure we had actually covered off every single base that, we could never get to a situation where people say, "It should have been registered, you didn't register it", on "it didn't get registered and you should have registered it." So I suppose we were more on edge making sure we had exactly the right decision.

10 My question was more designed to ask you about why you say the committee should have referred the further consultation with respect to the proportional registration to Council?---That's what happened in that committee meeting there, the one you showed me in September.

15 It went back to the officers though, it didn't go to Council for discussion about proportional registration, did it?---No, it didn't because we would do the work at the committee.

20 You said that you should have referred the matter to Council for the discussions with respect to proportional registration; can you tell me why you should have referred the matter to Council for discussion about proportional registration?---I'm sorry, I missaid the wrong thing. I meant back to committee. It's my fault, I'm sorry.

You were the committee though?---Yes, that's right.

30 So you can't refer the matter to yourself?---No.

You mentioned that you should have referred the matter for discussions about proportional registration to Council, can you tell me why you said that?---I should have said that - I didn't mean for it to go back to Council, I meant for it to stay with the committee, which is what we did in that meeting of September 2016. I'm sorry, I misunderstood your previous question. I wouldn't have - at the committee, we wouldn't have sent it off to Council with that discussion about proportional registration. That would have always stayed at the committee. The committee does all the work with the officers and once we are kind of happy that we have done all the jobs we have to do, then we would send it off to Council. So we wouldn't have sent it off to Council any sooner than that about this discussion about the proportional registration. We would have had that discussion first before it went to Council.

45 [11.45 am]

Do you have a memory of Councillor Harley being present at the meeting on 13

September 2016?---Yes, he was at one of the meetings and then Councillor Limnios and Councillor Green were at another meeting, I think, or the same meeting, I can't remember.

5 Do you need to be reminded?---Yes, please.

Madam Associate, if you could bring up, please, 27.1035 again. Mr Adamos, you see the Planning Committee minutes, 13 September 2016?---Yes.

10 27.1038, please, Madam Associate?---Yes, Councillor Harley was there. Yes, that was the day he put photographs of the building, this kind of little document, put it into our pigeonholes before the Planning Committee meeting.

15 Did you see him do that?---No, I didn't but I knew it was him. I don't know how I remembered that but I knew it was he that put them in there.

20 What was it that you saw or heard that made you say that?---Either he told me he put them in or I asked him or something like that. I knew it was he that put them in. Nobody else would have access to our pigeonholes. There were others that could have had access but I knew it was him, but I just don't remember how.

Before the 13 September 2016 meeting was called on, so still on that day, did you speak to Councillor Harley about why he had come to the meeting?---No, I didn't.

25 Did you know why he was there?---I think I knew why he was there because there was, as I say, a lot of media attention about it and I think he'd sent me messages or he sent us emails. There was a lot of attention by him around this and the media was heavily involved, which seemed a bit strange.

30 Did his presence at the meeting make a difference to your consideration of the item, being the Grand Central Hotel's movement through the heritage registration process?---No, we were always going to do the right thing by whatever was the right decision. I found it strange he was there but obviously he was showing an unusual interest in it.

35 Thank you, Madam Associate, the document can be removed. Mr Adamos, do you recall attending a Planning Committee meeting on 25 October 2016 at which the potential registration of the Grand Central Hotel was discussed?---Yes, I do.

40 What is your memory of attending that meeting?---I think that was the meeting where Limnios and Green were there and we were happy with the discussions that the Administration had with the landowners and then it was a point of sending it back to the Council for, I suppose, final ratification.

45 What discussions had occurred with the landowners, Mr Adamos?---I don't remember exactly now what those discussions were but - yes, I don't remember what the discussions were. All I remember is that we were going to fully register

that building.

27.1143, please, Madam Associate, TRIM 19697.

5 COMMISSIONER: Thank you.

MS ELLSON: Do you see here some Planning Committee minutes which ought to be referable to 25 October 2016?---Yes, I see that.

10 Madam Associate, 27.1146. Do you see here you're among those present?---Yes, I do.

You accept that you attended the meeting on 25 October 2016?---Yes, do I.

15 You see there Councillor Limnios and Councillor Green are recorded as observers, do you see that?---I do.

Did you talk to either of them about their attendance on 25 October 2016 before the meeting?---No, I don't - I didn't speak to them.

20

27.1147, please, Madam Associate. Confidential item 11 at the bottom, Mr Adamos. You see there, "Proposed entry of the Grand Central Hotel"?---Yes, I do.

25 27.1148, toward the bottom of the page, Mr Adamos, do you see - I will go backwards a bit. In the middle of the page do you see reference to a report from officers in the Arts, Culture and Heritage unit?---Yes - sorry, where is that?

30 In the middle of the page there's a reference to Arts, Culture and Heritage?---Yes, I do, yes.

You recognise that as the officers' report the committee?---I do.

35 The second last paragraph, Mr Adamos:

*The following information has been included subsequent to the Planning Committee's recommendation at its meeting held on 13 September 2016.*

40 ?---Yes, I see that.

And the officer goes on to say:

45 *It should be noted that in accordance with the City of Perth's standard procedures, further consultation between officers and the landowner in relation to identifying specific zones of cultural heritage significance of a place that is being considered for Heritage Listing is not usually*

*undertaken at this point in the Heritage Listing process.*

?---I see that.

5 The next page, 27.1149:

*As far as officers are aware to date, all such consultation has occurred after a property is Heritage Listed.*

10 Do you see that?---I do.

Does that indicate to you that further consultation with respect to proportional listing had not occurred as at 25 October 2016?

15 COMMISSIONER: Do you need to go back to the previous page again?---Yes, please.

Just take your time?---Okay. And the next page, please.

20 MS ELLSON: There's two paragraphs in the middle which might also assist you, Mr Adamos, "This report requests"?---I see that.

Do you accept that the officers were of the view that the consultation would occur once Council initiated the process?---I see that now, yes.

25

COMMISSIONER: There's an objection. Sorry, are you objecting or just exercising?

30 MS THORNTON: Yes. Commissioner, there's been two questions now. The first one - - -

COMMISSIONER: Should I hear these objections in the absence of the witness?

35 MS THORNTON: Thank you.

COMMISSIONER: Thank you. Mr Adamos, I will have you excused from the hearing room again.

**WITNESS WITHDREW.**

40

COMMISSIONER: Yes, Ms Thornton.

45 MS THORNTON: The first question was related to whether or not there had been further consultation but the last question again, Commissioner, asked Mr Adamos what their view was about the further consultation. In my submission, it's clearly unfair for the witness to be asked that question. He can be asked what they reported back to him, but not what their views were and whether or not they had



undertaken that consultation.

COMMISSIONER: Thank you, Ms Thornton. Ms Ellson, what do you say about the objections?

5

MS ELLSON: I see my friend's point, Commissioner. I can rephrase my question.

COMMISSIONER: Yes, very well. Thank you. Madam Associate, would you please have Mr Adamos brought back into the hearing room. Mr Adamos, please resume your seat in the witness box.

10

**MR Jimmy ADAMOS, recalled on former oath:**

COMMISSIONER: Mr Adamos, in your absence, two objections were made by your counsel and were addressed. Your exclusion from the hearing room is no reflection on you whatsoever?---Thank you.

15

Ms Ellson, are you ready to proceed?

20

MS ELLSON: Yes, Commissioner.

COMMISSIONER: Thank you.

MS ELLSON: Mr Adamos, do you accept that officers were reporting to you for Council to initiate a process which would include consultation, or further consultation?---Yes, I accept that.

25

Madam Associate, if you could turn, please, to page 27.1155. I draw your attention to the last paragraph, Mr Adamos?---Yes.

30

27.1156, please, Madam Associate. First paragraph, Mr Adamos?---Yes, I see that.

A motion was moved by Councillor McEvoy and seconded by Councillor Yong and you voted in favour of it?---Yes.

35

And it was along the lines recommended by the officers, is that right?---That's right.

40

Can you tell me, Mr Adamos, why, on this occasion, you voted in favour to move the matter to Council?---I don't know. It would have just been - I don't know.

Could it have had something to do with the further consultation that was going to occur, or was it because of an assessment of the property, do you know?---I don't remember, I'm sorry.

45

Did it have anything to do with the presence of Councillor Green and Deputy Lord Mayor Limnios?---No.

5 Thank you, Madam Associate, the document can be removed. No more questions for Mr Adamos, Commissioner.

COMMISSIONER: Thank you very much.

10 MS ELLSON: I'm so sorry, I have two areas I need to cover, Commissioner. My apologies. My speedy instructor was on to me there.

COMMISSIONER: He's very vigilant, isn't he?

15 MS ELLSON: Mr Adamos, I would like to talk to you about the Council's Code of Conduct?---Yes.

And the insertion of provisions relating to bullying in June 2017?---Yes.

20 Do you recall that happening in June 2017?---Yes

[12 noon]

25 What do you remember about that?---What I remember about that is there was a lot of, I suppose, bullying going on, particularly with a few Councillors and the CEO at the time, and it was just proving to be a very difficult environment in which to have any meaningful discussions with any Directors or Managers or even the CEO because of the actions of some.

30 Did you witness any instances of bullying by any Councillors?---Yes, I did, from time to time.

35 Can you be specific as to time and place and who?---I can't be specific as to time and place. I mean, I recall like at one point during one of our committee meetings, and I don't remember the actual date of it, but I recall a couple of the Councillors, and I can't remember exactly what the issue was but they were, I suppose, just kind of attacking the CEO and just - yes, not accepting his answers to certain things.

40 Who were the Councillors?---The only - the Councillors were Councillor Green and Councillor Limnios. They would often have very heated discussions with the CEO in committee meetings and just really treat him with no respect whatsoever. It was pretty poor.

And the CEO was Mr Mileham?---That's right.

45 And you can't say when this occurred?---It happened during some committee meetings on different topics. I just remember that the level of respect they showed him was very low.

5 COMMISSIONER: Why do you say that?---It was just, he was the CEO, we'd go to him asking him for advice or direction or for him to explore different avenues or projects for the City of Perth, and it was just those discussions we would have with the CEO. People were just totally disrespectful to him and pushing him and saying, "Why can't you do this" and basically trying to say, "Well, we are the Councillors and you're the CEO and you'll listen to us." There was a lot of that kind of discussion going on. It was just - it was quite poor.

10 If we go specifically to the committee meetings that you made reference to as examples, you told me that in those meetings a couple of the Councillors - my words, not yours - had a different point of view with the CEO. That in itself is not wrong, is it?---No, no, it's not wrong.

15 And even if those Councillors expressed their differences of opinion strongly, that's not wrong either, is it?---No, it's not wrong.

20 So the kind of disrespect you're talking about, I assume from the example you gave me, is in the way in which the difference is expressed?---That's true.

