



PUBLIC INQUIRY INTO LIVERPOOL CITY COUNCIL

**COMMISSIONED UNDER S 438U OF THE LOCAL
GOVERNMENT ACT 1993 (NSW)**

**PUBLIC HEARING
SYDNEY**

**WEDNESDAY, 23 JULY 2025
AT 10.18 AM**

DAY 7

APPEARANCES

**Ms T McDonald SC, Senior Counsel Assisting
Ms B Anniwell, Counsel Assisting
Mr E McGinness, Counsel Assisting
Mr D Parish, Counsel for Liverpool City Council
Ms C Palmer, Counsel for Mayor Ned Mannoun
Mr A Searle, Counsel for Mr J Ajaka**

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<THE HEARING RESUMED AT 10.18 AM

COMMISSIONER: Yes, Ms McDonald.

5 **MS McDONALD:** No administration from our point of view. I don't know if anybody else has got anything to raise?

COMMISSIONER: Can I just raise one matter from the transcript yesterday?

10 **MS McDONALD:** Yes.

COMMISSIONER: It's at page 451. It's the passage where I was asking Mr Nadan some questions, and at about line 32 I asked him about the cash expense cover ratio and then he answers from line 35. And then at line 37 he says, according to the
15 transcript:

"And I guess, again, it's a flawed a little bit to the extent that it excludes section 7.11 money."

20 And then the transcript records me as saying:

"Excludes restricted funds."

My recollection is that the witness said "includes", because then you'll see the
25 witness goes on to say:

"So if you're talking current assets and current liabilities, looking at your total cash, you can't touch that."

30 And then I asked:

"Do you have a sense of what the cover would be if one ignored the restriction?"

So my recollection that "excludes" in line 37 and line 40 should be "includes". I don't
35 need anyone to answer now, but if that could be checked -

MS McDONALD: Yes.

COMMISSIONER: - and the correction made, unless anyone disagrees. Other than
40 that, is there anything else we need to do?

MS McDONALD: I don't think so. I call John Ajaka.

COMMISSIONER: Yes. Thank you, Mr Ajaka, do you take an oath or an
45 affirmation?

MR AJAKA: Oath, Commissioner.

COMMISSIONER: All right. Someone will help you with that.

<JOHN AJAKA, SWORN

5 **COMMISSIONER:** Thank you. Yes, Ms McDonald.

MS McDONALD: Please state your full name.

10 **MR AJAKA:** John George Ajaka.

MS McDONALD: Your occupation?

MR AJAKA: I'm a non-executive director on a number of companies.

15 **MS McDONALD:** Mr Ajaka, when did you first become involved with Liverpool City Council?

MR AJAKA: Yes.

20 **MS McDONALD:** No. When?

MR AJAKA: Sorry. I commenced employment about mid-December 2022, went on holidays and then came back about mid-January 2023.

25 **MS McDONALD:** And the commencement of your employment there, that was in the role of the general manager or CEO?

MR AJAKA: CEO.

30 **MS McDONALD:** Now, your appointment to that role, that came about as a result of - excuse me - the role being advertised and you submitting an application?

MR AJAKA: Correct.

35 **MS McDONALD:** The application or recruitment process, was there a recruitment agency assisting in the process which was known as Blackadder Associates?

MR AJAKA: Correct.

40 **MS McDONALD:** And during the time of your application and interviews and other parts of the application, at times were you dealing with Stephen Blackadder?

MR AJAKA: Yes.

45 **MS McDONALD:** Now, the application that you made was in writing. Could we please bring up document LCC.002.004.0062.

COMMISSIONER: Just in the room at the moment?

MS McDONALD: This is Mr Ajaka's application for the position of chief executive officer. I did wish to put it on the live stream.

5

MR PARISH: There may be some redacted information in this document or are you - - -

MS McDONALD: Well, there are redactions.

10

MR PARISH: It's there? Okay.

COMMISSIONER: Perhaps just let's bring it up in the room first, and then we can see what needs to happen next.

15

MS McDONALD: I'm just going to double-check that. If you could do it in the room. For example, there should be redactions on the first page. Yes.

COMMISSIONER: Does that deal with your concern, Mr Parish?

20

MR PARISH: Yes.

COMMISSIONER: All right.

25 **MS McDONALD:** Now, that's the first page of the application.

MR AJAKA: Yes.

30 **MS McDONALD:** I wanted to take you through - can you - sorry, at the bottom of page 1 it sets out your tertiary qualifications, which are a Diploma in Law, through the solicitor's admission board.

MR AJAKA: Correct.

35 **MS McDONALD:** And if we go to the next page, I wanted to take you to the top, to your employment summary.

MR AJAKA: Yes.

40 **MS McDONALD:** Which is depicted on the screen at the moment.

MR AJAKA: Yes.

MS McDONALD: Which involved working as a solicitor.

45

MR AJAKA: Yes.

MS McDONALD: And also for a period of about 13 or 14 years being a member of the Legislative Council in the Parliament of New South Wales.

MR AJAKA: Yes.

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MS McDONALD: Which party did you represent?

MR AJAKA: Liberal Party.

10 **MS McDONALD:** And your role within the Legislative Council, were you ever assigned a particular role within that house?

15 **MR AJAKA:** Yes. So initially I was parliamentary secretary in opposition. Then I was parliamentary secretary in Government. I chaired a number of committees when I was in opposition. I then became the minister in 2013 for about four years. I became deputy leader of the Government with a few extra portfolios, and then ultimately in, I believe, 2017 I became the president of the Legislative Council.

20 **COMMISSIONER:** What ministerial portfolios did you have?

MR AJAKA: So I had five. I had Minister for Ageing, Minister for Disability, Minister for Youth, Minister for Volunteering and Minister for Multiculturalism.

25 **COMMISSIONER:** Thank you.

MS McDONALD: Still looking at your employment summary, you left Parliament in 2021. And then, as indicated, did you become involved in - sorry, involved in corporate governance in a number of companies or institutions?

30 **MR AJAKA:** Yes. As a non-executive director with some private companies and as chairman of the Sydney Local Health District Board.

35 **MS McDONALD:** Now, during your work history, did you have any role or any involvement with any other council?

MR AJAKA: So I was - before I entered Parliament, I was a councillor for Rockdale City Council between 2004 to about the end of 2007. So there was a six-month period where I was a councillor and a member of the Legislative Council.

40 **MS McDONALD:** The recruitment process which led to your appointment, in addition to submitting your written application, at any time were you interviewed by a panel from the Council?

45 **MR AJAKA:** Yes, on a number of occasions. So there was a first interview, which I believe was around five councillors. Then there was a second interview, and then finally there was the appearing before the entire council, which I took as a third interview process because I was asked questions and told to make a statement.

MS McDONALD: The first interview you mentioned, your recollection is that there were five councillors present.

MR AJAKA: My recollection.

5

COMMISSIONER: I'm sorry, Mr Ajaka, could I just trouble you to keep your voice up?

MR AJAKA: Sorry. My recollection.

10

COMMISSIONER: It's a beautiful room, but the sound doesn't carry that well.

MR AJAKA: I understand, Commissioner.

15

COMMISSIONER: Thank you.

MS McDONALD: There were five councillors?

MR AJAKA: That's my recollection.

20

MS McDONALD: Do you recall who they were?

MR AJAKA: I know that it was the Mayor, Ned Mannoun. Councillor Green. There was Councillor Karress. They're the three that I clearly remember. Yes, there was Councillor Fiona Macnaught, and there may have been one more councillor. I just can't remember now.

25

MS McDONALD: Was Stephen Blackadder in attendance at the interview?

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MR AJAKA: Yes, and at times he asked questions.

MS McDONALD: The second interview, was the panel again a subset of the councillors?

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MR AJAKA: Yes. And I believe Peter Harle was the fifth one. Yes.

MS McDONALD: So Peter Harle was included in the first interview panel?

MR AJAKA: Yes.

40

MS McDONALD: The second interview panel, was it the same councillors?

MR AJAKA: Same councillors.

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MS McDONALD: And again with Mr Blackadder there?

MR AJAKA: Yes.

MS McDONALD: Then the third interview, which was really like a presentation to the whole council.

5 **MR AJAKA:** Correct. That was the time I was told that the Council would see three of us - I had no idea who the other two were - and that the council would then vote on which of the three of us would be the new CEO.

COMMISSIONER: Can you just pause for a moment, Ms McDonald. Yes.

10 **MS McDONALD:** The third interview/presentation, did that occur on 6 December 2022?

15 **MR AJAKA:** On or about. I know it was at least - maybe one, two days before I actually started. I think it was on one day - I signed the agreement the next day and then started, in a sense, the following day.

20 **MS McDONALD:** Would you bring up the minutes of an extraordinary council meeting on that day, minutes being INQ.001.001.0995. And would you - just a minute. Sorry, would you just go back to page 3 - sorry.

COMMISSIONER: You're ahead of us, Ms McDonald.

25 **MS McDONALD:** Yes. Sorry, I'm getting - so you can see it's the Minutes of the Extraordinary Meeting held on 6 December. Would you go through to page _0002. If you can go to the section on that page, the declarations of interest. Now, I don't know if you've seen this before -

MR AJAKA: No.

30 **MS McDONALD:** - but I want to ask you some questions about the declarations of interest.

MR AJAKA: Right.

35 **MS McDONALD:** You will see that a Councillor Hadid declared a non-pecuniary less than significant interest in the following items, "Selection of the CEO," and he says he knew two of the applicants through his involvement in Local Government, and to his knowledge they are members of the Liberal Party. Did you know Councillor Hadid beforehand?

40 **MR AJAKA:** Yes. Again, I'd met him at Liberal Party functions or meetings.

45 **MS McDONALD:** And then the Mayor declares again a non-pecuniary less than significant interest in that item. His reason is that all applicants are known to the Mayor through his involvement in Local Government since 2008. Did you know the Mayor through your membership with the Liberal Party?

MR AJAKA: Yes.

MS McDONALD: How long had you known Mr Mannoun - sorry, I'll -

5 **MR AJAKA:** Yes.

MS McDONALD: As at December 2022, how long had you known Mr Mannoun?

10 **MR AJAKA:** I believe I would have first become aware of him and other Liberal councillors when I was selected as a councillor at Rockdale Council. I definitely became aware of them when I got elected to Parliament.

MS McDONALD: The - your membership of the Liberal Party of Australia New South Wales branch, you got to know the Mayor through that?
15

MR AJAKA: Yes. A lot of councillors.

MS McDONALD: All right. And up until December 2022, how would you describe your association with the Mayor?
20

MR AJAKA: At that time I considered we were friends.

MS McDONALD: Was it a close association?

25 **MR AJAKA:** I mean, I never went to his home, he never went to my home type of association, but, yes, I consider we were friends. We met at many functions in particular.

MS McDONALD: Your decision to apply for the CEO position, before making the decision and submitting the application, did you have any discussions with
30 Mr Mannoun -

MR AJAKA: Yes.

35 **MS McDONALD:** - about that application?

MR AJAKA: Yes. I recall receiving a phone call from Ned Mannoun telling me that they were looking to hire a new CEO, and suggesting to me I should apply.

40 **MS McDONALD:** Roughly when did that occur?

MR AJAKA: The application was already up, or the ad was already up. It would have been about, probably, at most, two weeks, if not a week before I put the application in. I did indicate to Mr Mannoun that I wasn't interested. I said no.
45

MS McDONALD: After that communication where you said that you weren't interested, before you actually put in your application, did you - were you contacted again by Ned Mannoun?

5 **MR AJAKA:** Yes. He rang me a second time and, again, stressed that he really wanted me to apply. He had huge issues at Liverpool and felt that I would be the person who could fix those issues.

10 **MS McDONALD:** In that conversation, did he identify to you what these issues were?

15 **MR AJAKA:** Yes. There were some serious problems with the staff, unions, quite a few matters being reported to the Office of Local Government and various other matters. Also, I believe he indicated - from memory, it was the first time he indicated that they were building a new building and he was really concerned about that.

MS McDONALD: When -

20 **MR AJAKA:** I said no.

MS McDONALD: That was going to be my next question.

25 **MR AJAKA:** I again declined and said no, I was happy with what I was doing and I just (indistinct).

MS McDONALD: Was that second approach about two weeks before you actually submitted your application?

30 **MR AJAKA:** That - yes. It could have even been a week, because I know I had to get into the application very quickly.

MS McDONALD: Before you submitted your application, was there any other contact from Mr -

35 **MR AJAKA:** Yes. I received a phone call from Stephen Blackadder, who told me that the Mayor had suggested he give me a call. He was the recruiter. I had known Stephen from the days of the Rockdale Council. He indicated to me that he thought I would be perfect for the position and that I really should consider applying for it. I'd be able to make a big difference. And at the end of the day, by the time I finished
40 the phone call, I agreed to put in the application.

MS McDONALD: Your knowledge of Mr Blackadder, you said that arose from when you were a councillor on Rockdale Council?

45 **MR AJAKA:** Yes. So prior to my being on Rockdale Council, Blackadder was the general manager at Rockdale Council. And I had my legal office at Rockdale, so I had come across him. He had an amazing reputation. And when he left Rockdale

Council, he was seen as the father of (indistinct). He would, you know, write books. He would get involved in a very big way. He was seen as the number 1 general manager of his time.

5 **MS McDONALD:** Right. So after speaking with Mr Blackadder, you then change your mind?

MR AJAKA: I spoke to my wife and changed my mind.

10 **MS McDONALD:** Right.

COMMISSIONER: That might be the most important of those conversations.

MS McDONALD: Yes.

15

MR AJAKA: It was.

MS McDONALD: And I won't ask you details of that conversation.

20 **MR AJAKA:** Thank you.

MS McDONALD: Yes. But you put in the application. And as you've given evidence, you have the two interviews and then the final presentation.

25 **MR AJAKA:** Yes.

MS McDONALD: At the - I think it's the council extraordinary council meeting on 6 December.

30 **MR AJAKA:** Mm-hmm.

MS McDONALD: After - while - you give your presentation. Is it your understanding that the council then moves into some kind of closed session?

35 **MR AJAKA:** I was put in a waiting area, called in. It was dealt with. I was then told to leave. So I literally left, hopped in my car and started driving away.

MS McDONALD: And you didn't see the other applicants who were presenting?

40 **MR AJAKA:** No. I had no idea who they were until -

MS McDONALD: Subsequently.

MR AJAKA: - a few weeks after I started.

45

MS McDONALD: And after you left and went home, did you receive any phone call?

MR AJAKA: I actually received a phone call while I was still in the car driving home.

MS McDONALD: From whom?

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MR AJAKA: Stephen Blackadder, from memory.

MS McDONALD: And what did Mr Blackadder tell you?

10 **MR AJAKA:** "Congratulations. The council voted unanimously to appoint you."

MS McDONALD: When he said "unanimous", did he mention whether all the councillors were actually present at that time?

15 **MR AJAKA:** No. No, I took it to mean that everyone voted for me.

MS McDONALD: All right. They were the words he used, "unanimously voted in favour of you"?

20 **MR AJAKA:** Yes.

MS McDONALD: Now, subsequent to that conversation, did you receive a letter of offer of employment from the mayor?

