

**STANDING COMMITTEE ON PUBLIC ADMINISTRATION AND
FINANCE**

LOCAL GOVERNMENT ACT 1995

**TRANSCRIPT OF EVIDENCE TAKEN
AT PERTH
ON TUESDAY, 7 OCTOBER 2003**

SESSION 2

Members

**Hon Barry House (Chairman
Hon Ed Dermer (Deputy Chairman)
Hon Murray Criddle
Hon John Fischer
Hon Dee Margetts
Hon Ken Travers
Hon Sue Ellery**

[11.04 am]

ZAKREVSKY, MR VITALY KENNETH

**Retired,
examined:**

The CHAIRMAN: Welcome to the committee. To begin, please state the capacity in which you appear before the committee.

Mr Zakrevsky: I appear as a retired, interested ratepayer. That basically summarises my intentions.

The CHAIRMAN: You will have signed a document entitled "Information for Witnesses". Have you read and understood that document?

Mr Zakrevsky: I have.

The CHAIRMAN: These proceedings are being recorded by Hansard. A transcript of your evidence will be provided to you. To assist the committee and Hansard please quote the full title of any document you refer to during the course of this hearing for the record. Please be aware of the microphones.

I remind you that your transcript will become a matter for the public record. If, for some reason, you wish to make a confidential statement during today's proceedings, you should request that the evidence be taken in closed session. If the committee grants your request, any public and media in attendance will be excluded from the hearing.

Please note that until such time as the transcript of your public evidence is finalised it should not be made public. I advise you that premature publication or disclosure of public evidence may constitute a contempt of Parliament and may mean that the material published or disclosed is not subject to parliamentary privilege. Would you like to make an opening statement to the committee?

Mr Zakrevsky: Thank you. Good morning honourable members. I have been a justice of the peace in Western Australia since 19 October 1984. I was a councillor of the Shire of Wanneroo from 1971 to 1973 inclusive, and I retired from that position. I am a former company secretary/accountant in Perth, Western Australia and I formerly held a Queen's Commission in the Rhodesian Army.

Thank you for the opportunity to make a written submission and to have a hearing before this parliamentary committee. I read numerous times the six terms of reference laid down by the parliamentary committee and have tried to specifically address each reference responsibly and as briefly and factually as possible, and to make workable recommendations that can be incorporated into future changes to the operations of the Local Government Act. The whole intention is to have considerably better governance and open and accountable government, and to hopefully contribute to resolving the very costly impasse in the City of Joondalup's council. The big questions that everyone is attempting to address are the position of the chief executive officer in local government, the CEO's qualifications and remuneration, and what should be the content of the CEO's contract. The other major question is the veracity of the people involved. There must be provisions to minimise any possibility of misrepresentation, fraud or even genuine mistake of fact. The qualification provisions need be only basic accountancy and report writing from a technical and further education college for a small shire such as Sandstone, but, as stated earlier in my written submission, a relevant accredited tertiary qualification suitable for the major field of activity affecting the municipality, supported by five years extensive experience, is necessary for larger municipalities. An accredited qualification, whether minor or major, is proof that a person has the

ability to apply himself to a work-study regime, is able to self-discipline, has an understanding of how to handle problems, appreciates other people's efforts and abilities, and has begun to understand that a person has responsibility towards other people's lives and finances. The salary scale should be set by the Salaries and Allowances Tribunal. I cannot agree with Ricky Burges of the Western Australian Local Government Association that councils should set the salaries, and that the current figure would not suddenly be \$500 000 in a particular council. How has it already exploded in less than two years to \$236 000-plus from the original Salary and Allowances Tribunal recommendation of \$147 000 and, as a package, \$177 000. A range between \$60 000 for the likes of the Shire of Sandstone and \$150 000, consumer price index adjusted, is not exactly insignificant and should be sufficient.