Can you be specific about a particular or particular instances where that kind of disrespect, as you call it, was shown?---One of the times was about an issue of free parking and - - -

25 Let's concentrate on that one?---Yes.

Are you saying that on that occasion, the CEO was not treated respectfully?---That's right.

30 What kind of meeting was this in?---This was in a committee meeting - a briefing session, I should say.

35 Which Councillors do you say were not respectful towards the CEO on that occasion?---On that occasion it was Councillor Limnios and Councillor Green, because this topic about free parking was a financial one.

40 Can you tell me why you thought that Councillor Green and Councillor Limnios were not showing respect to the CEO on that occasion? In other words, what did they say or do that led you to that conclusion?---I can't remember exactly what they said but it's in the way - as you said earlier, it's the way that these questions are asked of a CEO. It's just the manner in which it all occurs.

Is that all you're able to say about that occasion?---That's all I can say about it.

45 Are you able to recall any other example?---I can't remember any other specific examples.

Thank you, Mr Adamos. Ms Ellson.

MS ELLSON: Commissioner.

5 Mr Adamos, do you recall a time toward the end of 2017 when Mr Mileham introduced what's called a CEO Inbox?---Yes, I do.

10 Can you tell me what you remember about that?---Yes, I remember that the CEO Inbox came up because if we had any questions of any Directors or the CEO or anyone, we were no longer able to go individually to different Directors or the CEO, we would have to, I suppose, process all our questions and queries through the CEO Inbox.

15 How did you find - did you use the system?---I did use the system. I found it really cumbersome.

20 In what sense?---In the past, you used to be able to ring up a - call up a CEO or call up a Director and ask a question about a particular topic, or a ratepayer may get in contact with you and it was a very effective way of operating at the City. You could contact a Director and ask a question, but now all that had stopped and we had to only make contact with Directors via this CEO Inbox. It was just a very cumbersome of operating our business.

25 Do you have an appreciation of why it was introduced?---Yes, I do.

30 And what was the reason?---I just think people were just taking up far too much time of, you know, of the CEO's time or Directors and they were trying to circumvent, you know, to just go around it and I think people were just treating - I think some Councillors were just treating Administration with just not the right respect. This is what I'd heard and this is why it came up.

35 COMMISSIONER: So did this reason for it come to you secondhand?---No, not secondhand. I mean, I'd seen some of it but I can't remember specifically those times.

But some of it came to you secondhand?---Some of it did come to me secondhand, yes.

40 Thank you.

MS ELLSON: You mentioned you observed the Administration not being treated with respect; do you have any examples of that?---I can't think of anything specifically, no.

45 COMMISSIONER: Ms Ellson, Mr Limnios resumed his evidence after the first break this morning at 11.08 am.

MS ELLSON: Mr Adamos?

5 COMMISSIONER: Mr Adamos, sorry. It is now 12.08 am, so even though there have been a few occasions when he has been asked to leave the hearing room, it is now an hour since he resumed his evidence, so I'm going to ask Mr Adamos if he needs a break. Mr Adamos, do you need a break?---I'm happy to continue a little bit longer.

10 Okay. Ms Ellson, in that case, how much longer do you think you might be?

MS ELLSON: Five to 10 minutes, Commissioner.

COMMISSIONER: I see. In that case, we will press on.

15 MS ELLSON: Mr Adamos, with respect to the CEO Inbox?---Yes.

Can you tell me whether or not you ever raised any urgent matters through the Inbox?---I don't remember, I'm sorry.

20 Can you tell me what timeframe your requests were responded to within?---Usually within a day or so I would get an email back saying that "Your request has gone to" this Director or that Director. I'd always get a good response out of it. I didn't like it but I used it.

25 Were you always able to receive a response within a suitable time to you?---Yes, I think so. There was nothing - yes, all the time it seemed fine.

Did you have any difficulties with the quality of the responses or not?---No. Again, it was just a cumbersome way of doing business but no, it was fine.

30 Did you see or hear anything from other Elected Members about their experiences using the Inbox?---Yes, other Elected Members didn't like it and they were very vocal about it at briefing sessions and vocal to me that they didn't like using it and, you know, "It should have been just like the old days where we could call a Director" and I was frustrated by it as well.

I'm close to the end, Commissioner.

40 COMMISSIONER: If you're moving to a slightly different area, I just have a couple of questions here for Mr Adamos.

You spoke about getting a response within a day or so, indicating a Director had received the question who was dealing with it?---Mm hmm.

45 On average, how long did it take you to get the substantive response to your question?---It was always within a few days. It depends what the topic was but if the topic was something that required a lot more investigation, then that would

take more time but if they were, for example, that somebody's bin hadn't been picked up or that there was some paving that needed some repairs, within a few days it would be addressed.

5 My second question is, were there occasions where you got a substantive response to your question which did not satisfy you?---I'm sure that would have occurred, I'm sure that would have happened.

You don't recall?---I don't recall specifically, no.

10

Ms Ellson.

MS ELLSON: Mr Adamos, do you recall saying to Mr Mileham that the role of the Deputy Lord Mayor was to beat or bash the Administration, ever?---Sorry, could you just repeat that?

15

Do you recall ever saying to Mr Mileham that the role of the Deputy Lord Mayor was to beat or bash the Administration?---No.

20 Ever?---No, I don't remember saying that.

I have nothing further, Commissioner.

COMMISSIONER: Very well, thank you. Just give me a moment. Mr van der Zanden, do you have an application?

25

MR van der ZANDEN: No, I don't, thank you, Commissioner.

COMMISSIONER: Thank you, Mr van der Zanden.

30

MS TOMASINI: No - sorry.

COMMISSIONER: Very eager, Ms Tomasini.

35 MS TOMASINI: No, I don't, sorry, Commissioner.

COMMISSIONER: Thank you very much. Mr Cornish?

MR CORNISH: I don't, thank you, Commissioner.

40

COMMISSIONER: Mr Yeldon?

MR YELDON: Not on this occasion, Commissioner.

45 COMMISSIONER: Thank you. Ms Zoric?

MS ZORIC: No, I don't, thank you.

COMMISSIONER: Mr Skinner?

MR SKINNER: Not at all, may it please the Inquiry.

5

COMMISSIONER: Thank you. Mr O'Meara?

MR O'MEARA: No application, Commissioner.

10 COMMISSIONER: Ms Saraceni?

MS SARACENI: No, Commissioner.

COMMISSIONER: Ms Thornton?

15

MS THORNTON: No, Commissioner.

COMMISSIONER: Thank you. In that case, Mr Adamos, you are excused from further attendance today and I want to thank you for your assistance?---Thank you for making the accommodations for me as well too.

20

There's no difficulty with that whatsoever. I will now adjourn for a short time before the next witness is called. Ms Ellson, how long do you think you will need for that, to make the arrangements for the next witness?

25

MS ELLSON: Perhaps 10 to 15 minutes, Commissioner.

COMMISSIONER: Very well. I will adjourn for 15 minutes.

30

**WITNESS WITHDREW**

(Short adjournment).

HEARING RECOMMENCED AT 12.33 PM

35

COMMISSIONER: Ms Ellson, do you call your next witness?

MS ELLSON: I do. I call Janet Elizabeth Davidson.

40 COMMISSIONER: Thank you. Ms Davidson, would you please come forward and take a seat in the witness box. I will have Ms Davidson sworn or affirmed and then I will take appearances. Ms Davidson, would you prefer to be sworn or affirmed

45 MS DAVIDSON: I will be affirmed, thank you, Commissioner.

COMMISSIONER: Thank you. Madam Associate.

**MS Janet Elizabeth DAVIDSON, affirmed:**

5 COMMISSIONER: Thank you, Ms Davidson, please take a seat. Ms Saraceni, do you have an application?

MS SARACENI: Yes, sir. A written document has been lodged but on behalf of Mr Mileham I seek to represent him when Mrs Davidson gives evidence.

10 COMMISSIONER: Yes. Ms Ellson, is there any objection to leave being granted to Ms Saraceni?

MS ELLSON: No, Commissioner.

15 COMMISSIONER: Thank you. Leave is granted, Ms Saraceni.

MS SARACENI: Thank you, sir.

20 COMMISSIONER: Mr Yeldon, you appear for Ms Davidson with Ms Chappelow?

MR YELDON: Indeed I do, sir.

25 COMMISSIONER: Thank you. I don't imagine there's any objection to that, is there?

MS ELLSON: No, Commissioner.

30 COMMISSIONER: Thank you. Mr Yeldon, leave is granted.

MR YELDON: Thank you, sir.

COMMISSIONER: Mr Skinner, I will get your name right this time.

35 MR SKINNER: Thank you very much, sir.

COMMISSIONER: And you have an application?

40 MR SKINNER: I do, sir. I do seek leave to appear on behalf of Mr Linnios in relation to this, sir.

COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

45 MS ELLSON: No, Commissioner.

COMMISSIONER: Thank you, leave is granted. Ms Zoric?



MS ZORIC: Yes, Commissioner. May it please you, I seek leave to represent Gary Stevenson.

5 COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

MS ELLSON: No objection, Commissioner.

COMMISSIONER: Leave is granted, Ms Zoric.

10 MS ZORIC: Thank you.

COMMISSIONER: Mr Malone?

15 MR MALONE: May it please you, Commissioner, I seek leave to appear on behalf of Councillor Harley.

COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

MS ELLSON: No, Commissioner.

20 COMMISSIONER: Leave is granted, Mr Malone.

MR MALONE: Thank you, Commissioner.

25 COMMISSIONER: Mr Cornish?

MR CORNISH: Thank you, Commissioner. I seek leave to appear on behalf of Dr Green.

30 COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

MS ELLSON: No, Commissioner.

COMMISSIONER: Leave is granted. Ms Tomasini?

35 MR THOMAS: Yes, may it please you, Commissioner, I seek leave to appear on behalf of Judith McEvoy.

COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

40 MS ELLSON: No, Commissioner.

COMMISSIONER: Leave is granted.

45 MS TOMASINI: Thank you.

COMMISSIONER: Mr van der Zanden?

MR van der ZANDEN: May it please you, Commissioner, I seek leave to appear on behalf of Ms Scaffidi.

5 COMMISSIONER: Thank you. Is there any objection, Ms Ellson?

MS ELLSON: No, Commissioner.

COMMISSIONER: Leave is granted. Are you ready to proceed, Ms Ellson?

10

MS ELLSON: I am, yes.

COMMISSIONER: Please do.

15 Mrs Davidson, I would like to start by talking to you about what happened to the employment of Mr Gary Stevenson as CEO?---Yes, his initial appointment?

No, the end of his appointment?---All right.

20 And the processes that were in place leading up to that?---Right.

Throughout Mr Stevenson's employment with the City, you were the Presiding Member of the CEO Performance Review Committee, is that right?---Yes.

25 In terms of the role of a Presiding Member, is it your role to be responsible for the conduct of the committee's affairs?---It is.