25 **MR AJAKA:** From recollection, Blackadder mentioned to me that I should come in the next day and that it would be necessary to sign the contracts.

MS McDONALD: And was the contract for five years?

30 **MR AJAKA:** Correct.

MS McDONALD: Without taking you to the contract, we have a summary of its terms. Could document LCC.002.007.0092 be brought up, and if you could just pause before live-streaming it. No problems? All right. That can be live-streamed,
35 please. Now, the contract period has got "TBA" against that, but it's effective from 12 December, and you can see set out the annual total remuneration package being \$550,000.

MR AJAKA: Correct.
40

MS McDONALD: Under the components it sets out the cash component, superannuation and some kind of vehicle allowance.

MR AJAKA: Yes.
45

MS McDONALD: A vehicle.

MR AJAKA: Yes.

MS McDONALD: And that's your recollection of the remuneration package that you accepted in your role as CEO?

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MR AJAKA: Correct.

MS McDONALD: In addition, I think you've agreed it was for a period of five years?

10

MR AJAKA: Correct.

MS McDONALD: And I wasn't going to bring up the contract, I can if you want to, but was your understanding it was based on the model contract for general managers which is produced by the Office of Local Government?

15

MR AJAKA: That's what I was informed.

MS McDONALD: And within that contract, there are provisions for termination for misconduct or cause or aspects like that?

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MR AJAKA: And for no-cause.

MS McDONALD: That was going to be my next question. And in addition, a provision that the contract can be terminated without cause, but then there is a subsequent payment for terminating the contract in those circumstances?

25

MR AJAKA: Correct.

MS McDONALD: And that payment was based on - was it 38 -

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MR AJAKA: 38 weeks.

MS McDONALD: 38 weeks. Now, I won't go into this in detail, but in 2023 was there correspondence received from the Office of Local Government concerning a complaint about your appointment?

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MR AJAKA: Yes.

MS McDONALD: As part of that inquiry or investigation by the Office of Local Government, is it your understanding that documents and other information was provided to the Office of Local Government?

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MR AJAKA: Correct.

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MS McDONALD: And ultimately, the Office of Local Government was satisfied with what was provided to them and it went no further?

MR AJAKA: Correct.

MS McDONALD: Now, I think you gave evidence that although your contract started on 12 December -

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MR AJAKA: Yes.

MS McDONALD: - you really started work in earnest, if I can describe it that way, in January.

10

MR AJAKA: Yes. I spent a week in December just simply in the office, getting my feet under the desk, of course, and reading a lot of documents that were left on my desk.

15

MS McDONALD: Now, was one of the first matters that you started looking at - was a restructure of the council?

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MR AJAKA: I thought about it at that time, but it was when I came back in January that I started to seriously look at it. During that week in December I was just trying to understand what the then structure was but could not make sense of it. And then when I came back, revisited it and then started making inquiries about it.

COMMISSIONER: When you say you couldn't make sense of it, why was that?

25

MR AJAKA: I used the expression previously during the meetings - said it looked like someone had taken a deck of cards, thrown it in the air and where it landed it was the structure. You had people reporting to two or three people. You had people reporting to me and then reporting to a director. It really - it was a - very unworkable. The inquiries - the first inquiries I made were with the USU union delegates who also indicated to me they didn't quite understand it and didn't believe it had been implemented. It was still a work-in-progress that everyone was confused about.

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COMMISSIONER: Thank you.

35

MS McDONALD: Would document INQ.001.001.1264 be brought up. It can be live-streamed. Mr Ajaka, that is an organisational structure and we've been provided with a date as at August 2022. Looking at that structure, is that the structure that you inherited when you started in December?

40

MR AJAKA: So that's not what I was shown in December. What I was shown in December was more circular. It was basically circular diagrams, circular diagrams crossing, arrows going into circular diagrams, and that's where I got the concept of the deck of cards. This, I believe, came later when we were re-looking at it, when I started to ask them to try and make sense of what the structure was meant to be. But definitely not the first one I saw.

45

MS McDONALD: All right. I don't think we have a circular -

COMMISSIONER: No. Perhaps - well, that might be addressed in the matter that I raised with Mr Emmett yesterday.

MS McDONALD: At that point -

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COMMISSIONER: Sorry, just before you move on - I'm so sorry to interrupt. Although you didn't see this in December -

MR AJAKA: I -

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COMMISSIONER: - once you came to start to get your head around what the structure was, is this what it looked like?

MR AJAKA: I was shown this. And where - literally every major important department was, somehow or other, reporting directly to me only and not to the directors, which again made no sense to me.

15

COMMISSIONER: All right. But was what you came to understand of the structure - after you came back in the January period, was it this or was it something different to what's on the screen now?

20

MR AJAKA: No, it was basically this at the end when I said - and started to make inquiries about this with the various groups.

COMMISSIONER: Thank you.

25

MS McDONALD: And your concern with that structure is that even though it's got the office of the CEO and then a number of - or six directorships, is your concern that, if you move up to the rectangle with office of the CEO, the number of other subgroups that are reporting directly to the CEO?

30

MR AJAKA: Yes. My view was that the vast majority, if not all of them, at the time really should be reporting to their directors. It's why the directors were there. One of the things that I noticed when I first looked at this document is that you had one director, corporate service, who simply had one small section under him. Again, it made no sense.

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MS McDONALD: So in 2023 you embarked on a restructuring procedure which would eventually lead to a restructure of the operation of the actual council?

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MR AJAKA: Correct.

MS McDONALD: How long did that restructure take you?

MR AJAKA: From memory, you know, six to seven months.

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MS McDONALD: And just put broadly, who was consulted?

5 **MR AJAKA:** So initially I started with the union delegates, the senior staff, the directors. The directors and I, on at least three or four occasions in the beginning, would whiteboard what we thought the structure should look like. We then went out and I had the directors talk to some of their staff. We then - I spoke to the councillors in either an information session or a governance meeting. I also raised it with ARIC, and then it just started to move from there in various entities, if I can use that - or formations, where it just moved and moved until it finally got to - it needed to be passed twice by council in formal meetings, a stage 1 and a stage 2. And stage 1 was passed, and then some time later stage 2 - the final structure was passed.

10 **COMMISSIONER:** What was the difference?

15 **MR AJAKA:** Stage 1 was more the macro, the CEO and the directors and the departments. Stage 2 was more who would be underneath them, because we still had to do quite a bit of work by transferring certain sections to certain directors.

MS McDONALD: Would you bring up document LCC.001.002.0011. And it can be live streamed.

20 **COMMISSIONER:** Just bear with us, Mr Ajaka.

MR AJAKA: No, I understand.

25 **COMMISSIONER:** The machines are on the go-slow this morning.

MR AJAKA: No. I've got to say, it's really good having it like this.

30 **COMMISSIONER:** If at any time you need something blown up or made smaller to see more of it, you just let us know. Okay?

MR AJAKA: Thank you.

35 **MS McDONALD:** This, as you can see from the right-hand top corner, is Liverpool City Council high-level organisational structure October 2023. It's got the chief executive officer and then six directorships underneath that. Can you see that?

MR AJAKA: Yes, I can.

40 **MS McDONALD:** And then underneath each directorship, a number of -

MR AJAKA: Sections.

MS McDONALD: Sorry?

45 **MR AJAKA:** A number of - I call them sections.

MS McDONALD: Sections, department or something like that.

MR AJAKA: Yes. Sections of a department. Or collectively each one was a department under a director, and then there were the sections within the department.

5 **MS McDONALD:** And the Chief Executive Officer is obviously reporting to the mayor and councillors.

MR AJAKA: Yes.

10 **MS McDONALD:** And from what we saw from that previous organisational structure, the various other sections that were reporting directly to the CEO have been removed.

MR AJAKA: Had been put under a director.

15 **MS McDONALD:** Sorry, removed from directing - sorry, directly reporting to you?

MR AJAKA: Yes.

20 **MS McDONALD:** And then, as you said, included within the directorships.

MR AJAKA: Correct.

25 **MS McDONALD:** Now, looking at this diagram, is this - it obviously incorporates -

MR AJAKA: Sorry, it's a little bit blurry on my screen. That's much better. Thank you.

30 **MS McDONALD:** With the nomination of the directors, it incorporates stage 1 of your restructure?

MR AJAKA: Yes. I can't remember the date that occurred. And then stage 2, I think, was maybe a month or two later.

35 **MS McDONALD:** Looking at the various section boxes and how they're arranged under particular directors - looking at that structure -

MR AJAKA: Yes.

40 **MS McDONALD:** - does that appear to have incorporated stage 2 of your restructure?

MR AJAKA: I believe so. Yes.

45 **MS McDONALD:** So this is both stage 1 and stage 2?

MR AJAKA: I believe so.

MS McDONALD: When you started work at the council, can you recall how many directors there were?

MR AJAKA: There were five. There was no City Futures.

5

MS McDONALD: Now, City Futures is the first directorship along the left-hand side?

MR AJAKA: Yes.

10

MS McDONALD: Was it identified as a part of your review for the first structure?

MR AJAKA: Yes. So, when we were whiteboarding and we were looking and talking, it became clear that we needed a City Futures directorate to look at matters, you know, going forward, whether it was one year, five years, 10 years, 20 years. So, we started to work on the basis of having that. During some meetings with the council - councillors, it was suggested that we do not proceed with City Futures. So we ended up proceeding with the five before we finalised, and then a short time later I received a phone call from the mayor saying that he'd met with the mayor of Sydney City Council and they spoke about their City Futures directorate, and he suddenly thought it was a great idea and I should do it, and so we then started working at bringing it in, and it was the last one that came in before it was finalised by council.

25 **MS McDONALD:** When you took up your appointment, you said there were five directors.

MR AJAKA: Correct.

30 **MS McDONALD:** At that point, were they all - the actual people occupying those directorships, were they all in their permanent position?

MR AJAKA: From memory, I believe two were, possibly three - no, three were. Two were acting.

35

MS McDONALD: Who were the two who were acting?

MR AJAKA: I can't recall now.

40 **MS McDONALD:** When this final structure was approved, did you embark on - I'm sorry, withdraw that. The three directors who were in a permanent role when you commenced, did they continue in their directorships?

45 **MR AJAKA:** No. Three of the five directors, I think one was acting, they left within a short period of time by agreement, and two remained. And then one of them, weeks later, also left by way of agreement. So, I ended up with the situation of one permanent director and I had to appoint four acting directors immediately.

MS McDONALD: Your description of, I think, three left by agreement, when you say, "by agreement", that suggests that their contracts were not terminated for cause?

MR AJAKA: Correct.

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MS McDONALD: Was it a matter of by agreement that for them to leave their position while their contract was still in force they received some form of payment?

10 **MR AJAKA:** Correct. But it wasn't a redundancy, and it wasn't a cause. It was a negotiated agreement.

MS McDONALD: Is it fair to describe that as some form of ex-gratia payment that was made to them?

15 **MR AJAKA:** Yes.

MS McDONALD: So the three out of the five left by agreement. Then subsequent to that, another one of the directors left by agreement.

20 **MR AJAKA:** Correct.

MS McDONALD: And that would have involved another ex-gratia payment?

MR AJAKA: Correct.

25

MS McDONALD: With one remaining - do you recall who the remaining one was?

MR AJAKA: Yes. It was Tina Bono, who was the acting CEO when I first started.

30 **MS McDONALD:** You said there were four - then there were four acting. You -

MR AJAKA: Sorry, there were three that were permanent and two were acting, but I can't recall which positions, but Tina Bono was one of the permanent.

35 **MS McDONALD:** And who was the other one?

MR AJAKA: I can't remember now.

40 **MS McDONALD:** So two permanent, three acting. The three who were acting, you appointed them?

MR AJAKA: I don't - they were all there before my time.

45 **MS McDONALD:** But - sorry, I don't think I'm being clear.

MR AJAKA: Sorry.

MS McDONALD: You said that when you commenced, a number of the directors left by agreement?

MR AJAKA: Yes, four.

5

MS McDONALD: And when one of those directors left by agreement -

MR AJAKA: I appointed the acting.

10 **MS McDONALD:** You appointed the acting. And do you recall who you appointed in the acting?

15 **MR AJAKA:** Yes. Jason Breton went straight into operations. Farooq Portelli went straight into corporate. And Lina Kakish went into planning. They were all - Lina Kakish, Farooq were existing employees, and customer and business - it was one of the existing employees that was in customer service. She took the role of acting. I can't remember her name now.

20 **MS McDONALD:** Right. Mr Portelli, at the time he was appointed in the acting role, he was providing consultancy services to the Council?

MR AJAKA: Correct.

25 **MS McDONALD:** So from a six-week contract, he was then appointed to the acting role?

MR AJAKA: Correct.

30 **MS McDONALD:** Mr Breton, he hadn't worked for the Council beforehand.

MR AJAKA: No.

MS McDONALD: How did you gain knowledge of him?

35 **MR AJAKA:** So shortly after - I think it was the next day that I was advised that I was successful - I received a phone call on my mobile and he introduced himself to me, indicating that he was one of the three applicants. At that stage I wasn't aware of him or that he was an applicant. He congratulated me and said if he could have an opportunity to have a coffee with me, because he would like to see if there was any possibility of work in Liverpool City Council.

40

MS McDONALD: Did you take him up on the coffee offer?

45 **MR AJAKA:** Absolutely. I had a - before I met with him, I was actually given a - all of the CVs and the Hogan assessments and all of the documentation in relation to all of the seven applicants, and he was one of those. So, when I read about him and his CV, absolutely I met with him.

MS McDONALD: You said the seven applicants.

5 **MR AJAKA:** There were - so I can't remember, I think there might have been 20 or more initially. Then there were seven of us that went in for one of the first or second interviews. And then ultimately there were three of us that went in for that final interview with the councillors.

MS McDONALD: Around this time, were you contacted by Shayne Mallard?

10 **MR AJAKA:** I don't recall being in contact with him at that time, no.

MS McDONALD: Did you know Mr Mallard before?

15 **MR AJAKA:** Yes, I had worked with Mr Mallard in Parliament, and Mr Mallard was one of the deputy presidents that I appointed.

MS McDONALD: So for a period of time, you've got two employees as directors in their permanent role, and you've -

20 **MR AJAKA:** Sorry, only one. When all four left, I only had one because we only had five directorships.

MS McDONALD: Sorry.

25 **MR AJAKA:** We didn't have number 6, City Futures.

MS McDONALD: Yes. So one in its - the employee in their permanent role.

30 **MR AJAKA:** So Tina Bono was permanent in community and lifestyles.

MS McDONALD: Yes.

35 **MR AJAKA:** Jason Breton was appointed acting in operations. Lina Kakish was appointed in acting, planning and compliance. Farooq Portelli was appointed acting in corporate support. And I just can't recall her name - she was appointed in customer experience, acting.

40 **MS McDONALD:** Now, at some time in 2023, Mr Mallard is appointed to - in some temporary position at the council?

MR AJAKA: Yes, as a senior policy advisor to the mayor. The budget allowed for two policy advisors to the mayor, a senior and a junior, prior to my time. They were existing positions.

45 **MS McDONALD:** So those positions, you said they're advisors to the mayor. Do they report directly to the mayor?