[11.10 am]

Salaries should be commensurate with responsibility and should not be awarded according to empire building, nor, on the other hand, for downsizing to produce the impression of savings, which are then awarded as bonuses or pay increases to the chief executive officer. These savings are more often than not lost in the cost of consultants hired at twice or three times that paid to the original employees who were downsized. The real cost increase is borne by the ratepayer. In addition, salary caps are obviously needed. The City of Joondalup CEO is currently paid \$236 000, which is virtually the same - as near as can be - as the Premier of this State is paid and would, therefore, appear to be disproportionately high. This figure is also above the Salary and Allowances Tribunal recommendation of a \$177 000 salary package. Highly paid CEOs in Australia and the United States have been the main contributor for years to the huge financial crashes, proving that high salaries do not ensure good results. Reasonable salaries should be the goal. Performance indicators can be easily standardised for CEOs and all personnel applicable to the various levels of work.

The main question that needs to be urgently addressed and resolved is the integrity of Mr Denis Smith for the job of CEO, as he alone hires and fires staff. It was not a level playing field for the other candidates who did have accredited tertiary qualifications and experience and who may have had a thorough knowledge of this State's Local Government Act. The fact is that perhaps the City of Joondalup did not get the best candidate despite the "headhunting". I refer you to page 5 of my submission that states -

The inquiry has arisen due mainly to the fact that the Local Government Act 1995 and accompanying Regulations are insufficiently explicit in the necessary standard requirements needed to administer and operate the various sizes and diversities of local government/councils/municipalities.

The purpose of standardising procedures is to minimise confusion, stop loose and imaginative interpretations, all of which lead to unnecessary division between elected members, elected members and executive staff, and amongst executive staff.

It is strongly recommended that all the Terms of Reference as addressed in this submission be included in total or even strengthened if possible in the Parliamentary's recommendations to Parliament for direction to the Minister for Local Government for inclusion as Additions or Amendments to the Local Government Act 1995 and supporting Regulations.

Adequate powers of redress

The Parliamentary Committee through Parliament to advise the Minister to inform the City of Joondalup that there is no valid contract between itself and the CEO Mr Denis Smith for the following reasons:-

1. There is ample evidence that there was misrepresentation of his qualifications and employment record.
2. The City of Joondalup Council appointed a panel made up of former Mayor John Bombak, former Deputy Mayor Judi Hurst and former Director Resource

Management John Turkington to draw up an employment contract. Where is the evidence, if any, that this contract was brought before Council for ratification and approval or was it assumed delegated authority, used by the appointed contract panel to make an appointment? This identifies the procedure and contract as invalid.

3. The appointed recruiting agent stated in writing to the City of Joondalup, that "Upon receiving written applications, we will screen all applicants with regard to their qualifications and attributes", yet within the same document stated that "references will generally be obtained verbally".

That is a contradiction -

They then proceed to state "When you (C of J) conduct a final interview, you must satisfy yourself as to the person's suitability, based on their employment history, relevant qualifications and fit with the job specification".

They have not met the assignment specification issued by the City of Joondalup for the position of Chief Executive Officer which -

I understand -

states under the qualifications heading "It is likely the successful candidate will possess tertiary qualifications in an appropriate business discipline, supported by extensive experience". They have made disclaimers to try to shift the responsibility.

How can the recruiting agency, Recruiters Australia and former Mayor John Bombak state that Mr. Denis Smith was "head hunted"? This implies that Mr. Smith's credentials were of the top order that could be substantiated & verified to the elected members of the City of Joondalup.

The solution is that the whole procedure of appointment of the Chief Executive Officer to the City of Joondalup be re-commenced and that the current services of Mr. Denis Smith be terminated in ninety days. He also be advised that the City of Joondalup will not meet any relocation costs, any legal expenses or compensation.

I wish to table a copy of my submission to the Minister for Local Government and Regional Development dated 16 February 2003. I submitted it on two separate occasions; once to his office and once at a "meet the minister" session. It addressed the CEO's appointment and seven other matters for urgent attention for good governance.