And the business it attends to in terms of the Performance Review of the CEO?---Yes.

30

In what respect are you, as the Presiding Member, responsible or were you responsible for the Performance Reviews of Mr Stevenson?---His first review was done by an outside organisation and the other review was actually done internally and it was the same questions posed that was done on that occasion.

35

I think you might be a bit confused, Mrs Davidson. Do you remember there being three reviews, two by an outside organisation?---I don't recall, so I'm only working on two at the moment, but if you say that there were three - - -

40 COMMISSIONER: Ms Ellson, in fairness to Ms Davidson, it might be appropriate to remind her of the reviews and how they were conducted.

MS ELLSON: Yes.

45 Ms Davidson, there was a six monthly review conducted by Mr Blades concluding on or about 7 June 2013, do you recall that?---13?

Yes?---Right.

A six monthly review?---Mm hmm.

5 And a first Annual Performance Review conducted by Mr Blades on or about September 2014 it was completed?---Right.

And a second Annual Review completed in July 2015 which was an internal process?---Yes.

10

I'd like to talk to you about how Mr Blades became involved in the Performance Review process from the outset now, Mrs Davidson?---He was chosen from outside organisations to undertake a Performance Review.

15 COMMISSIONER: Ms Davidson, I'm sorry to interrupt your evidence, but I'm having trouble hearing what you're saying?---Are you? I'm sorry.

If you could speak up a little, that would be very much appreciated?---I'm just trying to work out then which way I gauge myself, okay.

20

I don't mind which way you face, as long as I can hear you?---Right.

MS ELLSON: I must say, Mrs Davidson, I'm having a little trouble myself too?---Okay, fine. Chosen from outside organisations.

25

And there were a number of organisations who provided quotes to the Council, isn't that right?---Yes.

In what circumstances, Mrs Davidson, is it appropriate for someone who's quoted to provide business to the Council, to attend at a committee meeting to discuss it, which is discussing the quote?---I don't recall necessarily discussing the quotes.

30

I'm asking you a general question?---Right, okay. It wouldn't be usual. Often organisations will come and do a bid once they have quoted.

35

And if there were more than one organisation that had quoted, all of them would come along to the meeting, is that right, to discuss a bid?---Yes. I don't think always but in some cases they would be called in if the quote either needed to be clarified - - -

40

Is it ever appropriate for someone who's quoted for work to come to a committee meeting in the absence of the others who have quoted for work?---Could you just repeat that one.

45 Is it ever appropriate for someone who has quoted to provide work to the Council to come to a committee meeting in the absence of any others who have quoted for the work?---It's probably a little unusual.

COMMISSIONER: Counsel's question was directed at whether it would be appropriate?---It would be if any clarification was required.

5 MS ELLSON: It's not appropriate to do that in a committee meeting to the exclusion of other quotes, is it - other people who have quoted?---It could be on the basis that Mr Blades did the original appointment so he would have a knowledge of the CEO.

10 I'm not asking you about Mr Blades, Mrs Davidson, I'm still asking you generally speaking. It's not appropriate for someone to come to a meeting who has quoted for work, and for there not to be other people who have quoted for the same work present at the same meeting, is it?---No, that was one occasion that we did do that one person.

15 You're referring to an occasion on 15 July 2014 where Mr Blades attended to discuss Mr Stevenson's Performance Review work?---Yes.

20 And it wasn't appropriate for Mr Blades to attend in the absence of the other people who had quoted for that work, was it?---Not as appropriate. The others probably should have been invited in.

25 Why weren't they, Mrs Davidson?---I think on the basis that he had already done the initial appointment, and along with the quotes that were given and therefore we were quite comfortable with using Lester Blades.

As at 15 July 2014, did you know what the relationship was like between the Lord Mayor and Mr Blades?---No.

30 If you had known that the Lord Mayor had a long-standing business/personal relationship with Mr Blades, would that have changed the way you dealt with Mr Blades at the committee meeting on 15 July 2014?---It may have done. I don't know the business or personal relationship, so on that basis it would have been a no because I would have taken him or his organisation as a professional  
35 organisation.

[12.45 pm]

40 I'm not sure what you mean by "it may have done" in terms of changed the way you dealt with Mr Blades?---No, I wouldn't have because I don't know the relationship, so I only know him as an organisation that is well regarded in the area of Local Government and recruitment.

45 If you had become aware that the Lord Mayor and Mr Blades had a long-standing professional or business/personal relationship, would you have done anything differently in the committee meeting on 15 July 2014?---No.

Why not?---Because I regarded him from a professional organisation that would be able to undertake the work.

5 If it appeared to you that the Lord Mayor had a conflict because of Mr Blades, would that have changed the way you dealt with Mr Blades at the committee meeting on 15 July 2014?---On the basis she would have had to have declared it.

10 And excused herself from part of the meeting?---That would have been the normal procedure.

15 Before the CEO Performance Review Committee meeting on 15 July 2014, had you and the other members of the committee already decided that Mr Blades would undertake the Performance Review work for Mr Stevenson?---I don't think it had been decided.

20 Mrs Davidson, if a decision had been made to select Mr Blades based on his involvement in the recruitment, why seek other quotes?---That would be normal procedure to do a comparison.

25 That comparison was never going to make any difference, was it, Mrs Davidson?---It would have done because we would have assessed those that applied.

30 Mr Blades was successful?---He was.

35 Was he the cheapest?---I can't recall. Not necessarily. The cheapest was not always taken as the first possibility.

40 Did you hear from him about his quote during the meeting on 15 July 2014?---I don't recall that.

45 14.0575, please, Madam Associate. While that's happening, Mrs Davidson, as at 14 July 2014, were you aware as to whether or not Mr Blades had ever conducted a Performance Review of a CEO?---I'm assuming I would have seen it in his quote.

50 But that's an assumption, is it?---If I looked at the document, he would have demonstrated that he had undertaken Performance Reviews.

55 If you had known Mr Blades had never undertaken a CEO Performance Review before as at 14 July 2014, would that have changed the way you viewed his quote?---Yes, I would have compared it with the others.

You did anyway?---Yes.

60 Would the fact that Mr Blades never had completed a CEO Performance Review before change your mind about appointing Mr Blades?---It may have done.

It would have, wouldn't it?---Yes. I'm just trying to think of the other organisations to do a comparison with.

5 Do you see on the screen, Mrs Davidson, CEO Performance Review Committee, minutes 14 July 2014?---Yes.

Madam Associate, 14.0578, please, TRIM 13528, Commissioner.

10 COMMISSIONER: Thank you.

MS ELLSON: See on the screen, Mrs Davidson, members in attendance are yourself as the Presiding Member, the Lord Mayor and Councillor Butler, and Mr Blades is a guest?---Yes.

15 Madam Associate, 14.0580, please - actually, I should back up and identify the report. My apologies. 14.0579. Mrs Davidson, do you see here a report from officers in Governance relating to the Chief Executive Officer Annual Performance Review 13/14?---Yes.

20 Madam Associate, 14.0580, please. Just take some time to read through that, Mrs Davidson, and let me know when you've finished?---Yes.

14.0581, please, Madam Associate.

25 COMMISSIONER: Do you want Mrs Davidson to read the whole of this page, too?

MS ELLSON: Yes, please, Commissioner?---Yes.

30 Mrs Davidson, Mr Blades was chosen to undertake the CEO Performance Review, was he?---Yes.

And was that as a result of what happened at the meeting on 15 July 2014?---Yes, the previous page mentioned that he had already undertaken a review.

35 14.0580?---Yes.

He's selected as the preferred consultant?---Yes.

40 And he's undertaken a Performance Review?---Yes.

On Mr Stevenson?---Yes.

45 Can you shed some light upon why Mr Blades was at the meeting?---I would have thought he left before a decision had been made.

Is that clear from the minutes?---No, it probably isn't.

What makes you say he left?---I think we would have, as a committee, discussed it.

Would have or you did?---I believe we did.

5

Did you discuss the quality of Mr Blades' first review amongst yourselves as this meeting?---I don't recall that.

10 COMMISSIONER: Can we just go back to the page, Ms Ellson, where Mr Blades' name is mentioned?

MS ELLSON: 14.0578.

COMMISSIONER: Thank you.

15

Ms Davidson, is if someone is recorded as present at a meeting but does not stay for the whole of the meeting, is the departure time of that person normally recorded in the minutes?---Usually it is, Commissioner.

20 Thank you.

MS ELLSON: Mrs Davidson, do you accept that Mr Blades did not leave the meeting?---I can't accept that because I don't recall.

25 Madam Associate, for the sake of completeness, 14.0582. There's no indication here Mr Blades has departed the meeting, is there, Mrs Davidson?---No.

In those circumstances, do you accept that he didn't?---I can accept that.

30 Mrs Davidson, do you accept that it was inappropriate for Mr Blades to remain in the meeting while the quotes for the Performance Review work were discussed?---Yes, if he remained and I've accepted that because there is no notation that he did depart.

35 The document can be taken down, please, Madam Associate. Do you agree that the only Performance Reviews conducted for Mr Stevenson's performance were the two reviews conducted by Mr Blades and the one that was done internally?---Yes.

40 Did you design the internal review, Mrs Davidson?---No.

How did it become developed?---It was based on the Lester Blades one.

Who created it?---Lester Blades would have.

45

When you say "would have"?---They did. When Mr Blades conducted, the same questions were posed to the Elected Members and the Directors.

The same questions were posed but who drew up the document?---I did.

5 Why?---Based on the old Lester Blades document because we were going to do an internal review.

Why?---The committee were, I think, agreed that that is what we would do with this particular review.

10 When you say the committee, the CEO Performance Review Committee?---Yes.

Were agreed that was what you would do?---Yes.

15 When did you reach that agreement?---It just depends on the timeframe of that review, you know, when we actually did it

[1.00 pm]

20 COMMISSIONER: It's just gone 1 pm, Ms Ellson. Perhaps that's something we can return to after the lunch break.

MS ELLSON: Yes, Commissioner.

25 COMMISSIONER: Very well. I will adjourn the Inquiry until 2.15 pm.

**WITNESS WITHDREW**

**(Luncheon Adjournment)**

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HEARING RECOMMENCED AT 2.16 PM.

**MS Janet Elizabeth DAVIDSON, recalled on former affirmation:**

5

COMMISSIONER: Just a couple of housekeeping matters. Ms Ford, you've replaced Mr Cornish?

MS FORD: May it please you, Commissioner.

10

COMMISSIONER: For Dr Green, and Mr O'Meara, you've replaced Mr Malone?

MR O'MEARA: May it please you, Commissioner.

15

COMMISSIONER: For Mr Harley.

Ms Davidson, the transcriber has notified my Associate over the lunch break that there is some difficulty in hearing what you are saying. So it wasn't just me?---No, that's fine. I've positioned the chair, or the associate has, and I will try and elevate.

20

Thank you so much, I appreciate it. Ms Ellson.