MR AJAKA: They work for me, but they work with the mayor. In a sense, I make them available to the mayor, the same with these EAs - and deputy EA. They both worked for me but, in a sense, I make them available. And then in the restructure they all went under one of the directors. They no longer reported to me.

5

MS McDONALD: All right. So before the restructure was finalised, the positions of executive assistant and assistant - executive assistant or deputy executive assistant -

MR AJAKA: That's how the budget showed it.

10

MS McDONALD: If we're looking at just a reporting structure, they were reporting directly to you?

MR AJAKA: In the old structure.

15

MS McDONALD: Yes. But you make them available to the mayor, and they're really working with and for the mayor.

MR AJAKA: Correct.

20

MS McDONALD: That same kind of - the formal reporting and then the way it worked in operation, when you came onboard, the two senior and then junior advisor roles to the mayor also adopted that formal reporting but informal operation?

25

MR AJAKA: Correct.

COMMISSIONER: So total of four staff made available to the mayor?

MR AJAKA: He had a total of four staff, but then he wanted more.

30

COMMISSIONER: Pause for a moment. You said that it was approved in the budget?

35

MR AJAKA: Yes. So there were line items in the budget when I started - I was informed of this - that they were already line items in the budget. Their salaries, their wages were already an item in the budget and he was entitled to it. It was something that council had passed previously.

40

COMMISSIONER: Was there ever any policy that you're aware of about staff of that kind being made available to whomever the mayor might be of the day?

MR AJAKA: Again, my understanding is that it was something that council had approved and they were budgeted items.

45

COMMISSIONER: But approved through the budget, as opposed to some standing policy?

MR AJAKA: I can't recall if there was standing policy. It would have been more for human resources to deal with that.

COMMISSIONER: Thank you.

5

MS McDONALD: Did you realise that the previous mayor, Wendy Waller, didn't have at least the advisor positions?

MR AJAKA: I was told that.

10

MS McDONALD: So to your knowledge, the creation of the two advisor - policy advisor roles, that was implemented when Mr Mannoun became mayor again?

MR AJAKA: Yes. I was informed that they existed the first time he was mayor. I was later informed that they ceased to exist when it was Mayor Wendy Waller. And then they - as soon as Ned Mannoun became mayor again, they were again approved by council.

15

MS McDONALD: You said that when the overall restructure had been finalised -

20

MR AJAKA: Yes.

MS McDONALD: - instead of them reporting to you, they are now incorporated into the directorships or directorates?

25

MR AJAKA: Yes. From memory, I believe Tina Bono community and lifestyles.

MS McDONALD: And was it your understanding that the two executive assistants to the mayor then reported directly to Ms Bono?

30

MR AJAKA: Again, I believe it's Ms Bono. It could be another director, but my recollection is Ms Bono.

MS McDONALD: And is it your recollection that the two policy advisors also, at that point, reported directly to Ms Bono?

35

MR AJAKA: Correct.

MS McDONALD: When you commenced as the CEO, you were still in the Moore Street premises?

40

MR AJAKA: Correct.

MS McDONALD: Physically, there is an - the mayor has an office?

45

MR AJAKA: Correct.

MS McDONALD: The two executive assistants, do they sit nearby the mayor?

MR AJAKA: I believe one sat nearby and one sat in a break-out type office with other employees.

5 **MS McDONALD:** Like an open plan?

MR AJAKA: No, no. Moore Street had no open plan. It was an old building that -

10 **MS McDONALD:** Right.

MR AJAKA: - was well and truly divided into offices and hallways.

MS McDONALD: Physically, the two policy advisers -

15 **MR AJAKA:** Yes.

MS McDONALD: - where were they situated when you arrived at Moore Street?

20 **MR AJAKA:** They were in an adjoining break-out office next to the mayor.

COMMISSIONER: What do you -

MR AJAKA: Next to the mayor.

25 **COMMISSIONER:** What do you mean by "break-out"?

MR AJAKA: I guess what it is, is, - you've got the mayor's office, you had my office and then you had this almost tiny little cubicle-type office, but it was separate.

30 So an entrance - its own doorway.

COMMISSIONER: But in the same area as your office -

MR AJAKA: In -

35 **COMMISSIONER:** - and the mayor's office?

MR AJAKA: Yes. Same area. We were all on the same floor. We had about four floors - four, five floors in Moore Street.

40 **MS McDONALD:** So in close proximity to where the mayor's office was?

MR AJAKA: Yes.

45 **MS McDONALD:** I think we were at the stage where you've got four acting directors and -

MR AJAKA: One.

MS McDONALD: - one permanent.

5 **MR AJAKA:** Yes.

MS McDONALD: Somewhere along the lines, before this is finalised, you get the green light to create a director of City Futures.

10 **MR AJAKA:** Correct.

MS McDONALD: Was there somebody acting in that role?

15 **MR AJAKA:** The - yes, it was Julie Scott. We put her in acting.

MS McDONALD: And then did you undertake a number of recruitments?

20 **MR AJAKA:** Yes. But that first stage with all six and the acting - five acting and one permanent, that was what was passed to stage 1 by council, and then we started to recruit.

MS McDONALD: And as soon as stage 1 was approved, you started recruiting?

25 **MR AJAKA:** So we started recruiting for all four first, and from memory, we actually recruited the four. And then when City Futures came in - City Futures came back in in stage 2, from memory now. We then started recruiting for City Futures. So City Futures was recruited on its own.

30 **MS McDONALD:** And the four recruit - the recruitments for the four permanent directors -

MR AJAKA: Yes.

35 **MS McDONALD:** - you undertook that?

MR AJAKA: Correct.

MS McDONALD: Did you engage a recruitment agency to assist you?

40 **MR AJAKA:** Yes. I got procurement to undertake it, and Stephen Blackadder was then appointed as the recruiter. He had very good knowledge of, of course, Liverpool Council at this stage, having recruited the CEO.

45 **MS McDONALD:** So Mr Blackadder was involved in - and I'll include City Futures - with the recruitment process for all five of those directors?

MR AJAKA: Yes. Yes.

MS McDONALD: You sat on the panel for all of them?

MR AJAKA: Correct.

5 **MS McDONALD:** And did you - did Mr Blackadder sit on the panel?

MR AJAKA: The panel comprised three - myself, Stephen Blackadder, and then there was, on a number of them, the CEO of Campbelltown City Council, and on one of them the CEO of Hawkesbury City Council. Maybe one or two Hawkesbury.

10

MS McDONALD: And that eventually led to all six directorates being headed by a permanent director?

15

MR AJAKA: Correct. Yes. Commissioner, can I go back? I indicated that City Futures came in at the second stage. That was incorrect. It actually came in in a governance meeting between stage 1 and stage 2. By the time it went to stage 2, all six directors were there - all six names were there, and council voted on all six directorates and all six names.

20

COMMISSIONER: Thank you.

MS McDONALD: So -

25

COMMISSIONER: All - sorry. I'm sorry, Ms McDonald.

MS McDONALD: No, no.

COMMISSIONER: All six names, did you say?

30

MR AJAKA: So when we put it through to council -

COMMISSIONER: Yes.

35

MR AJAKA: - to vote on the - it actually not only showed the director's title, but it had the name of the director in there so that they actually knew who the director was.

COMMISSIONER: Of City Futures?

40

MR AJAKA: Of the final stage 2 approval through council.

COMMISSIONER: Including City Futures?

45

MR AJAKA: Including City Futures. That's why it was dealt with in governance first. But then by the time it got to stage 2, I just recall we'd already had the name.

COMMISSIONER: So stage 1 gets approved, there's further development at a governance committee meeting. City Futures gets the tick, and then it's finally

approved at another meeting. But by that stage, the director position has been recruited -

MR AJAKA: And filled. Yes.

5

MS McDONALD: Now, at that point of time, was it your understanding that under the Local Government Act there were provisions which dealt with the issue of the restructure of the council?

10 **MR AJAKA:** Correct.

MS McDONALD: Was it again your understanding that it was generally something that the CEO or general manager had to turn their mind to after an election of the council?

15

MR AJAKA: Yes. From memory, it had to occur at the very latest before the expiration of 12 months of an election.

20 **MS McDONALD:** And at that point - because I think we've heard some evidence that the legislation has recently changed, but it was your role to investigate the restructure and put forward a proposed restructure?

MR AJAKA: Correct.

25 **MS McDONALD:** And then did it have to be approved by the council?

MR AJAKA: That was my understanding, and that's why we did it in two stages. There was no point proceeding to stage 2 and doing all the work if council wasn't going to approve stage 1. For example, if they said, "We don't want six directorates. We only want five," there was no point going any further.

30

MS McDONALD: And again, your understanding at that point of time, if after proceeding with that restructure and before you arrived at the every four years re-election - sorry, election of the new council - if any period during that time you were looking at a restructure, was it supposed to be the same process that you would investigate it, formulate what - a proposed change to the restructure, but then it would have to formally go to council -

35

MR AJAKA: Yes.

40

MS McDONALD: - for council to approve or reject?

MR AJAKA: Yes. Yes. My restructure wasn't occurring as a result of an election. That had already occurred. But it wasn't working, it hadn't been fully implemented. But when I came in to do what was becoming my restructure, I had to go through all the same formal processes.

45

MS McDONALD: Mr Ajaka, I want to move to another very broad topic to begin with. Excuse me.

COMMISSIONER: We'll get you some more water.

5

MS McDONALD: Water.

MR AJAKA: That would be lovely.

10 **COMMISSIONER:** Madam Associate, could we get some more water for Mr Ajaka.

MS McDONALD: We can immediately help here.

15 **COMMISSIONER:** Excellent.

MR AJAKA: Thank you.

COMMISSIONER: That's the "Assisting" part of the title.

20

MR AJAKA: Thank you very much.

MS McDONALD: I'll put a broad time range for you.

25 **MR AJAKA:** Yes.

MS McDONALD: As you said, contracted started about 12 December.

MR AJAKA: Yes.

30

MS McDONALD: But really, into the position, feet under the desk, full-time towards the beginning of January 2023.

MR AJAKA: About mid-January. Yes.

35

MS McDONALD: You continue in your role as the CEO, general manager for the whole of 2023.

MR AJAKA: Yes, to 30 June. Yes.

40

MS McDONALD: And then you continue.

MR AJAKA: For the next financial year.

45 **MS McDONALD:** And then when we turn to 2024 -

MR AJAKA: Yes.

MS McDONALD: - there are some events in April -

MR AJAKA: Yes.

5 **MS McDONALD:** - spoiler alert, which leads to you leaving your employment at the council.

MR AJAKA: Yes.

10 **MS McDONALD:** All right. I want to go back to 2023.

MR AJAKA: Yes.

15 **MS McDONALD:** During that period, your working relationship with the mayor, Mr Mannoun, can you describe it? So I'm just concentrating on 2023 to begin with.

MR AJAKA: The whole year?

MS McDONALD: Yes.

20 **MR AJAKA:** So in the beginning I believe it was a good working relationship. We would do a number of matters together. We would discuss a number of matters together. Towards the latter part of 2023, probably from about September onwards, the relationship started to deteriorate.

25 **MS McDONALD:** In the first nine months of your working relationship, were there any particular matters or ways in which the mayor operated that raised concern?

MR AJAKA: Yes.

30 **MS McDONALD:** And what were they?

35 **MR AJAKA:** So, you know, he'd make comments like, "Don't forget you work for me." And I'd make comments, "I don't work for you, I work for the council." And he'd say, "No, no. You work for me. You have to follow my instructions." And I would say, "No. You need to move a motion to council. It needs to be approved by council majority, and then I as CEO will follow that directive." I reminded him that those motions usually said "Council directs the CEO to do X", then I'm bound to do that. He'd then laugh it off and walk away. But he - he did it at least a dozen times
40 during that early period.

MS McDONALD: Can I just pause there. You're saying there were about a dozen times where you had this interchange -

45 **MR AJAKA:** Continuous -

MS McDONALD: - along the lines of Mr Mannoun saying, "Remember you work for me."

MR AJAKA: Yes.

5

MS McDONALD: And you saying, "No, I actually work for the council."

MR AJAKA: Yes. On one occasion - on a couple of occasions, "Well, don't forget I put you in this position," to which, again, I would reply, "No, you didn't. It was
10 a unanimous decision of council that put me in this position."

MS McDONALD: The interchange that you've identified which occurred roughly, your recollection, a dozen times, was it ever resolved or was it at that stage of - you were standing with your position that, "No, I" - you know, "I'm directed by council."
15 Was there ever any resolution or was it kind of an ongoing difference in opinion?

MR AJAKA: No, he - he'd tend to laugh it off and walk away, as if he was joking, but I wasn't taking it as a joke. On one occasion he sent me an SMS, from recollection, and the SMS quoted a section of the Local Government Act that
20 basically said, you know, I should listen to the mayor, something of that nature. When I looked at the Local Government Act, he'd quoted, you know, subsection (1) but he omitted to quote subsections (2), (3), (4), (5) that really made it very clear that I answered to council, not to the mayor. And so when I went back with that reply, he - there was no more response from him.

25

MS McDONALD: Concentrating on 2023 again, the difference of opinion that you've outlined, did he ever crystallise in a particular issue or matter that arose where, in a sense, there was, "You work for me, you do what I say," and you are maintaining your position that, "No, I work" - "I'm answerable" - or, "I work for the
30 council"?

MR AJAKA: Yes. I mean, one of the biggest - I'll use the word discussions, but at times it would turn into arguments - is that he would actually name certain employees that he considered should be terminated, and I would say, "No, that's not
35 going to happen. It's not how we work." I mean, there were probity issues, there were proper governance issues. "If you've got a formal complaint, you put in a complaint, we'll investigate it." And he'd go, "No, I just want you to get rid of them."

The one that he repeated on numerous occasions was the one who, years earlier, before I started, had used the comment, "Put pork on the fork." He just would not let
40 go of that. So that was one example. Other times he would say to me, you know, "The employees cutting the grass are useless. We should get rid of them all and we should just simply replace them with contractors." "We should" - another time would be, you know, "These bathrooms are disgusting." He'd send me photos of them. "The
45 employees are useless. You should replace them with a contractor." And I'd go and check it out and, interestingly, it was a contractor that was cleaning the bathroom and not our employee. So as soon as I've come back with an appropriate answer, he'd just

leave it alone. There'd never be a comeback. So, they were the type of examples that he was using.

5 **MS McDONALD:** So, from those examples, it appears that the mayor would raise an issue and, as you said, demanding termination of employees. You would respond with, "No, we're not doing that." And then, in a sense, the issue would die down.

MR AJAKA: Correct.

10 **MS McDONALD:** The particular employee with the "pork on the fork", that was a placard or something like that?

15 **MR AJAKA:** So the whole "pork on the fork" started first with the then Councillor Peter Ristevski, I believe, doing it at a council meeting. And then some of the employees picked up at Operations with it. When I had arrived, it was still a very sensitive issue and it was still happening, and it was one of the matters that I was able to resolve, working with the USU and the employee delegates to put an end to it. And it actually stopped, to the credit of the employees.

20 **MS McDONALD:** Was it your understanding that an employee involved in that - his employment was terminated, but then there was an application to Fair Work Commission or Industrial Relations Commission about that?