I refute the defamatory statements, accusations, insults and outright lies made on Friday, 3 October 2003 by Councillors Chris Baker, Carol Macintosh and former Mayor John Bombak and regularly - it was not mentioned before in this room - by Councillor Paul Kimber in the City of Joondalup chambers. The City of Joondalup advertises the date and place of every council meeting and invites the ratepayers and electors to attend. Attachment of such a notice is included in my submission. When concerned ratepayers attend these meetings and attempt to responsibly draw attention to items on the agenda that need additional vital information and/or correction to the reports before the councillors vote on the matter, we have been admonished, vilified, insulted and ignored. That is a regular occurrence, except under the current mayor who has desperately tried to allow this matter to come out but has been stifled by the majority of the council. This behaviour has resulted in very costly council losses because the councillors are not listening, neither are the officers. Those losses include, for example, the million dollars plus RANS contract for three recreation centres, which went pear-shaped; the Mullaloo beach tavern saga that necessitated the matter be brought before the Supreme Court on 15 October 2003; and now, the current expensive, unwanted, unresolved and ongoing episode of CEO Denis Smith's appointment to the City of Joondalup council. On 3 October 2003 in this committee room the councillors and former mayor on the selection panel who attended this hearing admitted that they did not know if they had seen or read the CEO's contract and did not know whether council had established criteria for the candidates to meet. They did not

know if the contract had to be brought back before council for ratification. It appears, therefore, that the standard recruitment procedures were not understood or followed.

[11.20 am]

I encourage this committee to recommend to the Minister for Local Government that the findings be made retrospective, given the significance of this unverified and unsubstantiated appointment. In particular, should a recommendation that verification of candidates' claims be necessary prior to appointment, might it be possible for this verification to be conducted retrospectively in the case of Mr Denis Smith. I also refer to the statement last week made by the former mayor John Bombak to this committee earlier in these proceedings, in which he vilified the current mayor. May I table an extract from the electoral donations register for 3 May 2003 City of Joondalup elections which showed that in his statement to this committee that neither he nor Councillor Chris Baker made any - and that is what I heard; I am open to correction - donation to any candidate, is false. I would like to address that, if I may. I think the extract is before the committee.

Hon KEN TRAVERS: Is that a photocopy of what is on the council documents, or your notes and what you have written down?

Mr Zakrevsky: Which?

Hon KEN TRAVERS: The extract.

Mr Zakrevsky: I cannot bring the book because it is a register which has to be there, so I wrote it down. It is open for verification by anybody, because it is an official book that is supposed to be there to this day.

Hon KEN TRAVERS: I just wanted to be clear about that.

Mr Zakrevsky: It states -

GIFTS TO TIM BREWER 3/5/03 Elections (C of J. Marian Ward)

John Bombak	120 Lakeside Dr Jdp	\$1000.00	
Julian Masters	Beldon	\$1540.00	
Crocket			\$800.00
Colin Carruthers	9 Debenham Wy, Hlrys 9401 2637	\$500.00	
Neil Robbs	No address?	\$500.00	
Hislop		\$500.00	
Ian Tait	17 Resolute Way, Ocean Reef (printing) 9300 4277		\$500.00
	Total	\$5340.00	

GIFTS TO JOHN BOMBAK 3/5/03 C of J. Mayoral Elections

Chris Baker		\$1000.00	
Northshore Enterprises			\$1000.00
Joondalup Golf Management Connolly		\$1000.00	
W.B.A. Holdings,	120 Boas Ave (?Bombak's Co.) 9301 0101	\$3000.00	
	58 Southside Dr Hillarys 9203 5811		
Everwest Pty Ltd			\$2000.00
Workhouse Advertising, 3 Rosslyn St. W.Lvle 9388 2799		\$2000.00	
Geoff Baldwin (not determined)	?		
	Total	\$10,000 + \$\$\$	

I do not know if it is still determined, because when I did the extract I looked at the register when it was two months old -

The CHAIRMAN: Could you please keep the papers away from the microphone, because otherwise it will distort the sound.

Mr Zakrevsky: Sorry. Geoff Baldwin's donation had not been concluded and at that stage it was a question mark and it was not a determined figure. There were luncheons and God knows what else where he was running a campaign in support of the mayor. So that totalled \$10 000. I will now come back: having done the opening address may I then refer to my written submission. I will not read the whole lot. You people have it in front of you.

The CHAIRMAN: Yes, we have that.