MS ELLSON: Commissioner.

25

Madam Associate, if you could bring up, please, 14.0581. Mrs Davidson, do you see there a motion moved by the Lord Mayor, seconded by Councillor Butler that, "The CEO Performance Review Committee notes the commencement of the Chief Executive Officer Annual Performance Review 2013/2014"?---Yes.

30

The motion was put and carried and you voted in favour of that?---Yes.

What were you voting in favour of doing?---That we would commence the Annual Performance Review.

35

And what were the particulars of that?---Whatever was going to be undertaken as regards the review process.

And what was that?---It was at this point, if those are the same minutes, for the nominated organisation to undertake the Performance Review.

40

And who was that?---Either before or after, we had three quotes and it was going to be one of those three quotes.

14.0580, please, Madam Associate. Does this help, you Mrs Davidson?---Yes.

45

So when you say "whatever was going to be undertaken", in terms of the commencement of the Chief Executive Officer Annual Performance Review

2013/14 - - -

MR YELDON: Is there a question there?

5 COMMISSIONER: Just be patient, Mr Yeldon. Carry on.

MS ELLSON: What was going to be undertaken, Mrs Davidson?---Mr Gary Stevenson's Annual Review.

10 By whom?---The three organisations and we were obviously going to chose one of them.

Which?---It came out that it was going to be Lester Blades.

15 Was the fact that the Annual Review was going to be conducted by Lester Blades the subject of the discussion during the Performance Review Committee on 15 July 2014?---I don't recall but I'm assuming that would be the discussion because that's what we were there for, to get the Performance Review underway.

20 So you were there to select someone to conduct the review?---Yes.

And during the meeting you chose one of the three consultants specified here?---Yes.

25 And that person was Mr Blades?---Yes.

There's nothing on this page to say that the Lord Mayor declared a conflict of interest, is there, Mrs Davidson?---No.

30 14.0581, please, Madam Associate. There's nothing on this page to declare that the Lord Mayor declared - - -

COMMISSIONER: To show that.

35 MS ELLSON: Pardon, Commissioner?

COMMISSIONER: "There's nothing on this page to show that", you said "to declare that".

40 MS ELLSON: I'm sorry, Commissioner.

COMMISSIONER: That's all right.

45 MS ELLSON: Mrs Davidson, there's nothing on this page to show that the Lord Mayor declared a conflict of interest, is there?---No.

14.0582. Similarly, there's nothing on this page to show that, is there?---No.

14.0579, under the heading, "Disclosure of members' interests: nil", do you see that?---Yes.

5 And there's nothing to indicate here that the Lord Mayor had declared an interest, is there?---No.

If she had done that, Mrs Davidson, it would have been more important to exclude Mr Blades, wouldn't it, if she had done so on the basis of a perceived conflict of interest because of him?---If she had declared, she would have been the one to exit.

And Mr Blades should have exited as well, shouldn't he?---No.

15 Why not?---Because he - well, he wasn't declaring any conflict, so no.

If you had known that the Lord Mayor and Mr Blades had a relationship to the extent requiring the Lord Mayor to declare a conflict of interest, it would have necessarily meant that Mr Blades needed to exit, wouldn't it?---On that basis, yes.

20 The document can be taken down, please, Madam Associate.

COMMISSIONER: And if you assume that the Lord Mayor had a conflict of interest which would require declaration, but wasn't declared, then it would have been wrong for Mr Blades to be present throughout the meeting, wouldn't it?---If the Lord Mayor had declared, she would have had to have left the meeting.

I understand that but that's not what I'm asking you. If there was in fact a conflict of interest - - -?---With Mr Blades.

30 - - - for the Lord Mayor and she remained in the meeting, as we know she did, then it was wrong for Mr Blades to be there, wasn't it?---Yes, but everyone declared a nil.

35 Yes, that's right. ?---Is my hearing better now, or my sound?

You're speaking up much more clearly, so I'm hearing you better?---Great.

Thank you?---Thank you.

40 Ms Ellson.

MS ELLSON: Commissioner.

45 Did you, or the CEO Performance Review Committee ever settle on key performance indicators to measure Mr Stevenson's performance?---No.

Why not?---I could only answer, we didn't and on the basis it was going to be worked on but never completed.

5 Do you accept that key performance indicators ought to have been developed for Mr Stevenson?---Yes.

Do you accept that you were, as the are Presiding Member of the CEO Performance Review Committee partly responsible for that not being done?

10 MR YELDON: Objection.

COMMISSIONER: Yes. Should I hear it in the absence of Ms Davidson?

15 MR YELDON: Well, responsible in which way, legally or - - -

COMMISSIONER: Very well. Thank you, Mr Yeldon. Can you be more precise, Ms Ellson?

20 MS ELLSON: Yes, Commissioner.

COMMISSIONER: Thank you.

25 MS ELLSON: Do you accept that as a matter of fact, Mrs Davidson, you were partly responsible - as the Presiding Member of the CEO Performance Review Committee, partly responsible for that not being done?---Yes.

Mrs Davidson, in July 2015 did you complete a survey or a questionnaire with respect to Mr Stevenson's Annual Performance Review?---Yes.

30 Madam Associate, if you could bring up, please, page 14.0783. Mrs Davidson, do you see here a document bearing your handwriting?---Yes.

35 Do you recognise this as the first page - I'm sorry, back to 14.0782, please, Madam Associate. Does this page bear your handwriting?---Yes.

And your initials?---Yes.

Do you recognise this as the first page of a CEO Performance Review?---Yes.

40 Do you recognise it as the Performance Review you completed for Mr Stevenson in July 2015?---Yes.

45 Madam Associate, 14.0783. Mrs Davidson, if I could ask you, please, to read through the item, "Knowledge of legislative and corporate governance compliance requirements", the material you've written down there?---Yes.

You've indicated under the heading, "Knowledge of legislative and corporate

governance compliance requirements" that:

5                   *This has been achieved and tightened up, especially in the risk management/procurement areas. However, with regard to dealing with EMs, e.g., CCC, FoIs.*

Do you see that?---Yes.

10 Can you tell me what you mean by "dealings with Elected Members", using the example of the CCC?---The CEO, Gary Stevenson, I believe, referred some travel entitlements to the CCC.

15 COMMISSIONER: When you say that, do you mean referred some matters concerning Elected Members' use of their travel entitlements to the CCC?---Yes.

Thank you

[2.30 pm]

20 MS ELLSON: That was not something that had been finalised by July 2015, was it?---I don't recall.

25 Up until July 2015, had you spoken to Mr Stevenson about any matters of concern for you with respect to the CCC?---Yes, I believe there was a discussion, just concerning one of my annual returns.

When did you have the discussion?---That I don't recall.

30 Is that why you've used this as a reference to the CCC in your Performance Review?---Yes.

35 What was the subject matter of the report?---It was a trip that I undertook for the City to Malacca and it was not placed on the annual return and the CEO, Gary Stevenson, suggested that a paragraph be attached to the annual return to complete that and I said, retrospectivity could not be undertaken.

And you did not complete the paragraph?---No. So then I think the CCC handed it back to Gary Stevenson and then I think it was referred to the Department.

40 You skipped ahead in time there, Mr Stevenson. I'm going to come back to your trip to Malacca in the chronology of things?---Yes.

45 But for now is it fair to say that by the time you completed the Performance Review of Mr Stevenson in July 2015 he had raised with you the need to report a trip to Malacca?---Yes.

And that is the reference you make here to the CCC?---Yes.

15.0784. Do you recognise your handwriting on this page, Mrs Davidson?---Yes.  
You recognise that as page 3?---Yes.  
5 Of 9. 14.0785. Again, this is your handwriting?---It is.  
14.0786. This is your handwriting?---Yes.  
10 14.0787, again your handwriting?---Did that move at all? I'm still on page 6.  
COMMISSIONER: It should be 787.  
MS ELLSON: 787 which is page 6, Mrs Davidson?---Right.  
15 Do you see your handwriting on that page?---Yes.  
14.0788, do you see your handwriting on that page?---Yes.  
20 14.0789, please. Do you see your handwriting on that page?---Yes.  
14.0790, do you see your handwriting on that page?---Yes.  
Do you accept that the pages that we have looked at from 14.0782 to 14.0790  
25 reflect the content of your Annual Performance Review for Mr Stevenson in July  
2015?---Yes.  
Mrs Davidson, is it fair to say that on balance, in July 2015, you considered  
Mr Stevenson's work to be technically good?---In some areas, yes.  
30 In which areas?---Those that went before, in terms of financial, restructuring - you  
would have to flip me the pages as regards where I felt that they were - strategic  
planning, that sort of thing, yes.  
35 14.0782 might help you, Mrs Davidson?---Yes, we were in the middle of a fairly  
extensive Local Government reform, hence my comment there in that first criteria.  
So he was good at managing the finances?---Yes. The Local Government reform  
needed a lot more work with it.  
40 That was an ongoing process at that stage, wasn't it?---It was.  
He was also involved in the City of Perth Act?---Yes.  
45 He was doing that well?---Yes, that white paper that we are referring to, that had to  
be rewritten and that required quite an amount of Elected Member time.

What else was he doing well in around July 2015, Mrs Davidson?---The organisation restructure.

That was a significant restructure, wasn't it?---Yes.

5

What else?---The strategic planning and certainly the audit and risk, I think gets a mention later on.

Mrs Davidson, were you responsible for collating and collecting the results of the July 2015 Performance Review?---I'm lost on the date now, whether this was Lester Blades or this was the one that I undertook.

10

I will try and help you?---Mm hmm.

14.1045, please, Madam Associate. Mrs Davidson, do you recognise this document as a summary document of the CEO Performance Review 2015?---Yes.

15

Do you recognise it as a document you prepared?---Yes.

And it was a document that you had prepared based on a number of surveys that you had received from Elected Members and others, is that right?---Yes, to the paper that you just referred my document to, they all filled one of those out.

20

Can you tell, Mrs Davidson, by reading the first page of this document, who filled out a survey?---I know that all the Elected Members did and all the Directors.

25

But you can't see that from reading this document, do you accept that?---No.

You don't accept it or you do?---This is comments from all of the Elected Members and Directors that I received.

30

You can't see who relates to each paragraph, can you?---No.

So you don't know whose comments belong to who?---Well, I can recognise mine, on this particular page.

35

Putting that to one side, Mrs Davidson, you accept that you can't tell whose comments belong to who by looking at this document, can you?---No.

Is the survey here the one that you prepared or the one that Lester Blades prepared, do you know now?---No, I prepared it for the Elected Members and Directors.

40

Why was Lester Blades not engaged to do that work, Mrs Davidson?---I took it upon myself to obviously put all the comments down in this document and all the returns should be with the City.

45

14.0714, please, Madam Associate. Mrs Davidson, this is a blank CEO

Performance Review document. Is this a document you prepared for use by the Elected Members and Directors for the CEO Performance Review in July 2015?---Yes.