25 **MR AJAKA:** I'm aware that the comment was again made. I hadn't heard it. I was in the chamber on the time that I was - the motion was passed to suspend me.

MS McDONALD: That's in April 2024?

30 **MR AJAKA:** In April 2024. And I understand, then, that had been - that started all over again. I'm not sure what the final outcome was.

MS McDONALD: But you had left your role as CEO by the time that that arose again?

35 **MR AJAKA:** Yes. And the only reason I'm aware of it is that it was put in the letters of my termination and I was told about it. I was somehow blamed for it when I had nothing to do with it.

40 **MS McDONALD:** I was asking you about issues where the difference in opinion as to your role crystallised in 2023, and you've given examples of - raising termination of employment of different employees.

MR AJAKA: Yes.

45 **MS McDONALD:** Moving away from employees, did it arise in any other circumstance or matter?

MR AJAKA: Yes. The communications team became a very hot discussion. It became clear to me that some of the - I was receiving complaints from some of the Labor and independent councillors that whenever photographs were taken at events and they were all in the photographs, the Labor councillors or the independents were
5 being cut out and only the mayor and the Liberal councillors would appear in the photo.

So when I brought in the communications team to say why was this happening, they would say that "they were the instructions of the mayor." I made it clear to them they
10 follow my instructions, not the instructions of the mayor, and that was to stop. The mayor and I had some arguments over that. He then started to indicate that he wanted at least two of the communications team to be working directly with him in addition to the other four employees he had. Again, I told him that's not happening. It's not in the budget. "The communications team is there for the entire council, for all
15 councillors; it's not just there for you."

MS McDONALD: After that conversation with the mayor, did you observe a change in the behaviour of those members of the communication team?

20 **MR AJAKA:** Yes.

MS McDONALD: And while you were CEO, there was no formal inclusion of any members of the communication team in that group of employees, really, in operation reporting to the mayor?
25

MR AJAKA: Correct.

COMMISSIONER: Having received those complaints - did you say from other councillors?
30

MR AJAKA: Yes.

COMMISSIONER: Were they made directly to you?

35 **MR AJAKA:** Yes. I received a phone call from a councillor. They came into my office, saying, "You promised us you'd play with a straight bat. Why is this happening?" And I'd say, "I wasn't aware of it until you told me." And, "I'll put a stop to it," and I did.

40 **COMMISSIONER:** And once you became aware of the complaints, did you look into them?

MR AJAKA: Yes.

45 **COMMISSIONER:** And how did you do that?

MR AJAKA: So I would bring the - well, first of all, I had the photos in front of me.

COMMISSIONER: I see.

MR AJAKA: And secondly, I was - on a number of occasions I was there and I knew what photo was taken, and you could almost tell who was cut out at the end.

5

COMMISSIONER: So you saw the photos yourself?

MR AJAKA: Yes. And then on one occasion, the - I went to one of the communications team and noticed that she was only taking photographs of the mayor and the Liberal councillors. And when I said to her, "You haven't taken any photographs of the Labor councillors and the independents here," that's when she told me, "The mayor told me just to take them of the Liberal councillors," and I said, "That's just not happening."

10
15 **COMMISSIONER:** This was in 2023?

MR AJAKA: Yes.

COMMISSIONER: About - doing the best you can - I know it's a couple of years ago now, but about what period are we talking?

MR AJAKA: I mean, it started a little bit in the beginning, and then I believe I put a stop to it. But then it really started again towards the latter part of 2023.

25 **MS McDONALD:** I'm sorry, Mr Ajaka, I missed that. You said that it started up again, that behaviour, towards the end of 2023?

MR AJAKA: Yes. Probably from September onwards, when things were starting to get -

30

MS McDONALD: As you indicated, a little bit more tense, the relationship -

MR AJAKA: Yes.

35 **MS McDONALD:** - between you and the mayor.

MR AJAKA: Yes.

MS McDONALD: Commissioner, I note the time.

40

COMMISSIONER: Yes. Mr Ajaka, we're going to take a short break. And if you wouldn't mind being back, ready to go, just before 10 to 12, I'd be most grateful.

MR AJAKA: Thank you, Commissioner.

45

COMMISSIONER: I'll adjourn till 10 to 12.

<THE HEARING ADJOURNED AT 11.32 AM

<THE HEARING RESUMED AT 11.56 AM

5 **COMMISSIONER:** Just before you resume, Ms McDonald, can I just raise one
thing. Mr Blackadder's name was mentioned this morning. I don't perceive this to be
an issue, but it's best that I put on the record that I called Mr Blackadder as a witness
in the public inquiry into the Blue Mountains City Council a number of years ago.
My recollection is I had a conference with him and then I called him as a witness.
10 I don't perceive that to be an issue, but it's best if I put it on the record.

MS McDONALD: Now, Mr Ajaka, I was asking you questions about the first
period of your role as the CEO of the Liverpool City Council. You identified that the
relationship with the mayor was fine up until about September 2023. Before asking
15 you about September 2023, you were giving some examples of matters in that first
period where, is it fair to say, it was a relatively harmonious relationship with the
mayor but there were some issues of contention or disagreement between you?

MR AJAKA: Yes.

20 **MS McDONALD:** And you gave the example of the termination of staff.

MR AJAKA: Yes.

25 **MS McDONALD:** Was there ever an issue with the mayor contacting employees
directly without your involvement?

MR AJAKA: Yes.

30 **MS McDONALD:** That arose in the first period that we're talking about, January to
September?

MR AJAKA: Yes. It started to occur in the first period, and I would speak to him
and other councillors, saying I don't believe it's appropriate. And then, from memory,
35 we formulated a policy for councillors dealing with staff.

MS McDONALD: The inquiry has heard some evidence about an email, Councillor
Support, which seems, at least recently, to be a way of councillors to raise issues that
they want to raise or their constituents have raised with them, whereby they can
40 communicate via that email address about particular issues.

MR AJAKA: Correct.

MS McDONALD: Was that in operation when you were the CEO?

45 **MR AJAKA:** It was definitely in operation at some stage when I was CEO. I can't
recall if it was there before or after we brought in the new policy.

5 **MS McDONALD:** Right. Yesterday we heard evidence from the Chief Financial Officer, Mr Nadan, which included - I think it was in 2022 - he was on holidays and received on his mobile a call from the mayor asking about possible financing of the purchase of property. That direct contact between the mayor and an employee, albeit the chief financial officer but not a director, did you observe that during your time as CEO?

10 **MR AJAKA:** I'm aware that there were contacts with staff, but I'd spoken to him about saying - and other councillors that this really needed to stop. The appropriate method was to go either to myself or to the relevant director - and, "If you can do it as a councillor request," that was the best way of doing it.

15 **MS McDONALD:** And the councillor request would involve that email address of Councillor Support?

20 **MR AJAKA:** The thing with the councillor request as to opposed to simply going and talking to staff is that there'd be no record of it. There needed to be a record of it, and the staff knew that appropriate probity matters would be dealt with in that regard. And if it got to a stage where it needed to be escalated to me, the councillor request would escalate it to me if it couldn't be dealt with by a director.

MS McDONALD: You spoke about the introduction of a policy.

25 **MR AJAKA:** Yes.

MS McDONALD: Was that around July 2023?

30 **MR AJAKA:** It was about mid-year. I can't remember the exact date, but I can recognise it, if you'd like to -

MS McDONALD: Would you bring up document OLG.001.001.0276. And that could be live-streamed. Now, that's the first page of a policy, Councillor Access to Information and Interaction with Staff Policy.

35 **MR AJAKA:** Yes.

MS McDONALD: Could we move down the first page. Towards the bottom, you'll see -

40 **MR AJAKA:** Adopted. Yes.

MS McDONALD: - adopted - I think it's 26 July 2023.

45 **MR AJAKA:** Yes. It would have been adopted at a council meeting.

MS McDONALD: And I can take you through the document, but is that your recollection of the policy -

MR AJAKA: Yes.

MS McDONALD: - that you just referred to?

5 **MR AJAKA:** Yes. Yes.

MS McDONALD: I'll take you through to paragraph 6, which begins at the bottom of page _0005. This is under the heading Inappropriate Interactions.

10 **MR AJAKA:** Yes. Can I just read it for a sec?

MS McDONALD: Yes.

MR AJAKA: Yes.

15

MS McDONALD: And that's setting out, as it's stated, based on the code of conduct, certain interactions that are inappropriate?

MR AJAKA: Yes.

20

MS McDONALD: And for example, (b) - well, it starts off with - and we'll turn to attachment A:

25 "The mayor and councillors approaching members of staff other than specifically identified in attachment A."

MR AJAKA: Yes.

MS McDONALD: And then in (b):

30

"Councillors approaching staff and other staff organisations to discuss individual or operational staff matters other than matters relating to broader workforce policy, grievances, workplace investigations and disciplinary matters."

35 **MR AJAKA:** Yes.

MS McDONALD: And if we could go down to - I think it's annexure A. This gives more detail about the possible interactions between councillors and council staff?

40 **COMMISSIONER:** Hang on. We're not quite there yet.

MR AJAKA: I think that's - that's the - they were the previous versions. So the one that we brought in in July '23 was the last one. But they were previous - you know, started in 2002, for example.

45

MS McDONALD: All right. Would you go to page _0008.

MR AJAKA: Yes.

MS McDONALD: And you can see there, “Attachment A”.

5 **MR AJAKA:** Correct.

MS McDONALD: And this was the table that I wanted to draw your attention to. The way that it's structured, it - identification of what the request is.

10 **MR AJAKA:** Yes.

MS McDONALD: From whom approval must be given.

15 **MR AJAKA:** Yes.

MS McDONALD: How it's to be requested, how it's to be provided, any restrictions and then recordkeeping requirements.

20 **MR AJAKA:** Yes.

MS McDONALD: So for example, with the first one, “Access to Documents”, approval would have to be gained from you?

25 **MR AJAKA:** Or the public officer.

MS McDONALD: And then the information is made in writing or verbally, but again there's some kind of file note to be kept of this?

30 **MR AJAKA:** Yes. The councillor support team was a whole team. I think, from memory, there were about five or six employees and they had their own office - their own section, and they were required to keep complete records of this.

35 **MS McDONALD:** All right. Then it's got how the information is to be provided, restrictions on the information, and then, importantly, recordkeeping requirements.

MR AJAKA: Yes.

40 **MS McDONALD:** After the introduction of this policy in July 2023, did you observe whether the mayor's tendency at times to approach members of staff directly changed and complied with the policy?

45 **MR AJAKA:** Nothing came to my attention in the month or two, but then, again, by September matters were coming to my attention. Not only the mayor, but a number of councillors.

MS McDONALD: Were also not complying with the policy?

MR AJAKA: Yes, and I had to talk to them.

MS McDONALD: Which councillors were they?

5 **MR AJAKA:** Councillor Richard Ammoun was probably the most that I was receiving complaints about, and Councillor Mel Goodman was the other one.

10 **MS McDONALD:** Still concentrating on this period from roughly January to September 2023, were there any other issues that were emerging in your working relationship with the mayor that was either of concern or potential concern?

15 **MR AJAKA:** Yes. I mean, in the beginning, when I would sit next to the mayor in a council meeting - I mean, it was, as far as I was concerned, my job to assist the mayor in how he conducted the meeting, to ensure that it complied with the meeting code of practice. And the way I would do that would be to slip a little handwritten note to him if I thought that he was going outside the appropriate code of conduct.

20 The best examples is that the mayor would bully one of the councillors - be very derogatory to one of the councillors during a council meeting, and I'd pass a note saying, "I think you're going too far. You should stop." In the beginning he just accepted that and he would move on. Towards the end, if I slipped the paper to him, by September or October he'd literally throw the paper back at me.

25 **MS McDONALD:** You identified that your note would be prompted by a derogatory comment towards a councillor.

MR AJAKA: Yes.

30 **MS McDONALD:** Could you give an example?

35 **MR AJAKA:** In the beginning, it would be - it was Councillor Hagarty. He would continually have a go at him. Then when Councillor Hagarty left, it was Councillor Kaliyanda. And then where the real problems arose is that when Councillor Green announced that she'd be the mayoral candidate at the next election, it was Councillor Green. She came to see me on a couple of occasions, saying that, look, she's had enough, she's going to put in a formal complaint against him.

40 **MS McDONALD:** The election where Councillor Green stood for mayor, that was the election in September '24?

MR AJAKA: Yes.

45 **MS McDONALD:** The derogatory comments towards her, can you assist the inquiry in giving an example?

MR AJAKA: I mean, they were always very clever comments - very sarcastic comments, where it'd be basically, you know, "You've been a councillor long

enough, you should know the rules." "You've been a councillor long enough," you know, "that seems to be a very stupid comment." "You've been around long enough," you know, "it's not my job to be teaching you how to behave." But he would do it, you know, in a very screaming - at times. If the councillors were to argue back with him, he would immediately stand up, and then he would remind them that if he's standing up they had to sit down and be quiet. They weren't allowed to talk any more. So, he really would bully them in that way.

MS McDONALD: And the example that you just gave, standing up, is it part of the procedure at council if the mayor stands -

MR AJAKA: Yes.

MS McDONALD: - a councillor speaking must stop speaking and either resume their seat or -

MR AJAKA: Correct. Very similar to State Parliament.

MS McDONALD: Still in this period, January to about September 2023, I'm going to ask you some questions about an announcement that was made on about 17 March 2023. And this was an announcement by the mayor and accompanied by his wife, who was standing for election for a state seat within the Liverpool area.

MR AJAKA: It'd be the seat of Holsworthy.

MS McDONALD: Would you bring up document OLG.001.001.0048, please. This is a newspaper article from the Sydney Morning Herald. Sorry, it's coming up.

MR AJAKA: It's all right.

MS McDONALD: Yes, please.

COMMISSIONER: What's the date of this?

MS MCDONALD: There doesn't appear to be a date. We think it was the 18th, the next day.

COMMISSIONER: 18th of, sorry?

MS MCDONALD: Sorry. March 2023.

COMMISSIONER: 18 March 2023. Thank you.

MS McDONALD: And can you see there it commences with:

"A Liberal mayor who backed his wife's bid to become a party candidate in south-west Sydney has promised that his council and the Coalition would jointly fund \$50 million sports facility despite the commitment not being put to councillors."

5 Now, there's a reference to - in the third paragraph in that column, to:

"A package to upgrade fields and develop a new aquatic centre was announced by the duo at a sports club."

10 And was it known as the proposal to fund, I think, the Hammondville pool?

MR AJAKA: Yes, the Hammondville precinct pool.

MS McDONALD: And I think in the next column there is a reference to the deputy mayor, Councillor Hadid, who says:

"While the council had resolved ..."

MR AJAKA: Sorry. Yes, got it.

MS McDONALD: He states that no specific plans or costs had been proposed:

"We haven't seen anything from council staff."

25 He said, of course, they were still working on it. Can I just pause. With the announcement on 17 March by Mr Mannoun and his wife, did you know that was going to be announced?

MR AJAKA: No.

30 **MS McDONALD:** Had there been any discussion between you and the mayor leading up to that announcement about a proposal for a new pool at Hammondville?

MR AJAKA: Not with me, no.