Mr Zakrevsky: I will take the salient points out of it if I may. The first reference is item (vi): clarify the power and process of local government to appoint a chief executive officer. I have tabled there that this should be standardised, and by standardising it avoid all and any confusion, doubt in every councillor and staff, and everybody knows what the procedure is and how to appoint a CEO. It is quite clear, nothing complicated, and I cannot see why secrecy should be involved. It is a simple thing. You have got a position and there should be a certain procedure. No hanky panky, no doubts or variations for interpretation. The next item is item (ix): an elected member of council of local government to be given a minimum of 14 days - I find this very important - to scrutinise copies of the CV plus attachments and a copy of the proposed contract. All documents to be treated in the strictest confidence. Like you have expected us to treat things, the same would apply there. Item (x) under this first reference: the local government council before voting on the proposed appointment of the CEO must provide each councillor with a copy of the contract, with all the variations and additions highlighted. Not just a contract and then another contract which has been varied and then something else has been added - with all the variations in it and all the additions highlighted specifically. So there is no question that they do not know what they are looking at. Under reference 2: allow for regulations which establish matters that must be considered in relation to each applicant for appointment. Here I standardise a lot of the items, the position, job number, applicant's address, all these standard things. The applicant must provide full past and current employment records that can be verified and authenticated. Refusal to do so will be invalid and not to be considered. Under item (vi) - the applicants must provide the local government-council and the recruiting agency with a written, signed and witnessed by a JP authority to check, verify and authenticate all documents and the written and verbal statements. A candidate's refusal or failure to provide the certified written authority will render the application invalid and not to be considered. Then there are a lot of standardised things, such as having Australian citizenship or having an Australian permanent residence visa. I find that that should be included to prevent any confusion. At the bottom it states -

The CEO to meet the performance criteria in six months, extended for further six months if necessary and approved by council. Failure to meet the essential performance criteria immediately terminates the contract with no compensation.

Allow for regulations that establish minimum qualifications and so on. I have covered that earlier on saying that the minimum should be the basic of accountancy with TAFE and then report writing - two very essential items when you are dealing with budgets. It does not matter what State you are in or what section of the work you are going to do with the council, that is why you need those two points. Permit individual councillors to verify - I have put safeguards in there so that there is no question that they will be permitted to verify these things themselves after the appointment has been made. So if there is any doubt this is yet another safeguard. The person is already there, they are in the job, and you can then verify. If it is not right, then bring it up to council within a week and from there the relevant measures can be taken. On employment, I have actually submitted the submission that I made to the Minister for Local Government. I will just go through the headings and not read the whole report. I took up the CEO's appointment. This I felt was necessary for the whole of local government to be looked at, in particular the City of Joondalup in this State, but I know it applies throughout all the councils, or nearly all the councils, one way or another in part or in total, and that is that the CEO's appointment was one of the provisions and so on. I have displayed that in the court in the New South Wales District Court and so on. I have also brought

out here under the law of contract - I stress "under the law of contract" very much - and I have supplied extracts from *Australian Mercantile Law* dealing with law of contracts and what that all entails.

Managing public question time: a very important part of local government that CEOs and mayors control. They have invited the public to come to a council meeting. They are given two questions and the allowed total question time, even though that is the minimum for local government, of 15 minutes. The question most of the time, in spite of the experts as they are supposed to be, they are directors of departments and managers sitting in the council chamber, and the question is taken on notice of an item that is on the agenda that is going to be voted on that night and is going to be taken on notice.

[11.30 am]

I find that plain ridiculous and insulting to anybody's intelligence. Yes, it is insulting to the intelligence of the council members themselves. We have briefing sessions at Joondalup. A briefing session is very convenient for the full-time officers. Everything that comes on the agenda will be discussed within one briefing session that an officer might give 10 or 15 minutes to. There are things to be looked at - parts of the Act, zoning schemes - the whole lot. But we cannot ask a question or bring attention to that. No wonder the RANS contract went up pear shaped; no wonder we have the CEO problem; no wonder we have got the Mullaloo Tavern problem. This is repeating itself in council after council. You only have to read the paper. I am not talking garbage here; I am just expressing the various problems. Managing public question time is something that needs to be re-looked at very, very seriously and not just, "Oh, let us put up with it; let them open their mouths" and that is it. That is the attitude given towards the public.