5 Why did you take it upon yourself to prepare this document?---Based on the previous Performance Reviews, so that there was a consistency of approach.

Why did you take it upon yourself and not use Mr Blades?---I think it was decided that we would do this review this way.

10

COMMISSIONER: What counsel is asking you is why you decided to prepare this template, if I can call it that?---I think the CEO Performance Review Committee gave me carriage of undertaking it.

15 Do you know why that happened?---No, I can't comment on that, Commissioner.

Saying you can't comment is not the same thing as telling me you don't know why?---I think it was just agreed that we would undertake it this way.

20 Do you know why that agreement was reached?---Consistency of approach, I think.

Yes, thank you.

25 MS ELLSON: Mrs Davidson, when you say "it was decided we'd do the review", who decided that the review would be done in the way you did it?---I think the CEO Performance Review Committee.

Outside of committee process?---That I can't recall.

30

If it were done outside committee process, would that surprise you?---Yes.

Why?---Because normally a committee would give carriage to someone to undertake it.

35

Before July 2015, did you become aware that the Lord Mayor had become dissatisfied with Mr Blades' work at all?---No.

Had you?---No.

40

So why not use him again, Mrs Davidson?---The decision was to go this way, I believe, so - - -

45 That doesn't answer my question as to why?---No reason, no reason not to use him or to use

[2.45 pm]



Mrs Davidson, before July 2015, how much experience had you had in conducting CEO Performance Reviews in Local Government?---The City of Perth had had two CEOs and I had been involved in their Performance Review.

5

Was the first one Frank Edwards?---No, one of them would have been Gary Hunt and Frank Edwards, and he was with us for 10 years, so they would have been annually.

10 Did you suggest you could conduct Mr Stevenson's Performance Review independently of an external consultant?---I didn't.

Who did?---I believe it was the Review Committee but I think that they believed that this document could be used internally and gave me carriage to undertake it.

15

COMMISSIONER: Sorry, who is the Review Committee?---I believe, Commissioner.

20 Who is the Review Committee that you're speaking about?---2015 would have been the Lord Mayor, Rob Butler and myself.

So the three of you?---Yes.

25 You see, what counsel is getting at is why you had, for one Annual Performance Review, decided to engage Lester Blades to do it and then on the next occasion, decided not to get that firm to do it; can you assist me with that?---It was the same consistent approach because we used the same, if I can use the word, template, and therefore it was a consistency that we felt could be handled internally.

30 By engaging Lester Blades to do the earlier Performance Review, am I wrong in assuming you thought there was some importance in having it done by an independent and external party?---No, not necessarily, but it was the process that had been chosen originally, an outside organisation.

35 So was the fact that Lester Blades was external and therefore perhaps perceived as independent, a factor which made up part of the reasoning for engaging that firm?---Yes.

40 If that was the case, when it came to the next Annual Performance Review, they weren't engaged and so that reason, the independence or the perception of independence, which an external reviewer would bring to the process, was missing, wasn't it?---Yes.

45 When you engaged Lester Blades the first time to do the Annual Performance Review for Mr Stevenson, I assume that one of the other reasons why you did that was because you considered the firm had some expertise in the area?---Yes.

And so on the second occasion, that expertise which you had thought necessary on the first occasion, was absent, wasn't it?---On the basis that we were replicating the work that had already been done, so we were just replicating the work, I was the collector of the information.

5

So you considered yourself an adequate substitute for Lester Blades, am I right?---I did in terms of collecting the data.

10 But in other respects, you did not consider yourself an adequate substitute for Lester Blades? I'm just trying to understand?---I felt that I'd got sufficient skills in the area to undertake this.

15 While I've interrupted counsel, can I ask you - well, I can, I will ask you: Mrs Davidson, do you think it's important to have key performance indicators when conducting a review of a senior executive?---Yes.

20 Would you tell me why, please?---On the basis that often they have been collaboratively worked on by the CEO and whoever's going to conduct it, so that at least then the CEO knows the parameters that they are trying to achieve or undertake.

So is it on the basis that those key performance indicators are the subject of some mutual discussion and agreement?---Yes.

25 And therefore they are an agreed measure by which to assess whether the executive is performing the job well or not?---Yes.

And so in that sense, there's a degree of objectivity in having KPIs?---Yes.

30 Because I assume you would say, it's therefore a fair measure?---Yes.

So if you don't have KPIs, then the assessment of someone's performance becomes more difficult, doesn't it?---Yes, you are receiving comments.

35 Yes, and if you lose the objective measure of KPIs and you resort instead to subjective assessments, do you think the process becomes a less objective one?---Yes.

40 And do you think therefore it becomes a less fair one?---I would hope not unfair because Gary Stevenson would have received this document.

Yes. Without getting into your hopes at the moment, would you agree that the process becomes less fair?---Yes, in terms of definitive measurement.

45 Because I assume you're going to tell me what you're then relying on is the subjective assessments being made fairly?---Yes.

And if the subjective assessments are not made fairly, then the unfairness of the process becomes manifest, doesn't it?---Yes.

Ms Ellson.

5

MS ELLSON: Commissioner.

Mrs Davidson, your survey that you developed was not an adequate substitute for Mr Blades' surveys, was it?---I believe it was a consistent approach from his.

10

Was it the same?---I believe it was.

Mr Blades had conducted two Performance Reviews of Mr Stevenson's performance before yours, hadn't he?---Yes.

15

And neither of them were the same as yours, were they?---I don't recall, so you would have to show me the document.

Madam Associate, 14.1903, please. Do you see here, Councillor Davidson, an email from Ms Scaffidi to yourself and others attaching Mr Stevenson's six month appraisal.

20

COMMISSIONER: Ms Ellson, we have got the same problem with this email as we had some earlier emails; it is very difficult to read unless you enlarge the section which you want the witness to read.

25

MS ELLSON: Could you enlarge the top, please, Madam Associate.

COMMISSIONER: Thank you very much. Is that better, Mrs Davidson?---Yes, thank you.

30

Thank you.

MS ELLSON: Do you see there an email from the Lord Mayor to yourself and others dated 7 June 2013, attaching a copy of Mr Stevenson's six month appraisal?---Yes.

35

14.1904, please, Madam Associate, do you see there, Mrs Davidson, the first page of a CEO Performance Review with the heading, "Lester Blades"?---Yes.

40

14.1905. Do you see there, Mrs Davidson, some ratings?---Yes.

A through to E?---Yes.

45 And we saw on the previous page what A to E meant, do you see that?---Yes.

The document that you prepared for Mr Stevenson's review did not contain any

ratings, did it?---No.

The grid, Mrs Davidson, also refers to who has provided the comments, do you see that?---Yes.

5

The summary document that we saw, Mrs Davidson, that you collated, did not set out who had provided the comments, did it?---No.

10 And there were necessarily no references to people and to any ratings because there weren't any ratings, you'd accept that?---Yes.

The heading there, "Leadership and vision", is not the same as leadership and people management, is it?---No.

15 Perhaps it will be easier if the witness is given a hard copy of the document at 14.0714 to 14.0722, and I apologise to Madam Associate, that idea has occurred to me on my feet. Mrs Davidson, you can ignore page 0713.

COMMISSIONER: You will get a copy, Mr Yeldon.

20

MR YELDON: Thank you.

COMMISSIONER: Don't worry, and Ms Ellson won't start until you've got your copy.

25

MR YELDON: Thank you.

30 MS ELLSON: Mrs Davidson, looking at the screen, "Leadership and vision", do you see a consistent survey topic in the blank document you've been given in hard copy?---No

[3.00 pm]

35 14.1906, please, Madam Associate. The same question, Mrs Davidson, under the heading, "Management and performance, do you see a consistent survey statement in the blank document you have in front of you?---No.

Madam Associate, 14.1907. Again, Mrs Davidson, do you see a consistent survey heading in the blank document you've been given.

40

COMMISSIONER: Just for the transcript, the survey heading at the top of 14.1907 is, "Customers"?---Yes.

45 MS ELLSON: You do see one?---No. I'm saying yes to the Commissioner. No.

Madam Associate, 14.1908. The outcome on the page is, "People management"; do you see a consistent statement in the blank document you've been given?---No,

only related to leadership and people management on page 5.

It's not wholly consistent?---No.

- 5 Madam Associate, 14.1910, "Management of change and risk", do you see a consistent statement in the blank document that you've been given?---No.

10 Madam Associate, 14.1911, "Stakeholder relationships"; Mrs Davidson, do you see a consistent statement in the blank survey that you've been given?---No, only on page 7, which talked about the relationships broadly.

In you answering the item on page 14.0720, "Relationships broadly, Councillors, staff, ratepayers, the business community and residents", you go on to say:

- 15 *This comment applies also to the protocol aspects of the role, that is, meeting dignitaries and ambassadors.*

Do you see that?---Yes.

- 20 Do you accept that in being able to assess how Mr Stevenson had performed with respect to Councillors, staff, ratepayers, the business community and residents, the person answering the questionnaire would need to specifically refer to any one of those people or groups to enable you to make an assessment?---Yes.

- 25 And they would need to specifically refer to the protocol aspects of the role and specify which they meant in order for an assessment of that performance criteria to be made?---Yes.

- 30 It's not consistent with the document contents you've seen so far on the screen, is it, Mrs Davidson?---No.

- 35 Mrs Davidson, do you accept that you do not refer to any competencies in the blank hard copy document you've been provided to which starts at 14.0714 - you've been provided with, I should have said?---There are some competencies, I believe, are in this document.

Let's go through those?---The handling of Local Government structure reform.

- 40 I will just ask you about consistency, Mrs Davidson?---Mm hmm.

- 45 14.1912, "Competency 1, strategic and business planning, including the ability to conceptualise and articulate a shared vision", is there a consistent competency in the blank document you've been provided with, starting at 14.0714?---Page 1, number 2 relates to strategic and business planning.

Do you accept that anyone responding to that would need to specify whether they were referring to strategic planning or business planning in order for you to assess

Mr Stevenson's performance as against either of those things?---It would be their interpretation of that stem, strategic and business planning.

5 Which they would need to make clear to you in order for you to figure that out?---Yes.

The concepts are conflated, aren't they?---Just explain to me "conflated".

10 Combined?---Combined, yes.

On the screen, Mrs Davidson, you will see 14.1912?---Yes.

15 "Experienced in policy development, planning and analysis", do you see that?---Yes.

COMMISSIONER: Just for the transcript, this is described as Competency 2?---Yes.

20 MS ELLSON: Mrs Davidson, do you see a consistent competency in the blank document you've been given from 14.0714?---Yes, first one on page 2 of 9.

There's no reference there to any measurement or level of experience, is there?---No.

25 So it's not consistent, is it?---Not with this document in front of us.

Not with this document on the screen?---Correct.

30 14.1912?---Yes.