35 **MS McDONALD:** We'll just also bring up document INQ.011.001.0005. And that's another -

COMMISSIONER: We need your screen.

40 **MS McDONALD:** Yes.

COMMISSIONER: Is this the same article, in a different form?

45 **MS McDONALD:** It's just to confirm - on this copy of the article that we have, it clearly indicates that it was an article published on 18 March.

COMMISSIONER: Okay. All right. Thank you.

MS McDONALD: If there's no issue about that, we can probably -

5 **COMMISSIONER:** The parties have the document ID. And if there is some issue,
no doubt that'll be raised with me. Could I just - Mr Ajaka, I know the document's
been taken away, but you were taken to a section of the article that - I think it
was - Councillor Hadid had referred to a resolution of council to build a pool in
Hammondville. Do you remember seeing that in the article?

10

MR AJAKA: I saw that in the article.

COMMISSIONER: Just pause for a moment. Do you know what that was
a reference to?

15

MR AJAKA: Look, I can't recall a reference to a pool. I know that we were doing
work on the Hammondville precinct at that time. If it included a pool, I can't recall it.

20 **COMMISSIONER:** All right. And just for my benefit, what's the Hammondville
precinct?

MR AJAKA: So the Hammondville precinct is an area that, in a sense, surrounds
the sports club. It consists of a number of fields where various games, in particular
for youth, are played. It consists of two or three very substantial ground-floor car
25 parks, and it consists of another number of fields.

COMMISSIONER: Outdoor facilities?

30 **MR AJAKA:** Outdoor facilitates.

COMMISSIONER: Thank you.

35 **MS McDONALD:** If we go back to the article, which was 001.001.0048. The
Commissioner asked you about some of Councillor Hadid's comments reported in
the article, but I'll take you also to - in that second column, there is a reference to
Councillor Rhodes.

MR AJAKA: Yes. Councillor Karress Rhodes. Yes.

40 **MS McDONALD:** Saying:

"Tired sport facilities at Hammondville had long been an issue, but there had been
absolutely no figures discussed at council."

45 **MR AJAKA:** Yes.

MS McDONALD: And it's only a promise if the Liberal Party win the election.

MR AJAKA: Yes. Yes. So for any matter of this nature to come to council for a proper council determination that could be made, it has to tick a number of boxes, and one of those is it must have a fully costing financial as to where the funds - that - not only what will it cost but where do the funds come from.

5

MS McDONALD: In substance, putting a business plan for the expenditure -

MR AJAKA: All of that. And all of the probity aspects of it.

10 **MS McDONALD:** Still on that article, at the bottom of the middle column, you can see a reference to Councillor Kaliyanda saying that funding of that magnitude has never come before council.

15 **MR AJAKA:** And I'm not aware of it ever coming - as I said, there'd have to be, in a sense, a business case, if I can use that term, clearly showing where the funding comes from, what the funding will be, how is it going to be constructed. You can't make a decision on something like this on the run.

20 **MS McDONALD:** And then in the final column there seems to be a reference that there was, as part of the many applications by the council, for the WestInvest grants.

MR AJAKA: Correct.

25 **MS McDONALD:** There was some application which involved a new pool in Hammondville, but that application for a grant was rejected.

MR AJAKA: That - from my recollection, yes. That wasn't to build a pool. That was to improve an existing pool.

30 **MS McDONALD:** But again, that particular WestInvest grant application wasn't successful?

MR AJAKA: Correct.

35 **MS McDONALD:** The council was successful, I think, with about five others.

MR AJAKA: Yes.

40 **MS McDONALD:** But not with that one.

MR AJAKA: Substantial, five others. But even if the council had been successful on this one, you could not take the money from this - from Cowen's to put it into Hammondville. It could only be used if it was successful for Cowen's pool.

45 **MS McDONALD:** All right. Now, as the article states, this seems to be an announcement which was also to assist the mayor's wife, Tina Ayyad, in her standing for election for a state seat. **MR AJAKA:** Correct.

MS McDONALD: She was successful, but she was representing the Liberal Party that wasn't re-elected.

5 **MR AJAKA:** Correct.

MS McDONALD: And is it your understanding that this idea of some joint money coming from the council and also from a re-elected Liberal Government in Macquarie Street did not come to fruition?

10

MR AJAKA: Correct. It would be very unlikely the Labor Government would come in and provide the money.

15 **MS McDONALD:** But - and this - I just want to establish this context for some future issues I want to ask you about. There is this announcement of a new pool at Hammondville, which obviously the mayor has adopted and wishes to pursue.

MR AJAKA: Yes. But not adopted at a formal council meeting with the appropriate -

20

MS McDONALD: No. I'm sorry. I was talking - purely the mayor standing alone at this particular launch, putting that forward.

MR AJAKA: Yes.

25

MS McDONALD: But to your knowledge, never adopted - never raised and never adopted at a council meeting?

MR AJAKA: Not that I'm aware of.

30

MS McDONALD: Now, before I turn to September 2023, in the lead-up to that date, is there anything else that you wish to raise about either your dealings with the mayor or anything about council?

35 **MR AJAKA:** Nothing that comes to mind. I mean, something may come to mind if something else comes up, but at this stage I can't think of anything off the top of my head.

40 **MS McDONALD:** Towards the beginning of your evidence, you identified around September 2023 as a turning point in your work relationship with the mayor.

MR AJAKA: Yes.

MS McDONALD: What started to occur from September 2023?

45

MR AJAKA: He really became obsessed with a number of matters. The first one was the building of the swimming pool. He was continually going about the fact that

if the pool was not built, his wife might end up losing the seat of Holsworthy, and I would continually say to him that, "You cannot be bringing this up. Council can't be here, you can't be here with the aim of ensuring that your wife wins the next state election. This is just a nonsense. It's got to stop."

5

He also became - he started to panic a little bit about holding on to the mayorship at the next council election. He was really worried that matters would arise. And we - again, I'd be saying to him, "You can't be using council resources to, in somehow or other, improve your standing," and this is, again, where the arguments with the communications team started to occur - that he wanted to make sure that Labor were cut out of any media.

10

The other areas that were affecting him were in relation to the budget. He, you know, was absolutely adamant that the budget had to be in the black. And, you know, again we'd say, "Yes, the budgeted will be" - we're working on it, we're doing our best to get it in there. At the same time, he kept talking about certain projects that he was hoping to get up and running, which would add pressure on - on the budget. And the swimming pool was the perfect example. So it was matters of that nature that really started to show that it was putting some pressure on him.

20

But the really big problem started to occur when all of the social media would be - was coming out from two gentlemen in particular, Peter Ristevski, who is now a councillor on council, and a gentleman by the name of Michael Andjelkovic. They were continually out there in social media attacking the mayor, and he always wanted me to take some action on it, but there was really no action I could take. The issue with Michael Andjelkovic led to the mayor making a comment in a public meeting about Michael Andjelkovic, and Michael Andjelkovic sending a notice that he was going to commence defamation proceedings.

25

30 **MS McDONALD:** All right. We might turn -

MR AJAKA: And that -

MS McDONALD: - to that in a minute.

35

MR AJAKA: Yes.

MS McDONALD: Can I just revisit your comment about the issues about use of the communication team arose again.

40

MR AJAKA: Yes.

MS McDONALD: Was your observation that the conduct that had been complained of and that you observed earlier of things like photos only of - at the mayor at a council event or cutting out other rivals - political rivals in photos of events, did that restart?

45

MR AJAKA: Yes. And the other thing that had occurred with the communications is we started to argue. He was insisting that I move the entire communications back to me as CEO, as opposed to being under a director. And when I asked him, "That makes no sense. Why would I do that?" he said, "If they're under you, they'll be available to me. All of them will be available to me." And I said, "Well, that's not going to happen, then. They can't be available just to you. They've got to be available to council." And we argued quite a number of times on that, and I just said, "Look, I'm not doing that. We've been through a restructure. It's been ticked off by everyone. It's been approved by everyone - the employees, the unions, council, they've all ticked it off. I'm not going to start to take it apart again."

MS McDONALD: When you were CEO, were communications ever moved back to directing - sorry, reporting to the CEO directly?

MR AJAKA: Not when I was there.

MS McDONALD: Did you take any action with the communications team about the favouritism in the photos?

MR AJAKA: I spoke to the director, who spoke to the team and assured me - at one stage, the main two parties to the - two employees of the communication team really started to have issues. They felt very conflicted. And I think, from memory, one of them took time off on stress leave and then the other one, I think, as well, and eventually they were paid out.

MS McDONALD: Do you recall their names?

MR AJAKA: Jennifer Havilah, who was there before my time, and Anne-Marie Elias was the other one.

MS McDONALD: And when you said both of them were paid out, their employment ended, but again by agreement, which involved some ex-gratia payment?

MR AJAKA: I believe what happened was one of them, if not both of them, actually went off on stress leave and then eventually settled.

MS McDONALD: You referred to the demand that the budget be in the black, but there was also pressure to finance particular projects, and you used as an example the Hammondville pool project.

MR AJAKA: Yes.

MS McDONALD: Do you recall any other particular projects that the mayor was pressing?

5 **MR AJAKA:** The mayor was working with Councillor Karress Rhodes in relation to an animal shelter. And, again, I was trying to find ways of finding that funding by seeing if we could do a joint venture with a large organisation, where they would run it and we would look at, somehow or other, building it together. But I don't believe it ever got off the ground. We just couldn't find the funding.

10 **MS McDONALD:** Would you just excuse me for a minute. You also referred to social media by two gentlemen who, at that - well, who were not councillors - were constituents - making postings on social media that were critical of the mayor.

15 **MR AJAKA:** Yes. And likewise, the mayor was obsessed with social media. He would continually be on social media, making, on quite a number of occasions - which caused, again, problems - he would be attacking staff on social media.

20 **MS McDONALD:** Can I pause there. When you say social media, was there a particular platform?

25 **MR AJAKA:** I can't remember which of the platforms it was, but they would come to my attention.

MS McDONALD: Is it the case that Liverpool Council itself has a Facebook page?

30 **MR AJAKA:** Correct. Which is run by the communications team.

35 **MS McDONALD:** But individual councillors, including the mayor, can have their own Facebook page, which is known as, for example, Councillor Jane Smith, but it's not, in a sense, controlled or operated by the council.

40 **MR AJAKA:** Correct. It's their own personal.

MS McDONALD: It's -

45 **MR AJAKA:** Their own personal.

MS McDONALD: And as I just asked, the council itself has no control over those personal Facebook pages?

50 **MR AJAKA:** Unfortunately no.

55 **MS McDONALD:** All right. Even though it's under the kind of name or umbrella as - of Councillor Jane Smith. And your comment about the mayor engaging in social media, where he's either responding to other postings or making comments about the staff -

60 **MR AJAKA:** Yes.

MS McDONALD: - was it your understanding that that was on his - either Mayor Mannoun or Councillor Mannoun's Facebook page?

MR AJAKA: Correct.

5

MS McDONALD: The ones critical of staff, they occurred during 2023?

MR AJAKA: I'm sorry, repeat that?

10 **MS MCDONALD:** You spoke about the mayor making postings which were critical of members of staff.

MR AJAKA: Yes.

15 **MS McDONALD:** That occurred during 2023?

MR AJAKA: And I believe early 2024.

MS McDONALD: And what type of postings were they?

20

MR AJAKA: For example, there'd be a situation where he might drive past and see lawn not cut. He'd take a photo of it and then he posted about how pathetic the staff are that they're not cutting the lawn on the roads. Sometimes we'd - I'd investigate it and discover it wasn't even a council road, it was a state government road, so it's not even meant to be our responsibility. So, you know, the staff would become incredibly upset by that. If he was criticised in any way by either Peter Ristevski or Andjelkovic or anyone else, he would immediately say, you know, "Yeah, the problem is we've got incompetent staff. They're not dealing with the matter." That would be his answer. So again, that was causing a huge amount of conflict.

25
30

MS McDONALD: Can I turn to the issue that you started to discuss, which was a particular posting that was made by - Mr Andjelkovic, was it?

MR AJAKA: I think it's pronounced Andjelkovic, but I'm not sure.

35

MS McDONALD: Andjelkovic. Which then led to the mayor making a particular comment at a community forum.

MR AJAKA: Correct. So I believe Andjelkovic asked the mayor a question as to why the CEO had instructed staff not to respond to his emails, and Ned Mannoun had indicated that, "You know why, Michael. Because you're a racist." And so Andjelkovic commenced defamation proceedings on that.

40

MS McDONALD: Can I just clarify that?

45

MR AJAKA: When I say "defamation", he issued that notice that you must issue beforehand.

MS McDONALD: Yes. Is it your understanding that he never actually filed a statement of claim in a court?

MR AJAKA: No.

5

MS McDONALD: But got a lawyer to write, I think -

COMMISSIONER: Concerns notice?

10 **MS McDONALD:** Yes. Thank you. Notice to the mayor.

MR AJAKA: Correct. To which we responded to.

15 **MS McDONALD:** And as part of responding to that, did you or somebody else within the council look at the issue of, if defamation proceedings were taken against the mayor in respect of that statement, whether it would be covered by any insurance policy of the council?

20 **MR AJAKA:** Correct. Yes. I did. And I did by asking corporate services to look at it, and the answer was yes, he's covered by insurance. And then I met with the insurance broker, if I can use that term, and that was confirmed as to what the procedures would be.

25 **MS McDONALD:** Ultimately, did that issue - the indemnity that would be given to the mayor under the council insurance policy, was that eventually raised at a council meeting?

30 **MR AJAKA:** Yes. So you were required, under the policy, to put it to council. Council had to vote to say, "Yes, the mayor should be indemnified," and on that basis the insurance would take effect. But there were certain conditions that also had to be adhered to.

35 **COMMISSIONER:** Do you mean that it required a council resolution for the council to make a claim on the policy for indemnity?

MR AJAKA: More that the council resolution - that the council would indemnify the mayor, and on that basis the -

40 **COMMISSIONER:** Policy would be treated -

MR AJAKA: - insurance policy would be activated.

45 **MS McDONALD:** Could you bring up document INQ.001.001.1102. I'm sorry, I did speak quickly. 001.001.1102. First page of the document, Mr Ajaka, Minutes of the Ordinary Meeting held on 27 March 2024.

MR AJAKA: Yes.

MS McDONALD: Would you go through to page _0040.

MR AJAKA: Yes.

5 **MS McDONALD:** Right. We might have - I think it's towards the bottom of the page. Back up a bit.

COMMISSIONER: Bottom of page 39? Scroll up in the document.

10 **MS McDONALD:** No, I think it's towards the bottom of 0040. It's got Legal Expenses. I think - no, no, no. Back.

MR AJAKA: Yes.

15 **MS McDONALD:** Stop.

MR AJAKA: Starts at 2(b).

20 **COMMISSIONER:** Sorry, but I'm just trying to see where the item itself starts.

MS McDONALD: Would you stop there, please.

COMMISSIONER: So there's a motion to go into closed session.

25 **MS McDONALD:** Yes.

COMMISSIONER: I see. Thank you.

30 **MS McDONALD:** And then there's a closed session. And then if you, when that - and it's the subject Legal Expenses. And then after the closed session, the council's decision is then recorded. And if we can move -

MR AJAKA: Yes.