"Reports and Advice to Council Flawed" - that is serious and it is a serious statement. We only have to look at what advice has been given to councillors or lack of advice given to councillors. Again, I refer to the City of Joondalup on the question of what was given to the councillors concerning the RANS contract. It did not even have a provision for rent in advance of 5c. Anyone leasing a flat to anyone else knows that you take four weeks rent in advance whereas commercial rentals, you can go one or two years in advance. We had no safeguards; no arrangement was done on the building beforehand. There was no inspection before or after. Why? Because the information was not there to be judged or brought out clearly enough; it is not standardised.

The zoning of Mullaloo Tavern. Again, zoning comes under a town centre concept plan. The zoning contradicts something else. This is presented in such a way as to create confusion. In the end, the officers are creating confusion for themselves. They do not know what they have recommended. You only have to go to the minutes and see that they cannot even collate their own stuff. When they put their own report back it goes back on what they said two months ago. They do not even refer to it.

The CHAIRMAN: We have your submission. Is there anything else you want to add?

Mr Zakrevsky: Yes. Regarding the Management Recruiters Australia question. I will be very brief.

The CHAIRMAN: Sum it up.

Mr Zakrevsky: I have stated what Reynolds had said what they would do. We also had our human resources manager go to various cities in Australia to headhunt the CEO. I ask whether a report has ever been brought to council. I am not a councillor so I am not privy to this. I think this is important. Did it contain the cost of the search, his time, travel, accommodation, meals, telephone calls and miscellaneous expenses apart from the \$10 000 that was promised to Management Recruiters Australia to cover their part of it? "Impressions of the search"; "Impressions and answers to tabulated questions put to candidates"; "Recommendations and reasons to council for recommending particular personnel" - what criteria was used for that? Why

was he on the trip if we are employing the others? We have not got the reports coming back. In the end, I am asking the question.

This committee has addressed the first five issues. I think they are extremely relevant issues and I thank the committee for bringing them up; they are extremely pertinent references. The last one, "Redress", was obviously an important one as well. Thank you so much.

The CHAIRMAN: I have just three questions. You have covered a lot of the material extensively. If you have anything additional to what you said, perhaps you would like to add that in answer to these three questions. Firstly, how do think the Local Government Act 1995 could be amended to address the perceived problems that have arisen in the City of Joondalup?

Mr Zakrevsky: As I say, I think the one word - a lot of this stuff is standardisation for selection processes, advertising for candidates, salary scales, performance indicators, all that sort of stuff. That should be standardised so they can get on with the actual job of implementing what is required, whether it is town planning, engineering, you name it. They can then get on with that part of the job and get to grips with the job knowing the zonings and knowing everything else that is there. In that way, all this other extraneous stuff is looked after automatically and does not create a conflict.

The CHAIRMAN: What would you regard as the essential attributes and skills of a CEO of a large metropolitan local government? You covered that quite extensively in your submission but you might like to comment on the second part of the question. Do you believe it would be possible to impose minimum qualifications by way of regulations that would satisfy these essential attributes and skills?

Mr Zakrevsky: I think I mentioned right at the beginning that I still feel that should be incorporated; that the minimum should be very basic accountancy but better than just plain bookkeeping, because that might only be to trial balance. It requires basic accountancy from TAFE and report writing because that is essential. You have got to be able to communicate in a small council. Even down to the managers, what I am recommending is not only for CEOs but executives and senior managers and anyone who is preparing reports and assessing and preparing budgets.

The CHAIRMAN: Lastly, do you think that the number and quality of applicants for positions as local government CEOs will decrease if their employment contracts are made public?

Mr Zakrevsky: No, I do not. I really do not. First and foremost, if it is advertised, as it should be, the salary will be that of a very high executive position. If a salary range is advertised, and, with all the perks included, it is \$177 000 for the CEO - but for a small one it would be, let us say, \$60 000. That is not exactly small money.

The CHAIRMAN: Do you think the number of applicants and quality of those applicants would decrease if details of their employment contracts were made public?