At Competency 2?---Yes.

35 Madam Associate, if you can turn, please, to 14.1913. Competency 3, Mrs Davidson, 14.1913. Do you see on page 5 at 14.0718, a reference to, "Leadership and people management"?---Yes.

There's no rating, is there?---No.

40 And no explanation about what that might cover?---Correct.

It's not entirely consistent with what Mr Blades had put into his review at Competency 3, is it?---No.

45 Competency 4, Mrs Davidson, "Knowledge of legislative and corporate governance/compliance requirements"; is there a competency or a statement in your blank survey documents from 14.0714 which is consistent with that?---Yes, second one on page 2 of 9.

COMMISSIONER: It's identical.

MS ELLSON: There's no rating, is there?---No.

5

Madam Associate, 14.1914, please. Mrs Davidson, is Competency 5, "Commitment to organisational sustainability" consistent with the statement, "Organisational sustainability" at 14.0716?---I believe it is.

10 It doesn't ask the respondent to comment on an ability, does it?---I believe it does.

It doesn't, Mrs Davidson, does it? The statement, "Organisational sustainability" could mean anything; it could be asking a question as to whether or not the respondent thought the organisation was sustainable, couldn't it?---It could do but I believe that it was sufficiently annotated that they would be able to make a comment about organisational sustainability across the organisation.

15

It doesn't ask the respondent to measure anything, does it?---No.

20 And therefore you can't measure Mr Stevenson's performance as against it, can you?---Not specifically to measure KPIs, no.

Not specifically to measure what, sorry?---KPIs.

25 Because there were none?---No.

And this is not one?---No.

And it's not expressed to attract measurement at all, is it?---No.

30

COMMISSIONER: Isn't there another problem with this difference. You see, organisational sustainability on page 14.0716, Ms Davidson is, on one interpretation anyway, a qualitative measure, would you agree?---Yes.

35 It is also perhaps, on another interpretation, a quantitative measure?---Yes.

Then when you add the words " commitment to" as they appear at the top of page 14.1914, commitment to something is also a qualitative measure, isn't it?---Yes.

40 So it seems to me, and please tell me if I'm wrong in your opinion, that the competency numbered 5 at the top of page 14.1914, involves two - at least two qualitative measures of different things, whereas what is described at 14.0716 requires at least only one qualitative measure, would you agree?---Yes.

45 In other words, it seems to me, and you can tell me if I've got it wrong in your opinion, that there's a difference in how you interpret and apply those measures?---Yes, hence the free flowing comment.

Yes, I understand. Thank you, Ms Davidson.

5 MS ELLSON: Mrs Davidson, looking at the screen at Competency 6, 14.1914, "Commitment to customer service." Can you see a consistent statement in your blank survey beginning 14.0714?---Item 2 on page 5 of 9 is his overall commitment to customer service.

10 "In particular, noting that EMs are his customers too"?---Yes.

There's no measurement or no rating system applied to that?---No.

15 And there's no reference to anyone other than an Elected Member being a customer too, no specificity?---No

[3.15 pm]

So it's not consistent, is it?---No, the customer service is a broad description.

20 And there's nothing against this broad description to measure Mr Stevenson's performance, is there?---No.

25 Madam Associate, 14.1915. Competency 7, "Contemporary resource management skills, including physical and financial resources, budgets and other assets. Strong commercial acumen", do you see that?---Yes.

30 Is there anything in your blank survey from 14.0714 which is consistent with that competency?---Yes, second one on page 3 of 9, "Resource management including physical and financial resources, budgets and the City's assets."

35 Unless the respondent specified whether they were addressing physical resources, financial resources, budgets or the City's assets, it's not possible to know what aspect of resource management they were referring to, isn't that right?---Other than relating to each specific one, physical, financial, budgets and assets.

So they needed to be specific?---If they were going to cover the whole range on page 3 of 9, yes.

40 And there's no rating system for that?---No.

So it's not consistent, is it?---Not with this document.

This document being - - -?---On the screen.

45 - - - the document at 14.1915?---Yes.

Competency 8 on page 14.1915, "Promotes positive and meaningful cultural



development to the organisation and community", do you see that?---Yes.

Are you able to see in your document at page 6 on 14.0719, a similar reference?---Yes, top of the page.

5

This is referring to, "The promotion of a positive and meaningful culture within the organisation", isn't it?---Yes.

Therefore, it's not consistent with what Mr Blades' has specified in Competency 8, is it?---No.

10

COMMISSIONER: We are at Competency 15 now?---No, we have moved.

On the screen, is that what you mean?---No, we have moved the page.

15

MS ELLSON: No, the page has moved, Commissioner. Madam Associate, 1915?---Yes, Competency 8.

There's nothing against which to measure Mr Stevenson's performance in this regard, is there?---No.

20

It's not consistent with Mr Blades' Competency 8?---No.

Madam Associate, 14.1916, please, "Well developed human resource management skills" under Competency 9, Mrs Davidson, do you see that?---Yes.

25

Anything consistent with that in your blank document from 14.0714?---No.

Competency 10, 14.1916, "Interpersonal skills including community and stakeholder liaison, advocacy, negotiation and consultation"; do you see anything in your blank survey from 14.0716 which is consistent with this competency specified at 14.1916?---No.

30

14.1917, please, Madam Associate. Competency 11, "The ability to work with Council to achieve effective outcomes." Mrs Davidson, do you see anything in your blank survey from 14.0716 which is consistent with Competency 11?---No.

35

Competency 12, Mrs Davidson, "Able to manage and work effectively with Executive Directors and Managers", do you see that at 14.1917? Do you see it on the screen?---Yes.

40

Can you tell me whether there's anything which is consistent in your survey document from 14.0714?---Yes, just on the second point, page 6 of 9, "Developing and managing good working relationships with staff."

45

That doesn't refer to the management - I'm just wondering how that's consistent, Mrs Davidson, with "able to manage and work effectively with the Executive

Directors and Managers"?---It's a generic "staff", not directed to Directors.

So it's not consistent, is it?---No.

5 Madam Associate, 14.1981. Competency 13, "Able to deal effectively with the government sector." Mrs Davidson, do you see anything consistent?---Yes, page 4 of 9, "Dealing with the government sector, WALGA and LGMA."

10 In order for you to measure Mr Stevenson's performance and analyse answers given, the respondent would need to specify which part of the government sector they were referring to in the answer, wouldn't they?---Yes.

And there's nothing against which that can be measured, is there?---No.

15 And there's no rating for this?---No.

So it's not consistent, is it?---No.

Pardon?---No.

20 14.1981, Competency 14, "Able to deal effectively with the corporate sector"; is there anything in your blank questionnaire from 14.0714 which is consistent with that?---No, just the last one on page 9 refers to external stakeholders but not specifically to the corporate sector.

25 In that sense, it's not consistent, is it, Mrs Davidson?---No.

30 And the responding party to the questionnaire would need to specify which external stakeholders they were referring to in answering the question to enable you to assess the answer, wouldn't they?---Yes.

And there's no rating available?---No.

35 And there's nothing against which to measure the response?---No.

40 14.1919, Competency 15. Mrs Davidson, do you consider this to be, this Competency 15, "Relationship management at all levels including Mayor, Council, Executive, Managers, staff and external groups and stakeholders" to be consistent with the second point on page 14.0720, "Relationships broadly, Councillors, staff, ratepayers, the business community and residents. This comment applies also to the protocol aspects of the role; that is, meeting dignitaries and ambassadors", do you see that?---Yes, but on page 8 is "The quality of relationships with the Lord Mayor, Deputy Lord Mayor and Councillors."

45 "The quality of relationships with the Lord Mayor, Deputy Lord Mayor and Councillor" on 14.0721 requires the respondent to specify the person to whom their comment relates, doesn't it?---Yes.

And there's no rating available for that?---No.

5 And there's nothing against which to measure or to suggest what the quality is, do you accept that?---Yes.

So in that sense, it's not consistent with Competency 15?---No.

10 14.0720, the second point, "Relationships broadly", this question combines the concepts of the relationships with Councillors, staff, ratepayers, business community and residents, with the protocol aspects of the role, do you see that?---Are we referring to - - -

15 I'm sorry, I'm on the paper, Mrs Davidson.

COMMISSIONER: Counsel referred to 14.0720?---My document, or - - -

The hard copy in front of you.

20 MS ELLSON: 0720, page 7?---Yes.

The second point?---Yes.

25 Your subject matter for this question is, "Relationships broadly as well as protocol aspects", do you see that?---Yes.

30 Unless the respondent specified which relationships or which protocol aspects of the role they were assessing, you wouldn't know which ones, would you?---They would have to define each one.

And there's no rating here?---No.

And nothing against which, "Relationships broadly" can be assessed against?---No.

35 And nothing against which "protocol aspects" of the role can be assessed or measured against?---No.

It's not consistent with Competency 15, is it?---No.

40 14.1919, Competency 16, "Effective verbal and written communication skills", do you see that?---Yes.

45 Do you consider that there is a consistent statement in your blank questionnaire from 14.0714 with that competency?---Page 7, "Verbal communication skills generally."

There's nothing or no prompting for a measurement of that factor, is there?---No.

And no rating?---No.

5 Is there anything in your blank questionnaire, Mrs Davidson which asked for a quantitative assessment of written communication skills?---No.

So in that sense, the questionnaire that you've prepared is not consistent with respect to Competency 16?---No

10 [3.30 pm]

14.1920, please, Madam Associate. Competency 17, Mrs Davidson, "Ability to effectively manage media interactions on behalf of Council", do you see that?---Yes.

15

Do you see a consistent statement in your blank questionnaire from 14.0714?---Yes, second one on page 8 of 9.

20 This relates to, "Media interactions on behalf of the Council", is that the one?---Yes.

There are no ratings here?---No.

25 And there's nothing against which the criteria is being measured, is there?---No.

It's not consistent with Mr Blades' survey, is it?---No.

30 Competency 18, Mrs Davidson, "Integrity, honesty, prudence and ethics, particularly relating to financial management and relationships with Councillors, staff, ratepayers and residents", do you see that?---Yes.

35 Is there anything in your blank survey from 14.0714?---Second point, page 4 of 9, "CEO demonstrates integrity, honesty, prudence and ethics, particularly in relation to financial management" and then the other one is taken to another item, "Relationships broadly", page 7 of 9, so I've broken those two.

40 COMMISSIONER: Am I right in thinking, Ms Davidson, that the bit that is missing from your questionnaire is competency as measured on "integrity, honesty, prudence and ethics in relationships with Councillors, staff, ratepayers and residents"?---Yes, mine stops at the item that I referred to.

Do you think "integrity, honesty, prudence and ethics" relating to relationships with Councillors is important?---Yes.

45 MR YELDON: There is page 4 of 9.

MS ELLSON: That's what we are looking at.

COMMISSIONER: Yes, which doesn't mention Councillors?---No, but goes on to another item.