35 **MS McDONALD:** - to that.

MR AJAKA: Yes.

40 **MS McDONALD:** You've got:

"An agreement to reimburse the mayor's legal expenses on a solicitor/client basis in connection with the claim to a maximum of \$50,000."

45 **MR AJAKA:** Yes.

MS McDONALD: And then some reference to the council's civic expenses and facilities policy, and that's carried.

MR AJAKA: Yes.

MS McDONALD: And was it your understanding that the payment to a maximum of \$50,000 was something to do with the excess under the insurance policy?

5

MR AJAKA: Correct. So once council agreed to indemnify, the - you have - the council was responsible for the first \$50,000, which is one of the conditions I mentioned. But then the insurance would pay everything above that, with - and I don't think there was even a limit. So if it went into the millions, the insurance company would pay the balance. We were only liable up to a maximum of \$50,000. We were also liable for the first up to \$50,000.

10

COMMISSIONER: Sorry, what's the distinction you're drawing?

15

MR AJAKA: So if, for example, the - if no action was commenced and the total legal bill was \$10,000, then we only pay \$10,000.

COMMISSIONER: Yes.

20

MR AJAKA: We didn't pay the 50.

COMMISSIONER: Right. Okay.

25

MR AJAKA: And of course the insurance company paid nothing.

COMMISSIONER: Yes.

30

MR AJAKI: But if it came to \$100,000, we paid 50 and the insurance company would pay 50.

COMMISSIONER: Yes. The deductible was 50, after which the cover kicked in.

MR AJAKA: Yes. Yes.

35

COMMISSIONER: I understand.

MR AJAKA: But it wasn't - you had to pay 50 whether it was used or not.

40

COMMISSIONER: Yes. I understand.

MS McDONALD: Now, that was passed. And we should note that the mayor did not participate.

45

MR AJAKA: No, he had to leave. He had a conflict.

MS McDONALD: Now, that was dated around 27 March. After that matter - I'm sorry, after that was passed, until about 23 April, had the mayor raised any issue with you about that?

5 **MR AJAKA:** So I can't remember the date, but an article in the paper appeared - in one of the papers, and I think even some social media about how council was paying \$50,000, and the mayor became incredibly upset about that and then approached me - and this is where - another one of those arguments - started to make a claim that he never agreed to this, he didn't understand this. He never agreed to have a solicitor
10 appointed to represent him and respond. This was a legally invalid motion as far as he was concerned. I disputed all of that, and then we responded to him in writing. I ended up - I think it was Mr Portelli who provided him a detailed response of all of the steps that had been taken, including his steps.

15 **MS McDONALD:** All right. Can I just pause there. Would document INQ.039.001.0001 be brought up, please. Yes.

MR AJAKA: The Telegraph. That's it.

20 **MS McDONALD:** Right. You can see the headline:

"Ratepayers could reimburse Liverpool Mayor Ned Mannoun's legal fees up to \$50,000."

25 **MR AJAKA:** Correct.

MS McDONALD: I think our note says that that was published on about 23 April.

30 **COMMISSIONER:** Yes. It's the -

MS McDONALD: Yes, there it is.

COMMISSIONER: It's under the byline.

35 **MS McDONALD:** Right. And your evidence is the interest in social media and also the Daily Telegraph writing this article - the mayor then became agitated about the issue?

40 **MR AJAKA:** Yes.

MS McDONALD: You spoke about him raising a number of issues, and eventually Mr Portelli dealt with it?

45 **MR AJAKA:** I asked him to. And I think, from memory, I - I looked at the email before it went out, and approved it.

MS McDONALD: And would document INQ.003.001.0004 be brought up. And that can be live-streamed. Before it's brought up, maybe we should just pause.

COMMISSIONER: Just in the room first?

5

MS MCDONALD: I think it's all right.

COMMISSIONER: That's okay? Thank you.

10 **MS McDONALD:** Yes. If you move towards the bottom of that page, can you see there's an email from Mr Portelli to the mayor and also to you, copied to Betty Boustani?

MR AJAKA: Yes.

15

MS McDONALD:

"Confidential motion, legal matter."

20 **MR AJAKA:** Yes.

MS McDONALD: And then it sets out the process that was followed in the preparation of the council report and resolution you refer to.

25 **MR AJAKA:** Yes.

MS McDONALD: And maybe if we can continue.

30 **MR AJAKA:** Yes. And then there's an annexure to it. That was in response to the mayor's email, where he started to claim that it wasn't, I believe, an appropriate motion, if I could just look at that.

MS McDONALD: Is that on screen for you?

35 **MR AJAKA:** Yes. I'm just - if I could - yes:

40 "As you're aware, I had a conflict and did not participate. Having read the resolution, it does not make sense to me. From my understanding, the motion was about the (indistinct) expense policies that (indistinct) appears to be very poorly drafted and actually doesn't cover the issues of insurance (indistinct). I note that I have not engaged counsel. I've not asked council to reimburse my expenses. I note my advice was not to respond to the concerns notice and this has now been brought to my attention by the media."

45 So again, it's not only in this, but he claimed with me verbally that he never once asked for it to be dealt with the insurance, nor did he want lawyers appointed for him, nor did he want a response to the claims notice.

MS McDONALD: All right. Now -

MR AJAKA: Portelli's response was in relation to that.

5 **MS McDONALD:** And as we saw in the email, Mr Portelli refers to a table that was annexed.

MR AJAKA: An annexure, which sets out all the steps.

10 **MS McDONALD:** All right. And I don't know if we need to bring that up, but I'll note that's document INQ.003.001.0004, and the table appears at page _0005. Maybe if you keep on going down -

COMMISSIONER: We're there.

15

MR AJAKA: There it is.

COMMISSIONER: I see.

20 **MS McDONALD:** Good. So that's the table.

MR AJAKA: Yes.

MS McDONALD: And you can see there's - excuse me for a minute.

25

MR PARISH: Commissioner, can I check my instructions? But I think there might be a part claim about a - LPP about the reference - the McCabes advice there.

COMMISSIONER: All right. Can we just scroll up off this page immediately.

30

MR PARISH: Thank you.

COMMISSIONER: Take it off the screen, and we'll just pause for a moment. We're okay, Mr Operator, for the moment. We'll just take the document down and we'll see what happens next. I'm not speaking into the microphone. I'll get it right on the last day.

35

MR PARISH: Commissioner, that section of the McCabes - which has reference to a McCabes advice, we sought - to make a claim for that in another document, which you did make an order redacting, and that document -

40

COMMISSIONER: What document ID is that?

MR PARISH: It's LCC.008.001.0051.

45

COMMISSIONER: I'm not saying I didn't. It's just not one that's on my list.

MR PARISH: I've got it as a pending determination, which might be the reason.

COMMISSIONER: Okay. All right. Can we manage the difficulty? Ms McDonald, do you need to take the witness to that part of the document?

5

MS McDONALD: I'm about to ask about one or two other questions which I - will not go to the McCabes advice.

COMMISSIONER: All right.

10

MS McDONALD: And maybe after that, if we can deal with - if there's got to be any - if there's an application for a redaction to that document, we can discuss that.

COMMISSIONER: Yes. And if there are any others that are noted by someone as pending my determination, if they can be brought to my attention, I can look at them over the lunch break.

15

MR PARISH: Thank you, Commissioner.

MS McDONALD: Mr Ajaka, we had on the screen the email that Mr Portelli sent to the mayor.

20

MR AJAKA: Yes.

MS McDONALD: And also Betty Boustani.

25

MR AJAKA: Yes.

MS McDONALD: In response to the concern expressed by the mayor.

30

MR AJAKA: Yes.

MS McDONALD: Is it your recollection that after Mr Portelli's email containing that explanation was sent to the mayor, the matter, in a sense, disappeared?

35

MR AJAKA: The matter disappeared. There were a couple of reasons why it disappeared, because Portelli had pointed out there's a - after discussion with me, a number of matters that made it very difficult for the mayor to say, "I knew nothing about this," because clearly he'd responded to emails.

40

MS McDONALD: So in the lead-up to the council resolution, there were emails either to the mayor or copied to the mayor?

MR AJAKA: It was - it was after the council resolution. So, there was an email to the mayor from the lawyers and to myself.

45

MS McDONALD: All right. Don't tell us the content of that.

MR AJAKA: No. Yes. And in it - the mayor responded to it and indicated one change that need to be made. So, it became very difficult for him to say he knew nothing about lawyers.

5 **MS McDONALD:** "I knew nothing," when he's -

MR AJAKA: He'd already responded.

10 **MS McDONALD:** Nominating a change or an amendment.

MR AJAKA: Correct.

MS McDONALD: And -

15 **MR AJAKA:** And the change was made by the lawyers.

COMMISSIONER: Sorry - I'm sorry, had you finished?

20 **MR AJAKA:** And the change was made by the lawyers before the letter was sent out.

COMMISSIONER: The letter to whom?

25 **MR AJAKA:** So the lawyers had prepared a draft letter to go to Michael Andjelkovic's lawyers.

30 **COMMISSIONER:** Right. Just so I'm clear in my mind - and just pause before you answer, in case I inadvertently venture into territory that someone might want to object to - but you said the mayor had said to you he knew nothing about something. What is the something that he said? Just -

MR AJAKA: So in - he said -

35 **COMMISSIONER:** Hang on. Let -

MR AJAKA: - to me verbally -

COMMISSIONER: Just let me finish my question -

40 **MR AJAKA:** Sorry, Commissioner.

COMMISSIONER: - so we're - no, no. It's okay. Just so we're clear about -

45 **MR AJAKA:** Yes.

COMMISSIONER: - what it is you're responding to. I understood you to say the mayor had communicated to you, "I knew nothing about it." Did I understand you correctly?

5 **MR AJAKA:** Yes.

COMMISSIONER: When was the "it" that he was describing to you?

10 **MR AJAKA:** So, he said it to me verbally, but he also said that in his email that he had never given instructions or to counsel - by that, I mean counsel as in a lawyer - to respond to Andjelkovic's notice.

COMMISSIONER: All right.

15 **MR AJAKA:** He never wanted that.

COMMISSIONER: The issue I understood the mayor to be raising in relation to the text of the resolution that you were shown -

20 **MR AJAKA:** Yes.

COMMISSIONER: - was about the fact that the resolution referred to the payment of the mayor's legal expenses but made no reference to the context of the insurance policy. That is, it was eroding the deductible of the insurance policy. Was that ever
25 a matter that you discussed with the mayor?

MR AJAKA: Yes. In the previous meetings that myself, Portelli, the mayor and his assistant, Betty Boustani - we had actually gone through all the steps because there were a number of alternatives. From memory, I think three separate alternatives of
30 how to claim under the insurance, but - and we covered each and every one of those, and he agreed to the one that was ultimately put in the business paper for council that passed that resolution.

COMMISSIONER: I see.
35

MS McDONALD: But ultimately, Mr Portelli's email resolved - I know you said there was a little bit toing and froing, but ultimately resolved the issue.

MR AJAKA: It was left alone.
40

MS McDONALD: You have referred to, in the table which we briefly saw, which I think was dealing with communications with the mayor and Betty Boustani - can I just ask you about her? At this point, what was her role?

45 **MR AJAKA:** So Betty Boustani was appointed as the Senior Policy Advisor. She replaced Shayne Mallard when he became a director.

MS MCDONALD: So Mr Mallard was appointed the permanent director of City Futures?

MR AJAKA: Correct.

5

MS McDONALD: That led to a vacancy in the position of Senior Policy Advisor?

MR AJAKA: Correct.

10

MS McDONALD: And Ms Boustani was appointed to that role?

MR AJAKA: Correct. By the relevant director.

MS McDONALD: Do you recall who the relevant director was?

15

MR AJAKA: It would have either been Tina Bono or Farooq Portelli that would have had that role at the time.

20

MS McDONALD: She's a senior policy advisor. I understand your evidence that under the new structure she comes under the directorship of either Tina Bono or Mr Portelli.

MR AJAKA: That's my understanding.

25

MS McDONALD: But you've - there's descriptions of her role as senior policy advisor to the mayor?

30

MR AJAKA: That's how it's described. Senior policy advisor to the mayor, and then there's junior policy advisor to the mayor. Then there's EA to the mayor and then deputy EA to the mayor.

MS McDONALD: At this point, are you in Moore Street? And, I'm sorry, when I say "this point" -

35

MR AJAKA: When she was first hired?

MS MCDONALD: Yes.

MR AJAKA: Yes.

40

MS McDONALD: Physically, when she was first hired, where was she located?

MR AJAKA: Again, in that small break-out room that Shayne Mallard used to be in.

45

MS McDONALD: Which -

MR AJAKA: And a junior policy adviser.

MS McDONALD: Which is near the mayor's office?

MR AJAKA: It's almost - so there's the mayor's office, there's the mayor's reception and then there's a break-out room.

5

COMMISSIONER: Like a meeting room?

MR AJAKA: Yes. It could be a small conference room.

10 **MS McDONALD:** But it's got desks in it, and that's where -

MR AJAKA: It had two desks in it.

MS McDONALD: And that's where -

15

MR AJAKA: Two computers.

MS McDONALD: - they work from?

20 **MR AJAKA:** Both of them worked from there.

MS McDONALD: So it's like a mini open-plan office in there -

MR AJAKA: Except that there were really solid walls in between.

25

MS McDONALD: All right.

30 **COMMISSIONER:** Was it something like the mayoral suite that might be used in other councils? I don't say that in a pejorative term; other councils call it a mayoral or executive suite. Is that what it was? Like, an area with the general manager's office and support staff, the mayor's office and the support staff, which is -

MR AJAKA: Yes.

35 **COMMISSIONER:** - sort of in - not completely closed off, but all sitting together. Is that the idea?

MR AJAKA: Yes.

40 **MS McDONALD:** And again, just to assist me, the move from Moore Street to Civic Place, did that occur while you were still employed at council?

MR AJAKA: Yes.

45 **MS McDONALD:** When did that occur, again roughly?

MR AJAKA: Late '23, early '24. It may even be, say, February '24.

MS McDONALD: And Ms Boustani's office or work area, did it move - to adopt the description by the Commissioner, did it move to Civic Place, in an area of the mayoral suite?

5 **MR AJAKA:** So the original plans had the mayor's office, and then it had one EA's desk directly outside the mayor's office. And then there was the councillors' offices on the other side, and then there was my office on the other side. So that was basically the executive precinct, if I can call it that - the councillors' precinct. The only person that the plans originally had were for the EA to be outside the mayor's
10 office and my EA to be outside my office. The mayor insisted on having those plans changed because he wanted his EA, deputy EA and he wanted his senior policy advisor and junior policy adviser outside his office. He wanted all four of them out there. So we had to make some changes to the floor plan to effect four desks and then
15 move all of the lounge, if I can call it that - chairs, sitting area for the public who were visiting either of us further down.

COMMISSIONER: Like a little reception area, you mean?

20 **MR AJAKA:** Yes. But - and it was opened. The mayor then insisted, before it was - that he wanted the - that area closed off with the walls. He did not want - it made no sense. We argued about that and the cost involved in subsequent works occurring, and then finally it was agreed to put that wall up. The wall had not yet gone up when I was terminated.