Mr Zakrevsky: No, I do not think it would decrease because, first and foremost, it would be the relevant salary for the field it is in. For example, if it is tourism, the emphasis would be on that for the CEO and an officer further down. The same for agriculture. Let us say, tertiary qualifications are needed. It depends on the size of the shire. The salary itself is now known. We all like to have a nice income but it gives the opportunity for so many young people, who have sharp, keen brains and are at university, and who are trying to get into local government. Where is the starting point? Everyone is pushing and it is like a club; everyone is working around it. The fellows who want to be on \$200 000 do not want to come down to, say, \$60 000. Not everyone wants to live in the city; some would like to live in Sandstone. Consequently, a person could be happy with that as a salary. But, at the same time, people know, so they will apply. Young people will aspire to a certain level. After all, it is to be adjusted to the CPI in my recommendation. I will not labour the point.

The CHAIRMAN: I am sure members have questions for you.

Hon DEE MARGETTS: Thank you. You have talked about the necessity to advertise positions as important as that of a CEO, especially in a local government the size of Joondalup. Given that Management Recruiters Australia has indicated that it saw its major role as to get someone - I am paraphrasing - who could get big projects up or drive big projects, in your opinion, what is flawed? Is there a flaw in that priority? If that is so, how do you think that flaw has manifested in the operation of the city council as you see it?

[11.40 am]

Mr Zakrevsky: I see a flaw in the recruitment process. I will dwell on this because I think it is terribly important. The Joondalup City Council, other councils and private enterprise approach recruiting agencies. Why? Because the sole function of recruitment agencies is to recruit. I know from personal and family experience that their doors are open and they encourage people to put in applications in case a position arises. In my experience, the first thing they want to know - I have spoken to hundreds of people - is people's qualifications. What do people expect? People have said that they better not even go in the front door to apply for a position because their qualifications would be checked out and they did not have any qualifications. As I said, recruitment agencies check applicants' qualifications. I have had to produce them in advance. The agencies compile a register. This is one part of headhunting as distinct from "head hunting". A person goes to an agency looking for another job for whatever reason. When a job is available the recruitment person phones X number of people and asks them to come in for five minutes or half an hour to update the information on the register. The recruitment officer puts in a recommendation or otherwise to the potential employer. What happened to that so-called list? To be honest, I find the term headhunting offensive. I have been approached - and this has proved it - but I did not agree to being headhunted because I did not know what was in front of me on the carpet. I had no assurance that it would not get back to the employer. I have my job but something could be leaked when someone was trying to draw me out. If I did that with documentation, would I not be stealing intellectual property? It is pretty close to the same thing. If I approach an agency I present openly and tell it what I do. Recruitment agencies are employed as experts and they command a fee whether it be \$10 000, \$20 000 or \$40 000 and they add other expenses. It is disgraceful when they do not produce a final outcome. What have they given the City of Joondalup or other councils? Does that answer the question?

The CHAIRMAN: Can we keep the questions and the answers a little more concise?

Mr Zakrevsky: I beg your pardon; I am sorry.

Hon JOHN FISCHER: Is it your belief that the dysfunction in this council is primarily because of political division among the councillors?

Mr Zakrevsky: One could infer that there is political division. Some are members and some are not members of political parties. However, for a long time a group has existed but I do not know whether it has an agenda. I resented the remark made by Councillor Chris Baker the other day when he referred to a so-called small insignificant group that is highly organised. The word political was mentioned in connection with our being affiliated. I am not affiliated with any political party. I think that perhaps only one of the ratepayers who attended may have an affiliation. We are regularly invited to attend meetings because we are concerned and very interested in what takes place and aware that errors will cost the council a lot of money, which could lead to increases in rates. Does that answer your question?

Hon JOHN FISCHER: It does to some extent.

Mr Zakrevsky: It is loaded. People have suffered in this situation for trying to be honest. I feel passionate about this. I have no relations or associates; however I know of them through the ratepayers association. Our present mayor, Councillors Allison Walker and John Hollywood have

been vilified and hounded. Their treatment is disrespectful and insulting to them, the whole of local government and to the council.