5 Yes.

MS ELLSON: Mrs Davidson, the item on 14.0717 or page 4 of 9, the second point, is not consistent with Competency 18 on the screen, is it?---No.

10 And the competency you referred to at page 14.0720 isn't either, is it?---Not with that specific competency 18, no.

14.1921, please, Madam Associate. Mrs Davidson, do you see there Competency 19, "An attitude which demonstrates a strong commitment to the people, culture, heritage and history of the City of Perth"?---Yes.

Do you see anything in your blank questionnaire from 14.0714 which is consistent with Competency 19?---No, it would be page 9 of 9.

20 "Relationships with external stakeholders" is not the same thing as, "An attitude which demonstrates a strong commitment to the people", is it?---No.

The statement in your questionnaire is not consistent with Competency 19, is it?---No.

25

Madam Associate, 14.1922. Mrs Davidson, do you see here an overall rating with space for comments?---Yes.

30 There's no overall rating available for the respondents to your blank questionnaire, is there?---No.

In that respect, it's not consistent with your questionnaire, is it?---No.

35 There's no consistency of approach between your questionnaire and Mr Blades' questionnaire that we have been through, is there?---No.

COMMISSIONER: Before we leave this document, Ms Ellson, if that's what you're proposing to do, Madam Associate, would you please go back to the first page of what is on the screen, 1903. Could you go to the next page, please, then 40 1906, please. Thank you. Ms Davidson, you will see that in the document which is on the screen in front of you at the moment, which is a Lester Blades document, it has a number of sections dealing with outcomes and then later in the document, a number of sections dealing with competencies. Your questionnaire doesn't refer to outcomes or competencies in the same way. What do you understand a 45 competency to be?---It's really a skill or an achievement that you've accomplished.

And then what do you think an outcome is?---That you could measure what had

been achieved.

Do you think they are different things?---A skill or a competency?

5 Yes?---I think they are fairly similar.

Can you tell me in what respects you believe them to be similar?---A skill is - - -

10 I'm talking about competency and outcomes?---Right. In terms of what you've achieved, if you're competent in something, then you've obviously achieved a degree of expertise or degree of - you know, if I can give an example, if you can ride a bike, you've - - -

15 You're competent in riding a bike?---You're competent, yes.

And if you've ridden the bike, you've achieved that outcome?---Yes.

20 So when you prepared your questionnaire which starts at 0714, did you not choose to differentiate between outcomes and competencies because you weren't entirely sure how to use that in the measurement of a CEO's performance?---I think it was used as a fairly open-ended criteria of the ones that have been defined, so that Elected Members and Directors were allowed to give their comments fairly freely.

25 Yes, I understand that, but is the reason why you did not differentiate between outcomes and competencies in your questionnaire because you did not at that time fully understand the difference between the two in the context of reviewing the performance of a CEO?---I think I did understand. It was the open-endedness of comments that were required from Elected Members and Directors.

30 I need to come back to my question though and I'm not sure that I understand your answer. Is the reason why you did not use competencies as one measure, and outcomes as another form of measure in your questionnaire because you did not understand the difference between the two when you prepared the questionnaire?---I do believe I did understand the difference but it is correct, I did  
35 not use competency and outcome measurements.

Did you, when you looked at the document that was prepared by Lester Blades, understand why that firm used those two different forms of measure?---Yes.

40 What was your understanding?---That they were obviously trying to measure a competency and get a rating, where this document as obviously much more open-ended.

45 You will see in the Lester Blades document, they looked for measurements of different types of outcomes?---Yes.

And then they have looked for measurements of different types of

competencies?---Yes.

And did you think at the time you read the Lester Blades documents that that approach was a useful one?---Yes, I think it defined parameters fairly definitely.

5

And I'm trying to understand then why you didn't take that same, more definitive approach, when you prepared your questionnaire?---Just to allow, I think, the open-endedness of comments from the Elected Members and Directors, so it was not channelling them to specific competencies or skills, it was a comment to each item.

10

So you were looking for comments from them, is that right?---Yes.

Ms Ellson, Ms Davidson has been in the witness box for a long time now. I'm going to adjourn the Inquiry for 10 minutes before we resume.

15

MS ELLSON: Yes.

**WITNESS WITHDREW**

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(Short adjournment)

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HEARING RECOMMENCED AT 3.56 PM

**MS Janet Elizabeth DAVIDSON, recalled on former affirmation:**

5 COMMISSIONER: Yes, Ms Ellson.

MS ELLSON: Commissioner, thank you.

10 Mrs Davidson, do you accept or reject the proposition that your survey called for comment only from Elected Members and anyone else asked to complete it?---Yes.

15 In that respect, what you received was only subjective opinion about Mr Stevenson, do you accept that?---Yes, unless they had put in any, you know, measurable comments.

There were no measures in your questionnaire, were there?---No.

20 Therefore, no-one could provide you with any measurable comments because you couldn't measure them, isn't that right?---Some of them I believe you could measure and you could make an appropriate comment if you wished to.

25 Mrs Davidson, you're fussing with the papers, I will ask for those to be removed. The documents can be returned?---Thank you.

MR YELDON: Commissioner, I propose to keep mine to save having to ask for it back.

30 COMMISSIONER: For the time being, that will be fine.

MR YELDON: Thank you.

35 MS ELLSON: Mrs Davidson, do you agree that the purpose of a Performance Review is to measure someone's performance against criteria?---Yes.

And you agree that your questionnaire didn't do that?

MR YELDON: I object. I will have the witness out, please.

40 COMMISSIONER: Yes. Mrs Davidson, I would ask you to leave the hearing room, please?---Thank you.

**WITNESS WITHDREW.**

45 COMMISSIONER: Yes, Mr Yeldon.

MR YELDON: The witness hasn't been taken to page 713, the final paragraph,



and I propose to take you there.

COMMISSIONER: Just give me a moment, Mr Yeldon. This is the paragraph beginning with the words, "In accordance with"?

5

MR YELDON: Yes.

COMMISSIONER: Just let me read that. Yes.

10 MR YELDON: This is a performance assessment, to be fair, but it's not done - it wasn't purported to be done on any criteria. There were none contemporaneously, as this statement shows, but the objectives and measures were still to be developed. So the question proceeds, in my submission, on an improper basis. The witness is not being treated fairly, hasn't been taken to this document from a  
15 period five years ago - four years ago. So I object to the question.

COMMISSIONER: Just bear with me for one moment, please. So where it says in the first line, "A Performance Plan."

20 MR YELDON: Yes.

COMMISSIONER: What do you take that to mean, Mr Yeldon?

[4.00 pm]

25

MR YELDON: I don't take it to mean anything other than a plan for his performance, but it will include objectives and measures that will be developed.

COMMISSIONER: Yes.

30

MR YELDON: So I'm simply suggesting that to treat the witness fairly, to put the matter into the context, this assessment needs to be viewed through that prism, that the objectives and measures of Mr Stevenson's contract had not yet been agreed. This assessment was done in that prism.

35

COMMISSIONER: This paragraph suggests that the Performance Plan is something that will be developed and agreed within two months and it is something consistent with the employment contract.

40 MR YELDON: Yes.

COMMISSIONER: Is the point that you're making to me, and forgive me if I'm not understanding it fully, it's entirely my fault, are you making the point to me that this last paragraph should give some context and meaning to the questionnaire that follows on at page 714?

45

MR YELDON: Context in the sense that it seems to me to be a wrap-up. This

whole passage is a wrap-up but the witness hasn't been asked any questions - - -

COMMISSIONER: A wrap-up of what?

5 MR YELDON: Of all the answers to the questionnaires.

COMMISSIONER: Yes.

10 MR YELDON: Because it's making statements along the lines of what the EMs are concerned about.

COMMISSIONER: Right.

15 MR YELDON: This is a conclusionary set of statements, post review, which notes specifically that the measures and objectives are not yet agreed.

COMMISSIONER: Yes, I understand that.

20 MR YELDON: You understand my point?

COMMISSIONER: I do.

25 MR YELDON: So the whole line of questioning, in my submission, is unfair to the witness. She's being asked to recall what occurred many years ago and this ought to be pointed out. There were no objectives and there were no criteria at the time.

30 COMMISSIONER: Ms Ellson, do you need a moment to confer with Mr Parkinson about that or not?

35 MS ELLSON: Commissioner, I can deal with it briefly. I'm asking the witness about a document she prepared in 2015. The document to which my friend has referred you is a review of findings with respect to 2014. I can certainly ask the witness if she had had regard to any objectives or measures which her committee had created. I assume the answer is going to be no, because they weren't settled. That should provide the context for my line of questioning with respect to the 2015 review document.

40 COMMISSIONER: Yes. Mr Yeldon, do you want to respond to that?

MR YELDON: On the bottom of the page, it's 2015, there's an email from Davidson to Limnios, "Completing 2015 CEO performance assessment."

COMMISSIONER: Yes.

45

MR YELDON: I see on the page the words, "CoP imaged record" on the side.

COMMISSIONER: Yes.

MS ELLSON: I can perhaps assist my friend.

5 COMMISSIONER: Yes, I think that might be helpful. Ms Ellson, you can see what troubles Mr Yeldon at the moment is the notation at the bottom of the page. Have you explained that to Mr Yeldon?

10 MS ELLSON: What was troubling him, Your Honour, was the record at the side of the page. I have explained that to Mr Yeldon. I'm not certain he accepted my explanation.

15 MR YELDON: I accept that it does say, "28 October 2014" and that is the date that it was imaged by the City of Perth but I don't know whether that's a correct date.

COMMISSIONER: Now I'm having trouble finding this date. Where is this date?

20 MS ELLSON: You will find it on page 14.0712, and 3, vertically on the left-hand side of each page.

MR YELDON: The thing I wish to note, if I may, Commissioner.

COMMISSIONER: Yes.

25 MR YELDON: Is at the bottom of the page - can you make that out? It says, "In 2015" - - -

COMMISSIONER: I can make it out, yes.

30 MR YELDON: Yes, and that is on every page that my learned friend has been taking the witness to.

35 COMMISSIONER: Yes, I know that. Just bear with me for a moment. I'm looking at the document to which that refers. Ms Ellson, do you have hard copy of pages 0709 and 0710?

MS ELLSON: Yes.

40 COMMISSIONER: I assume Mr Yeldon does not? Would you give those hard copies to Mr Yeldon now, please, so that he can see what's on them.

MS ELLSON: If Mr Yeldon will ignore my scribble, I'm happy to do that, Commissioner.

45 MR YELDON: I'm sure he will gladly ignore your scribble.

MR van der ZANDEN: Excuse me, Commissioner. Just for the associate's benefit, these monitors that we are looking at don't show the full screen there. Perhaps it could be scrolled up.

5 MS ELLSON: Now they do

MR van der ZANDEN: Now we can see it.

COMMISSIONER: Now you can see it?