25 **MS McDONALD:** Is that an appropriate time?

COMMISSIONER: Yes. It's gone quickly, or for me at least. Mr Ajaka, we're going to break for lunch. We'll resume again at 2 o'clock.

30 **MR AJAKA:** Yes, Commissioner.

COMMISSIONER: So if you wouldn't mind being back here a couple of minutes before 2 o'clock, we'll see you then.

35 **MR AJAKA:** Thank you, Commissioner.

COMMISSIONER: Is there anything else I need to do before we adjourn?

40 **MS McDONALD:** No. Thank you.

COMMISSIONER: No? Thank you. 2 o'clock.

<THE HEARING ADJOURNED AT 12.59 PM

45 **<THE HEARING RESUMED AT 2.04 PM**

COMMISSIONER: Ms McDonald, I probably should have done this yesterday, but witnesses who are going to be in the witness box all day, I think it might be appropriate to take a short break in the afternoon session, at about 3 o'clock.

5 **MS McDONALD:** Yes.

COMMISSIONER: If there's a convenient point, you can let me know.

10 **MS McDONALD:** I will. Thank you, Commissioner. All right. Mr Ajaka, I think in the chronology we had reached around September 2023. You were raising some matters where your professional relationship with the mayor was either - sorry, could we close the door, please.

15 **COMMISSIONER:** Thank you.

MS McDONALD: Thank you. Which was either - troubled, if I can describe it in that way. I wanted, first, just to revisit some of your earlier evidence. You spoke about being approached by the mayor and being invited - or would you consider applying for the CEO role, and one of the - I think you gave evidence that there were 20 identified some issues at the council, and one of the issues that you spoke about or that was raised with you was the relationship with the unions.

MR AJAKA: Correct.

25 **MS McDONALD:** When you became the CEO -

MR AJAKA: Yes.

30 **MS McDONALD:** - was there an issue between the relationship, I'll put it broadly, with the union?

MR AJAKA: Yes.

35 **MS McDONALD:** What was your understanding or observation of what the issue was at that time?

40 **MR AJAKA:** So within a very short period of time, I was told that in that preceding year there were 53 industrial relation matters between staff represented by the USU and council. I was also informed that of the other seven councils, in what was known as The Parks, eight councils combined together to be known as The Parks - that there was only seven - 13, 14, 15 matters that the other seven councils had that year. So they were averaging one or two or three each, whereas we had 53.

45 **MS McDONALD:** So the 14 to 15 matters from these other councils, that was in total?

MR AJAKA: In total, for all of them.

MS McDONALD: For all of them. And you describe them as the other “parks” councils?

5 **MR AJAKA:** So there's a group of eight councils that form what is known as The Parks. So it's Liverpool, Camden, Hawkesbury, Campbelltown and four others - they'll come to me - Penrith and a few others.

10 **MS McDONALD:** When you were referred to - you were told that there were 53 industrial relations matters -

MR AJAKA: That year.

15 **MS McDONALD:** Are they formally known as an industrial grievance or something along those lines?

MR AJAKA: They're - you know, they're usually grievances or complaints or matters that have not been resolved and escalate to the industrial relation - are seen as industrial relation matters.

20 **MS McDONALD:** So it leads to some kind of application or grievance complaint to the Industrial Relations Commission?

MR AJAKA: Correct. Correct.

25 **MS McDONALD:** That obviously then involves costs and - with the staff of the council to deal with those grievances, and maybe costs incurring with representation at an Industrial Relations Commission hearing.

30 **MR AJAKA:** Correct. And, of course, it absolutely created a toxic environment between the council and the staff, and that term "toxic" was used on a number of occasions to me when I would speak to the staff.

35 **MS McDONALD:** That was what you were told when you commenced your role. And did it accord with your observations, the relationship between the union and the council?

40 **MR AJAKA:** It was in a very short period of time. It might have even been the first days I started. I met with the USU delegates down at operations. There was about 20, 25 of them and we spent a good hour, an hour and a half together so that I could get an understanding of why this was occurring, why there was this problem and why this antagonism and toxic attitude was occurring.

45 **MS McDONALD:** Over the period where you were employed as the CEO, did you take steps to deal with that?

MR AJAKA: Yes. I was pleased to note that any outstanding matters were quickly resolved. And I don't believe there was a single industrial relations matter that

proceeded in my time as CEO. Any issues that came up, I was able to meet with the USU and resolve them at a very early stage.

5 **MS McDONALD:** So to prevent or make redundant any formal application to the Industrial Relations Commission raising an industrial relations matter or grievance.

MR AJAKA: Correct.

10 **MS McDONALD:** The work that you undertook there, did that lead to any tension in your working relationship with the mayor?

15 **MR AJAKA:** Yes. He just - he wanted me to be firmer with them, and he again kept raising that I should be terminating the employment of a number of employees. In particular, the employees that had been involved in the "pork on the fork". I tried to make him understand that it was better to just resolve those issues and not continue. A couple of other issues had arisen at that time, which I was able to stop.

20 There was, I believe, a truck going around with a photo of the mayor on it and some adverse comments about the mayor. He was obviously upset with that. But at the same time when I spoke to the employees, the mayor had put a very large billboard outside of the operations with a big photo of himself and something - a caption that basically said, "I'm looking for good staff, come and work here," and that, so there was a bit of tit for tat. I was able to resolve it by making sure the billboard sign went down, which really upset the mayor, but I got an undertaking that the truck signs
25 would stop, and it worked well.

MS McDONALD: And they did?

30 **MR AJAKA:** Yes. It worked well.

MS McDONALD: During the period September 2023, you also identified that the problem or the issue of direct contact between the mayor and/or councillors and staff arose again.

35 **MR AJAKA:** Yes.

MS McDONALD: I asked you about the mayor. You also identified that Councillors Goodman and Ammoun were contacting staff directly as well.

40 **MR AJAKA:** Yes.

MS McDONALD: Was that aberrant behaviour or was it becoming more common with those two councillors?

45 **MR AJAKA:** They were approaching staff in relation to either the DA applications, which I thought was completely inappropriate, or in a number of cases compliance matters, or non-compliance, if - like, the matters. You know, someone had

approached them, complaining, and they would then approach the staff. I made it very clear to them they're not permitted to go near the staff, and I made it very clear to them that they either went in the appropriate manner to the director or they came to me.

5

On one occasion, I recall having a governance meeting at Scott Street. Scott Street was the other office that we have. It has a very large boardroom. We'd normally have our governance meetings in Scott Street; one of our departments was there. And it was all glass. And while we were sitting there, Councillor Ammoun asked the
10 Director for Planning during the course of the meeting to go outside, and they were outside the glass room - one could watch them. And, of course, he was talking to her, seemed to be getting agitated with her. I went out and said, "This is really inappropriate. You shouldn't be doing this. I mean, I don't know what you're talking about, but it doesn't look good." And I looked at the director and said, "You go back
15 inside, where you're supposed to be." And I said to him, "You got an issue, put in a councillor request."

MS McDONALD: Now, when you have raised the conduct that you observed of Councillors Goodman and Ammoun, did they begin to comply with the policy?
20

MR AJAKA: They did.

MS McDONALD: Now, also I wanted to ask you about an issue that was raised in a court document which we'll eventually come to, where you raised issues
25 concerning council's policy regarding the local infrastructure contributions made pursuant to section 7.11 of the EPAA.

MR AJAKA: Is this the summons that was filed?

30 **MS McDONALD:** Yes.

MR AJAKA: Thank you.

MS McDONALD: But that particular issue, what was that issue and how did it
35 arise?

MR AJAKA: The one with the mayor?

40 **MS McDONALD:** Yes.

MR AJAKA: Yes. So the mayor came to see me in a very agitated state, stating that he'd been thrown out of a meeting. When I asked him what he was talking about, he indicated that he'd come on to the meeting, that the council staff were meeting to discuss section 7.11 and section 7 contributions. They'd been tasked to do that and
45 report back to me.

5 The mayor had apparently, while he was in his car, simply phoned in. When he'd
phoned in, one of the staff members had told the mayor, "I feel really uncomfortable
with you simply phoning in. I don't think it's appropriate." He immediately hung up
on the call. He told me he hung up. The staff told me that he hung up. Nothing else
10 was said. But when he came to see me - when he continued to talk to me, he kept
maintaining that he had been thrown out of the meeting, and he'd announced that - in
a number of ways that he'd been thrown out. I kept arguing with him that, "You
weren't thrown out. All the staff did was express a view and, in my opinion, a correct
opinion that they felt uncomfortable with you listening in and participating without
15 warning, and you hung up. So, no one threw you out. You just ended the phone call."
But he just wouldn't accept that.

MS McDONALD: Was there any broader issue with the mayor agitating for the use
of the 7.11 contributions?

15 **MR AJAKA:** Yes. So months prior that, the mayor kept arguing that we weren't
looking properly at the section 7.11 contributions and whether we were using them.
The mayor wanted, in my view, access to the section 7.11 for projects and also
wanted to see if we could use some of the section 7.11 money, section 7.12 money,
20 in relation to the Hammondville pool. I indicated to him that there would be no way
you could do that unless it was specifically raised for that purpose in that area.

So - but it was a fair comment, where we properly looked at the section 7.11, 7.12.
And so at ELT we decided that we would have the staff look at it and come back and
25 report to us. When the mayor maintained that he'd been thrown out of the meeting, I
believe the mayor then moved a motion that appointed an official committee to work
through the section 7.11s and section 7.12s, and that motion was passed by council
and that was the appropriate way.

30 **MS McDONALD:** And the committee, did that consist of councillors?

MR AJAKA: Yes.

MS McDONALD: And plus some staff members?

35 **MR AJAKA:** Correct. And the mayor.

MS McDONALD: And the mayor. And of course, 7.11 contributions, they come
under the umbrella of externally restrictive funds?

40 **MR AJAKA:** Yes.

MS McDONALD: And as you said, can only be used for a particular purpose.

45 **MR AJAKA:** Particular purpose, particular area. Yes. A bit like trust money, if I can
use that expression.

MS McDONALD: All right.

COMMISSIONER: How, as a practical matter, are they raised? I know they come from developers, but just step me through the process of how -

5

MR AJAKA: What will happen is a developer may come along and turn around and say, "I'm going to build this massive high-rise." And we'll look at it and say, "All right. If you're going to do that, you've got to make a contribution." Now, the contribution might be that - road widening. The contribution might be drainage. The contribution might be open space. And the developer has to provide the funds to allow council to undertake those exercises, especially from a traffic flow or drainage -

10

COMMISSIONER: As part of the approvals process?

15

MR AJAKA: Yes. And so they're really - are allocated very specific purpose. Section 7.12 is a little bit more generalised, where it may well be that there really is - where you're building, that there's absolutely nothing in that area, but you kind of charge them a percentage of what the total development will be, and they give you the money. But again, it has to be used in a proper way from an infrastructure point of view within the council area.

20

COMMISSIONER: Thank you.

MR AJAKA: Some section 7.11s could be sitting there for years and - and that was the problem, that they would be - sitting there for years when I came in, hadn't been utilised, and then there was a real concern on my part that by the time you came to use them, the funds were not sufficient for the purpose because of escalating costs.

25

COMMISSIONER: Why might that happen that they'd sit there for that long?

30

MR AJAKA: You know, when the funds first came in it needed a bit of time, effort, energy to look at something being built. By the time you went through it, two or three years went past. Two or three years later, if it was a \$10 million fund paid by the developer, you suddenly need 16 million. Where's the other \$4 million going to come from? You cannot take money out of the section 7.11 for other areas that wasn't dedicated to that area.

35

COMMISSIONER: So does that risk affect the prospect that that - those funds might never be used?

40

MR AJAKA: There is that risk, and that's why the state government's currently looking at that.

COMMISSIONER: Yes.

45

MS McDONALD: And just out of interest, if the funds are never used, are they returned to the developer or does the council keep them?

5 **MR AJAKA:** So one of the arguments that was starting to come up - or one of the focuses - or one of fears that would have been discussed with many of the council
GMs is would the developers come back and say, "You misrepresented. You didn't
use the funds for the purpose. I want my money back." But I wasn't aware of that
having occurred. I'd had a number of meetings with the Minister and other
10 representatives of the Office of Local Government when I first started. You know, it
was my view that amendments needed to be made to the Act to be able to properly
access the section 7.11s and 7.12s, so that it's no longer restricted to a specific
purpose or a specific area. Needed to be opened up a little bit. As long as it was used,
all infrastructure-type projects in the city, it should be allowed to be used.

15 **COMMISSIONER:** And why did you make that suggestion? Why did you make that suggestion?

MR AJAKA: It was because it just didn't make sense, the way the money was just sitting there.

20 **COMMISSIONER:** Too restrictive, you thought?

MR AJAKA: Too restrictive. I mean, you know, if you've got money for 10 projects - I'm just picking a figure out of the air, Commissioner - if you have money
25 for 10 projects but you can't do any one of the projects because you don't have enough money to complete the projects, surely it was better to complete five of those projects if you combined the money together. As long as the people of Liverpool was benefitting out of five projects, it was better than zero projects, and we were just sitting on the money.

30 **COMMISSIONER:** Is that because the developer contributions that are received don't cover the entire cost of whatever works might be contemplated?

MR AJAKA: So a really good examples is that the section 7.11s were to build
35 a park or improve a park or put - matters in a park. The building's built, the park is not there, and you read in the paper continuously how residents are complaining that the facilities that they were promised at the time they moved in haven't been delivered. Developer says, "Not my problem. Council's supposed to deliver it."
Council says, "I don't have enough money."

40 **COMMISSIONER:** Is that an issue that arises because of the amount of the contribution received, or is it also something that might be affected by the council's planning and implementation of those works at about the time the development either occurs or is completed?

45

MR AJAKA: I mean, if you ask a developer he'll tell you he's paying too much. If you ask a council, it'll tell you he's not paying enough. So I can't really answer that question.

5 **COMMISSIONER:** Yes. All right.

MR AJAKA: But I do know that when we started to look at - and I was looking at the history - there were some funds that have been sitting there for years and years, and clearly were not sufficient to meet the expense required.

10

COMMISSIONER: I might be jumping ahead, but I'll do it anyway. Once that process has started, did anything come of it before you left the council?

15 **MR AJAKA:** Well, the committee started meeting and the mayor was going through it line by line, and we were starting to go through, trying to find where some money could be - or some projects could be, but it was difficult. And my employment was ceased before we got anywhere further, so I'd have no idea where it's at now.

20 **MS McDONALD:** Mr Ajaka, I want to now move to a different topic, again post September 2023, but leading up to the budget for the next financial year.

MR AJAKA: June 2024?

25 **MS McDONALD:** Yes. And that budget is prepared, goes on public exhibition at one point.

MR AJAKA: Yes.

30 **MS McDONALD:** And then is put to the council at a council meeting, and the council resolve whether they're going to accept it or not.

MR AJAKA: Yes. It has to be at the council meeting - at the last meeting in June. It has to be passed before the end of the financial year.

35 **MS McDONALD:** Financial year. Right. Now, some general questions to begin with. The budget - the preparation of the budget, there are a number of draft budgets or different iterations of the budget?