Hon ED DERMER: I draw your attention to page 5 of your original submission to the committee dated 9 September. In the third point under the subheading "Adequate powers of redress" the first sentence reads -

The appointed recruiting agent stated in writing to the City of Joondalup that "Upon receiving written applications we will screen all applicants with regard to the qualifications and attributes", yet the same document stated that "references will generally be obtained verbally".

I would like that document to be provided to the committee. Can you help me by identifying the document to which you are referring?

Mr Zakrevsky: I do not know how it came to me. It cannot possibly be a secret document because it does not discuss terms for any particular employment, prices, contract or anything like that. It is plainly and simply the general policy of any recruiting agency, whether in a booklet, pamphlet or whatever. I happen to have one sheet that specifically identified those words and I quoted the words from it. I am prepared to find it and submit it to the committee.

Hon KEN TRAVERS: That would be very helpful.

The CHAIRMAN: You referred in your comments to several documents that you wish to table. Are all of those included as attachments to your submission or are there additional documents that you referred to today?

Mr Zakrevsky: They are with the submission I have today. I have tried to include all the documents. Everything is there. I thought that one might be as well.

Hon ED DERMER: I am very interested in that quotation in your submission. I want to make sure that, if possible, the committee can have the benefit of seeing that document. That is why I asked the question. When you say that the recruiting agent stated in writing to the City of Joondalup that upon receiving written applications etc, which document was it in?

Mr Zakrevsky: I cannot name the heading of the document. I know that was part of Management Recruiters Australia's brief or rather its spiel.

Hon ED DERMER: To the best of your knowledge, does the committee have a copy of that?

Mr Zakrevsky: Whatever I have I am prepared to submit.

Hon ED DERMER: If you can identify the particular document that quotation is from that would be helpful.

Hon JOHN FISCHER: We asked Management Recruiters Australia to supply the contract between the shire and Management Recruiters Australia. Perhaps it was from that document.

[11.50 am]

Hon KEN TRAVERS: I am hoping that because Mr Zakrevsky has included that quote in his submission, he can assist the committee by helping us to track down that document.

Mr Zakrevsky: Whatever I have got, I will submit to you. If I have missed anything out, I will search for it and will certainly submit it.

Hon KEN TRAVERS: You state at page five of your submission, in the second dot point, "Where is the evidence, if any, that this contract was brought before Council for ratification and approval". I picked up from the hearing the other day that it may have come back to council with a motion to fix the common seal of the council. Do you know whether that did occur; and, if it did occur, would that not meet your requirement for it to go back to council for ratification and approval?

Mr Zakrevsky: I am not aware, and I may not have been privy. That is why I have asked was it ever brought back to council for ratification.

Hon KEN TRAVERS: If it was referred back to council for the fixing of the common seal -

Mr Zakrevsky: Was the common seal fixed before it went to all the signatories, or after? Did the people involved - let us assume that they had the authority to sign it - sign off in it, and was the seal then applied, or did it go to council before the seal was placed on it? I am not aware of the procedure inside council. Do the councillors know what the procedure is? I would like to know myself. It is a formal question that I am asking. The only people with the power to do this are your good selves.

The CHAIRMAN: I would like to get your view on something. The City of Joondalup has a popularly-elected mayor. It appears that a majority of the people on the council take a line that is different from the one of the popularly-elected mayor. That presents a bit of a problem for democracy in the sense that they could all claim to have some mandate for their position. Can you suggest to the committee some resolution of that situation?

Mr Zakrevsky: Yes. I think what is occurring in the council chamber is abominable, to be quite honest. Before the change of mayor, people were isolated; and I am talking about John Hollywood and Allison Walker. They were bullied - there is only one word to describe it - excessively. We now have a mayor who has been appointed by the public. The public are fed up with what has been going on. The public are not stupid. The public brought in a new mayor. He was elected not just on one issue; there were many issues. That mayor is trying to do a job. The first meeting that he called was the swearing-in. However, at the swearing-in he was stifled, because one of the elected councillors, who had not been sworn in yet, was in New South Wales on holiday. We all want to take holidays. However, that councillor stood for election. She knew the date that the election was on and when the results would come in and that there would be a swearing-in, but she saw fit not to be there. How could he stop the whole organisation - stop the wheels from turning - just because she wanted to continue her holiday? I ask you an innocent question. The next meeting was a special meeting. I will say it straight out. That was orchestrated by Councillor Chris Baker. The only two people who were eligible not to attend that meeting were Councillor Kimber and Councillor MacKintosh, who both had leave of absence from council; one was overseas, and I believe one was in the south west. Not even a quorum was able to be called, because they boycotted the meeting. That is despicable. Under the Act, you should attend a meeting. You can vote against a motion, but you do not boycott the meeting. That is outrageous.