10

MR van der ZANDEN: Thank you.

COMMISSIONER: Take your time, Mr Yeldon, because that might help you. That's why I was focusing on the notation on the bottom of the page, not the notation on the side.

15

MR YELDON: Now I see the point.

COMMISSIONER: Does it help you in any way?

20

MR YELDON: It helps me to say that is the results of the 2014 review, so yes, my point about the last paragraph would only help if it was talking about those a year earlier.

25 COMMISSIONER: That's right.

MR YELDON: But you'll realise why I objected.

COMMISSIONER: Please, Mr Yeldon, don't think that I for a moment implied any criticism of you in my response to your objection. It was obvious to me as soon as I looked at the bottom of the page that you were missing a vital piece of information. Now that you have it, I understand it's been helpful.

30

MR YELDON: Yes, thank you.

35

COMMISSIONER: Do you withdraw the objection now?

MR YELDON: I certainly do.

COMMISSIONER: Thank you so much. I was almost sidetracked by the notation on the side of the page there but thankfully I stuck to my guns. Madam Associate, could we have Ms Davidson back in the hearing room, please. Ms Davidson, please resume your seat in the witness box.

40

45 **MS Janet Elizabeth DAVIDSON, recalled on former affirmation:**

COMMISSIONER: Ms Davidson, in your absence from the hearing room, your

counsel raised an objection and it's sufficient for me to say that the matter was resolved?---Thank you, Commissioner.

5 Your exclusion from the hearing room is no reflection on you whatsoever?---Thank you.

Ms Ellson.

10 MS ELLSON: Commissioner. It might be of assistance to the witness if she were provided with a document bundle from 14.1045 to 14.1063. TRIM 13542.

Mrs Davidson, you have accepted - - -

15 COMMISSIONER: Just hold your horses.

MS ELLSON: I'm sorry.

COMMISSIONER: Mr Yeldon hasn't got his copy yet.

20 MR YELDON: Yes, you may. I accept my learned friend's apology.

COMMISSIONER: It's getting late in the day, Mr Yeldon. Let's not go through all that again.

25 MS ELLSON: Mrs Davidson, you've accepted that the purpose of a Performance Review is to measure performance against criteria, do you recall that?---Yes.

30 The questionnaire that you created does not measure Mr Stevenson's performance against criteria, does it?---Not specific competencies but it does cover some of the criteria that we were trying to obviously elicit some information from the Elected Members and Directors.

And it does that in a purely subjective way, doesn't it?---Yes.

35 It's important for a Performance Review process to assess the performance of the person objectively, isn't it?---Yes.

In fact, it's a vital part of the process, isn't it?---Yes.

40 And you accept that the documentation that you prepared doesn't do that for Mr Stevenson, don't you?---Yes. He had seen this document, the CEO - sorry not this document. He had seen the blank document.

45 It makes no difference, the fact that Mr Stevenson had seen it, does it? He was asked to complete it?---True.

COMMISSIONER: He was asked to complete what?

MS ELLSON: Sorry, Mr Stevenson was asked to complete a blank Performance Review in 2015, the blank document that we were talking about earlier, wasn't he?---Yes.

5

Mrs Davidson, there's no ratings against any of the items set out in your document 14.1045 and following, are there?---No.

10 It's important for ratings to be provided to allow for some form of objective assessment, isn't it?---Yes.

So by having no ratings, there's no objective assessment in that respect, is there?---No.

15 With respect to the answers that are set out, Mrs Davidson, you are not able to tell which component of the statement the comments relate to, are you?---Probably only mine.

20 COMMISSIONER: I don't understand that question, I'm sorry. I just don't understand that question. Are you looking at the document beginning at 1045?

[4.15 pm]

25 MS ELLSON: Yes. Perhaps I can be more specific, Commissioner.

The answers under each of the headings, Mrs Davidson, are just a list of points, aren't they?---They are a comment from the Elected Members and the Directors. Hence, there are 13 under each component.

30 COMMISSIONER: I see. So the document we are looking at now, 1045 through to 1063 is a document which collates - - -?---Yes.

- - - all of the responses to the questionnaires from all of those who completed them?---Yes.

35

I understand now, thank you.

MS ELLSON: Mrs Davidson, you can't tell from looking at your document who assessed what, can you?---Other than my comments.

40

Putting aside the fact that you can recognise your own?---Right.

You can't tell from reading the document - - -?---No, there is anonymity.

45 In terms of assessing Mr Stevenson's performance, would you accept that it would be important to be able to distinguish between the comments of the Directors and the comments of the Elected Members?---I don't.

Do you accept that it's a important part of the Performance Review process for the performance ratings of the respondents to be identifiable?---Not in this document.

5 I'm asking you about generally. Don't you need to know who has assessed Mr Stevenson in what respect?---The written document would identify the person.

The collation here is the results of the Performance Review?---Yes.

10 Aren't they?---Yes.

And this is a document that you used as a final document, is that right?---Yes.

15 Do you accept that in the final document it's important to be able to identify who assessed Mr Stevenson as what?---Not necessarily. If a person wished to keep their anonymity, the comment is there for looking at and digesting.

Someone can keep their anonymity if you referred to them as Director 1, Director 2, Elected Member 3, Elected Member 4, couldn't they?---Yes, they could.

20 But you haven't done that?---No.

25 So you're not able to determine whether an Elected Member's made a comment or a Director's made a comment, are you?---No. I'd have to take some time to drill fairly deeply down to - - -

You would have to go back through all of the surveys?---Yes.

30 And look at the words on the page compared to the words on the page of the surveys?---Yes.

And then try to figure out whose initials matched the paragraph numbers, wouldn't you?---Yes.

35 But as the final document, it was to be relied upon as the ultimate assessment of Mr Stevenson's performance, wasn't it?---Yes.

40 So you accept that it's not possible in the final assessment for Mr Stevenson or anyone to appreciate who's provided which comment?---Correct.

And you accept that in a Performance Review, that is an important thing to have done?---I don't if the people wish to keep their anonymity.

45 Mrs Davidson, you could have identified them as Director 1, Director 2, Elected Members?---True, yes.

You haven't done that, have you?---No.

And so it's not possible to identify who's provided what comment?---Correct.

5 COMMISSIONER: I will take you to page 1055, Ms Davidson. Let me know when you're there, please?---Yes.

I want you to look at subparagraphs (c), (d) and (h) under the heading, "Resource management including physical and financial resources, budgets and the City's assets"?---Yes.

10 Under this heading, "Resource management" I will call it for short, you have a number of comments which on the your evidence thus far has been, is the collection of comments made by those who have completed your questionnaire, am I right?---Yes.

15 So if we look at (c), and I will read it out aloud for the benefit of all counsel, it says:

*I believe more and better could be done.*

20 Then if you look at the one just below it, (d), it says:

*Not very clear to me. Would like to have briefing on the City's assets and the management of our physical and financial resources.*

25 Then if you look at (h), it says:

*Running a very, possibly too tight operation to be seen to be achieving "his aims" e.g., Ken Evans, retail liaison, fast tracking works like Barrack Street.*

30 If you just take those three comments which you've got in front of you as the only ones I want you to concentrate on at this stage, do you think it's difficult to understand what they really mean?---I think some of the comments, Commissioner, probably need some extra clarification but I think in (c), when it talks about, I believe, "more resource management" - - -

It doesn't say that. It says, "I believe more and better could be done"?---True.

40 When I look at these three, they strike me as comments that are capable of more than one interpretation, would you agree with that?---Could do, and (d), of course, identifies that there's a gap in knowledge.

45 That's right. So the reason I directed your attention to these, Ms Davidson, is because I don't understand how you could use, for example, these three comments to measure very much at all, would you agree?---Yes. You're looking at either trends or intent of what some people are saying.



Or gaps in knowledge, as you say?---Or gaps in knowledge.

5 If this is the document that you are using to assess Mr Stevenson's performance, it seems to me that you've got, first of all, a problem with interpreting what some of these comments mean, would you agree?---Yes.

10 And I'm now speaking about the whole document because I've looked at it and it seems to have consistent problems throughout it. Apart from the issue of interpretation, there's also a difficulty, as I see it, as to how much weight you can give some of these comments in making an assessment. Do you think that's right? Do you think that's an issue?---It is a response that is fairly open-ended.

15 Yes?---Yes.

So giving some of these comments a weight would be difficult, wouldn't it?---Yes.

20 And if you don't know who's making the comment, then giving it an appropriate weight, would you think is a more difficult problem?---I think you have to take each response individually.

Yes, of course, but if we look at - - -?---Umm - - -

25 I'm sorry, I didn't mean to speak over you?---That's okay.

Go ahead?---And obviously the CEO, you know, responded to this document on that basis.

30 Yes, of course, but in looking at this document alone, if I was responding to this document, I'm not quite sure how I'd respond that comment like, "I believe more and better could be done"?---Sure.

35 Or a comment, "Running a very, possibly too tight operation", I'm not sure how I'd respond to that either. So this document, when looked at as a whole seems to me anyway, and please correct me if you think I'm wrong, to have some difficulties as a document you can rely on to make an assessment of someone's performance?---You can see probably some trends developing in certain areas of the criteria.

40 And if you're basing that on your reading of comments that are capable of more than one interpretation, you are adding subjectivity to subjectivity, aren't you?---Yes. It was not my responsibility to make that comment. My responsibility was to collate.

45 Yes?---Yes.

But if you were in the position of having to interpret this document and make an

assessment of someone's performance based on it, do you think there would be a number of problems with it?---In some instances, but I think if you were to make an assessment, you would see some trends or developing gaps or plusses as well, so that you could define if there were some strengths and weaknesses.

5

If, by comparison, you had an agreed set of key performance indicators which were capable of objective measurement?---Yes.

10 Do you think that would be a much better way of assessing someone's performance?---Yes, and that was the case to occur after this.

Yes?---Yes, more defined.

15 If these comments had been separated into outcomes and competencies, do you think that would have made it a more useful document for assessment?---Yes, Commissioner.

Thank you. Thank you, Ms Davidson, that's very helpful. It's nearly 4.30, Ms Ellson. How much longer do you think you will be?

20

MS ELLSON: Quite some way, Commissioner.

25 COMMISSIONER: Very well. In that case, I propose to adjourn the Inquiry until tomorrow. Just so I can assist others with their planning, do you have any appreciation at this stage of how much longer you might be tomorrow with Ms Davidson?

MS ELLSON: More than three hours, Commissioner.

30 COMMISSIONER: Very well. In that case I will adjourn the Inquiry until 10 am tomorrow morning. Ms Davidson, I'm sorry you have to come back but thank you for your assistance today?---That's fine, Commissioner.

I will now adjourn.

35

**WITNESS WITHDREW**

**AT 4.29 PM THE MATTER WAS ADJOURNED  
UNTIL TUESDAY, 10 SEPTEMBER 2019**

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