The CHAIRMAN: I return to my question. Do I interpret from your comments that you think the elected mayor has priority over a group of councillors who may vote in the majority one way or the other?

Mr Zakrevsky: May I respectfully say, you are the chairman of this committee. You have certain authority. You guide the committee. You do not get blocked every time you open your mouth.

The CHAIRMAN: I will not comment!

Mr Zakrevsky: I must be missing something here. The other very cunning procedure that occurs in this council is that it has no committee system. Five years ago now, the council agreed to have a six-month trial of briefing sessions and then switch over to a trial of a committee system. However, when it came to the trial for a committee system, they said, "Where is the motion? Show it to us in writing." These are people who call themselves honourable councillors. I ask that question sincerely. They then try to stifle the mayor and the other councillors. This is important; please bear with me. You can stall any chairman, any mayor or any president of any sports club or council if every time he opens his mouth someone says point of order, or asks a question or asks for some clarification. That is a game. That is not being a responsible councillor. I despair at that. They are

insulting the whole institution of local government, and they should be damned ashamed of themselves. I say that very strongly.

Hon DEE MARGETTS: I asked a question previously about getting projects up and driving big projects. What I am also trying to get from you is if it is not the ability to drive big projects primarily, what are the important qualities of a CEO for the Shire of Joondalup? What are the areas that you think are not being handled adequately within your shire?

Mr Zakrevsky: I cannot say whether it occurs at the staff level, but there are certainly things that I have heard about. However, they are hearsay, and hearsay is not evidence. I expect what I expect. I have been a CEO and I have held a senior rank in the Army. I expect in an organisation that information will flow downwards, not in a manner to establish power, but simply to flow downwards. You do not know when you are going to fall off the perch. I do not care whether you are in the Army and are going to get shot, or whether you are going to get a heart attack, as I have had. I have also had open-heart surgery. Your staff under you should be informed. There should be a flow of information backwards and forwards freely, without any malice. That should be an honest to goodness thing. It should not be "Do not talk to me like that." I do not agree with rudeness. I agree with respect. However, at the same time that should not be pressured into people. The procedures should be standardised, whether it is the employment of a CEO and performance indicators, or anything else - what I would call standard, everyday, routine stuff. That should be standardised, including the reports that come to council, such as the history, was there a previous application, was there an amendment to it, and all of that. The best council I have seen so far - and I have attended numerous councils to see how they are run - is the City of Fremantle.

[12 noon]

It uses that system and it overcomes that. Even the councillors - this is fantastic - are advised before the meeting that there will be question time for the public and question time for the councillors and then the items on the agenda will be debated. As I have said - I do not want to labour the point - councillors are not jumping up every five seconds with a point of order, a point of question or a point of this. It becomes a circus. Even kids have more authority than that.

Hon DEE MARGETTS: To summarise, you are saying that for you, effective human relations skills, communication and accountability are the most important attributes of a chief executive officer.

Mr Zakrevsky: Yes. However, downsizing also can create a lot of problems. This business of somebody automatically getting an increase - how can I put it? Costs increase when they downsize and then a person gets a percentage of the value of that downsizing; that is, they have saved us so much, but have they saved us that much? Consultancies cost two and three times more. I maintain that the difference between the value of the people who have been fired - downsizing is the new word - and the extra cost that is paid to consultants to do that particular job should be taken off the pay of the CEO or the senior executives because in actual fact we have lost money, not saved any money.

The CHAIRMAN: We have covered a fair bit of ground. Is there anything you would like to say briefly in conclusion?

Mr Zakrevsky: Thank you for the courtesy.

The CHAIRMAN: Thank you for your contribution this morning.