40 **MR AJAKA:** Yes. Workings.

MS McDONALD: Described as workings. And the first workings or the initial workings, do they reflect information that's received from the different directors?

45 **MR AJAKA:** And councillors.

MS McDONALD: And councillors. The information from the directors, is it - and I'm putting this very generally - is it along the lines of, "Next financial year we want

to do these projects," or, "This is what we're" - "our operation will be, and we'll be bringing in this money or revenue," etcetera, and then that's kind of fed into the first working of the budget?

5 **MR AJAKA:** Yes.

MS McDONALD: And -

10 **MR AJAKA:** So they're meant to show all of their expenses - estimated expenses, any revenue that's coming in, and anything new that they would like to do - be involved in and what it would cost, etcetera. They're meant to go into those initial - first, second, third drafts.

15 **MS McDONALD:** It was described yesterday by the Chief Financial Officer those first - or first and second workings of the budget can be a bit of a wish list.

MR AJAKA: Same term used in state Parliament.

20 **MS McDONALD:** All right.

COMMISSIONER: I suppose you may as well aim high.

MR AJAKA: Every Minister has a wish list for the Treasury.

25 **MS McDONALD:** And at that point, because it's a wish list, taking into account every - what the directors want to do in their new projects, it may reflect a substantial deficit?

30 **MR AJAKA:** Yes.

MS McDONALD: And then as it progresses, is it a matter of discussions with the directors about, "Look, you're not going to be able to do this," or, "That's too expensive"? The councillors then are briefed with the various drafts and they make contributions or suggestions about it?

35 **MR AJAKA:** They have their wish lists.

40 **MS McDONALD:** They've got their wish lists. And so you're moving along with a draft budget, which could be very different - the eventual budget could be very different from the first working to the one that's eventually put before the council.

45 **MR AJAKA:** Yes. Keeping in mind that it's actually the councillors' - the council budget. It's not the CEO's budget. It's not the executives' budget. It's the councillors' budget. So what would ultimately go in that June session is what you believe the councillors had agreed with during all of those process steps that occur in February, March, April, exhibition in May and then final council meeting in June.

MS McDONALD: With the process, picking up on whose budget it actually is, to include an expense or possible revenue, ultimately, is that at the direction of the governing body? Does that make sense?

5 **MR AJAKA:** Yes. So if you go back one step, at the very last meetings before it goes on public exhibition, you've gone through the process with the staff and with the councillors. And, you know, wish list matters are added, wish list matters are taken out, all the other aspects are in, the finance directorate have made sure that all of the relevant information is, and you invariably end up with a budget.

10 And prior to it going on exhibition, you almost accept that the councillors have agreed, whether they like it or not, that the majority of the councillors have indicated this is the budget they will approve. Then you put it out for exhibition. Then you look at the feedback that comes in from - and it can be quite extensive feedback from
15 the exhibition. And then working through that feedback, you may make some changes to the budget. Councillors may recommend some changes to the budget. You have a final meeting with the councillors, and then you believe that you've set what the budget is. That goes to the June. So the idea being is that you're not going to spend an enormous amount of time debating it at the council meetings because
20 you've already done that in the governance and information sessions beforehand.

MS McDONALD: Right. Now, concentrating on the June '24 budget -

25 **MR AJAKA:** Which - I wasn't there after April.

MS McDONALD: No, no, no. But I'm going to ask you about the lead-up -

MR AJAKA: Yes.

30 **MS McDONALD:** - until sometime in April -

MR AJAKA: Yes.

35 **MS McDONALD:** - when you leave your role with the council. At the early stages of starting to formulate the budget, did you have any discussions with the mayor about his expectations for the budget?

MR AJAKA: Yes. Yes.

40 **MS McDONALD:** Did he say to you what his expectations were?

45 **MR AJAKA:** So if I could start with one of the governance meetings earlier on in the piece, Farooq indicated to the councillors that the budget was looking at a deficit of approximately - this would have been February, March - looking at approximately over \$20 million deficit. Soon as that was announced, the mayor threw his papers up in the air and stormed out of the meeting. But we continued on with the meeting because we had a quorum. About half an hour later, the mayor came. Meeting was

finished. He made it very clear it's unacceptable. You know, basically go back to the drawing board. At a subsequent - and I've had a number of discussions. At a subsequent meeting -

5 **MS McDONALD:** Can I just pause there. You said that was a governance meeting?

MR AJAKA: I believe it was a - it was either a governance meeting or an information session - we also had some information sessions.

10 **MS McDONALD:** At which staff attended, plus the councillors?

MR AJAKA: Correct.

15 **MS McDONALD:** And the staff were there to explain things and also to receive feedback from the councillors?

MR AJAKA: And go through, item by item, what was there.

20 **MS McDONALD:** And at that point, it was roughly about \$20 million in deficit?

MR AJAKA: It was above 20 million. It might be 23, 24. I can't remember.

MS McDONALD: And, sorry, what was the next event after that?

25 **MR AJAKA:** So the next big event, if I can call it that, was that we had another meeting, a similar meeting, and we'd already got the budget down to about seven and a half million in deficit. And so when the meeting started, the mayor - basically, first question is, "What's the deficit?" And I believe it was Farooq - it could have been
30 me - Portelli - said it's seven and a half million. And his immediate comment was, "Well, you're halfway there." And, you know, he goes, "It's got to be a lot better than that." We talked a little bit, and then he left after that.

MS McDONALD: Now, before that governance meeting where there was - a draft budget where the deficit was, say, roughly 20 million, did you have
35 a discussion - without councillors but with you and Mr Portelli, who was the director of corporate support at that point -

MR AJAKA: Yes. Yes.

40 **MS McDONALD:** - about what either the first or second draft of the budget was revealing?

MR AJAKA: So I would have had numerous discussions with Mr Portelli over the budget. Sometimes just he and I, sometimes with all of ELT, the entire executive
45 team, which comprised six directors and myself. Sometimes with Mr Portelli and maybe two or three other directors. So we were always talking about the budget during this period.

MS McDONALD: Do you recall when - the draft budget at that point - and I would suggest it was probably early on, when it was very much a wish list budget - the deficit predicted - or forecast was up around 25, 26 million dollars?

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MR AJAKA: Mm-hmm.

MS McDONALD: Do you recall a discussion with Mr Portelli where the budget was in that state?

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MR AJAKA: I was aware that the budget was around the 22, 25 million before we had that meeting where we expressed it to the mayor and the councillors.

MS McDONALD: I'm concentrating on another meeting that you may have had with Mr Portelli, and I think Tina Bono may have been there.

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MR AJAKA: I don't have a recollection. But as I said, I had many meetings with Mr Portelli.

MS McDONALD: The suggestion that I want to put to you is that there was a meeting with Mr Portelli where it was a version of the budget - the draft budget, where the deficit was up around \$25 million, and it was suggested by you that he undertake some creative accounting - those words - to assist in decreasing the budget - sorry, the deficit of the budget.

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MR AJAKA: No.

MS McDONALD: Do you recall a meeting where you used the words "applying creative accounting"?

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MR AJAKA: Absolutely not. And it's not a term I would use.

MS McDONALD: Do you recall a meeting in the lead-up to the - to April 2024, where you're discussing the state of the draft budget with Mr Portelli and you raised with him issues about, "How are we going to get the deficit down?"

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MR AJAKA: I had spoken to Mr Portelli on numerous occasions, but by that stage we were already down to seven and a half million. So, we'd gone from 25 million to about 15 million to about seven and a half million. And, you know, we as a group of directors and CEO had met on many occasions. We'd all spoken about it. Each of the directors were tasked with finding ways of either saving money or increasing revenue, and each of the directors - on numerous occasions, and we did use terms that - you know, we have to be creative, we have to be innovative. You know, we had to be creative and innovative.

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I mean, these are the terms we continually used because one of the directors in particular was very fond of using the word "innovative", and that's what we did. We just kept trying to find ways, and we found innovative ways to be able to reduce the

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budget and that's why we got it from 25 to 15 to seven and a half, and ultimately, as I was leaving, two and a half in the black. We managed to do that. But it was all appropriate steps.

5 **COMMISSIONER:** What was an example of creative or innovative steps that were taken to get the projected deficit down?

MR AJAKA: So the best example I can give you was mattress shredding. That was a very -

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COMMISSIONER: I'm sorry, the what?

MR AJAKA: The mattress shredding.

15 **COMMISSIONER:** Yes.

MR AJAKA: That was a very innovative and creative way of increasing income and reducing cost. We were going to pay far - we weren't going to pay any more cost for dumping the mattresses at some place that charges, I think, \$100 a mattress to dump it. We were going to actually pick up the mattresses ourselves and make money out of it. But where it became even more innovative and more creative was when the fact that we then approached other councils - we all brought them in, we invited them in and we started to work on picking up contracts from other councils, where they paid us to take the mattresses. We then shredded them, turned them into tiles and we sold the tiles back to the council. So we -

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COMMISSIONER: This was the projection?

MR AJAKA: These were projected, but very well worked on business case projections, and we were able to demonstrate that not only would our costs go down but our revenue would increase. So it was a win-win in both areas.

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COMMISSIONER: That's one example. Any others?

MR AJAKA: So that's one example. The other areas - that I ended up having the property section, and we hired a number of property specialists to have a serious look at assets - property that were completely underutilised, that were not efficient in any way. They were either costing us money and bringing us in no revenue, or the revenue they were bringing us in was not.

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So the perfect examples of that were there were a number of properties that - we had four or five car parks that were completely underutilised, and I wanted the property team to go out and have a look at how - either we sell those properties, rezone those properties to increase their value incredibly - and going through all the proper steps to do that - or entering into JV agreements with developers, where we'd end up getting the car park equivalent back, own it, pick up some cash and they put their building on top of the car park. They were the ones we looked at, and the one that we

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identified immediately which went into the budget was the Hoxton Park development. After doing all the necessary work on that, it was clear that 5, 6, 7 million dollars would be left over that we could book as a result of that property. So the - what was necessary was to ensure that we could get that money within that budget year.

So by being innovative, we were looking at the next 12 months, the next two years, the next three years. All of those matters looked at. Another one was 33 Moore Street, which we were moving out of - into the new building. To simply rent it at a low rental wasn't going to give us a - possibly a proper return. We still haven't leased it all out. It was valued at \$50 to \$60 million dollars. It would reduce the loans enormously that we had on the new building, which meant it would reduce the interest repayments made. Again, a reduction of expenses.

So these were quite a number of things that we were looking at to improve - child care centres, we knew a fact - the studies showed child care centre with 40 students or less, you lose money. 60, 70 students or more, you make more money. We had quite a number with 40 students. So either sold them and built bigger ones or we owned the land - that we could actually extend them from 40 to 70 to 80 students and start to get a really good return on those investments. So they were just a few - the courthouse - the old historic courthouse was just sitting there. No one was doing anything with it. So we moved to renovate it, and we were looking at talking to - we were talking to University of Wollongong, to lease it out to them, and they were going to use it for their mock trials for the law students. So these were the innovative creative ways.

COMMISSIONER: Could have had the hearings there.

MS McDONALD: Especially -

COMMISSIONER: That's a bit of a sore topic for the assisting team, so I won't go any further with it. The process that you've described of looking at the assets, I think, was described in a document I saw yesterday as, you know, looking to optimise the council's asset book to make sure - in a sense, to ensure that it was delivering as much value as it could to council.

MR AJAKA: Yes.

COMMISSIONER: Is that the general concept?

MR AJAKA: Yes, absolutely. You know, I was using the terms, "If they're underutilised, we really need to have a look at it and get a better return on the investment."

COMMISSIONER: Thank you.

MS McDONALD: From some of the examples you used, it seems it's a little bit of a - from a purely financial perspective, it's a bit of a mixed bag, in that you may have to incur additional costs to generate the revenue. So for example, with the mattress shredding operation, you had to buy two shredders.

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MR AJAKA: Correct.

MS McDONALD: You've got to buy other equipment, etcetera.

10 **MR AJAKA:** Correct.

MS McDONALD: Your example of the -

MR AJAKA: And hire staff if necessary.

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MS McDONALD: Yes. Additional staff, etcetera. Also with the - looking at the specialist assets, you spoke about employing some additional property experts. So there would be the cost incurred in that.

20 **MR AJAKA:** Yes. So we had two choices with this. Choice number 1 was that you go out and you contract out to one of the big firms to come in and look at it. The second choice was employ in-house. I preferred to employ in-house because you had them full-time, they were focused on the job and they cost you less than what the large firms were going to cost you. No different to having an in-house legal counsel
25 in your firm - in your council. So we employed two people who went about and started to do studies in that regard, and they worked under the City Futures directorate.

MS McDONALD: And they had embarked on that task -

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MR AJAKA: Yes.

MS McDONALD: - in the financial year '23 to '24?

35 **MR AJAKA:** It may have started at the end of '23/'24, but it was really in the financial year '24 to '25.

COMMISSIONER: Working towards the budget for '24/'25?

40 **MR AJAKA:** It was really designed to be working for the budget that I was implementing for '24 to '25.

COMMISSIONER: But the work was started whilst you were still at the council?

45 **MR AJAKA:** Absolutely. I was there till April '24, so -

COMMISSIONER: Yes.

MR AJAKA: I was there through -

COMMISSIONER: Close to -

5 **MR AJAKA:** I was there for nine months of that budget year.

MS McDONALD: Now, when you were appointed to the role of CEO, was Peter Diplas still working at the council?

10 **MR AJAKA:** Yes. I believe he was one of the directors or one of the acting directors. I can't recall.

MS McDONALD: And which directorate was he looking after?

15 **MR AJAKA:** I wouldn't be able to remember.

MS McDONALD: Was there another employee - I think it's either Paul Perrett or -

20 **MR AJAKA:** Yes. Again, he was either a director or an acting director at the time. Again, I can't recall which.

MS McDONALD: Was it your understanding that before you were appointed, Mr Diplas was the acting CEO for a period?

25 **MR AJAKA:** I believe that he was on that list I was provided. After I started a few weeks, I was provided a list of all of the CEOs and acting CEOs. And he was on that list, but I - he may have been just before Tina Bono or -

30 **MS McDONALD:** And it was your understanding that Mr Perrett was also employed around the time that Mr Diplas was the acting CEO?

MR AJAKA: I can't recall.

35 **MS McDONALD:** In your role as CEO, you had involvement in the '23/'24 budget?

MR AJAKA: So I had a very - what I would consider small involvement. I started in January. I was so focused on all of the industrial relation issues. I was focused on the new building being built at Civic Place. I was focused on other areas. I relied very heavily on the finance department who, of course, work on the budget. They would
40 come back to me but I didn't have a great involvement in suggestions, if I can use that expression.

MS McDONALD: But at that time Mr Diplas, was your understanding, had left the employment of the council, leading up to the '23 budget.
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MR AJAKA: Yes. So Mr Diplas would have left early January, as I said, when an agreement was reached.

MS McDONALD: Did you understand that the '22/'23 budget, the preparation for that budget was undertaken by Mr Diplas as the acting CEO with the assistance of Mr Perrett?

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MR AJAKA: I don't - I can't recall that. That could be the - if whoever would have been the director of Finance Corporate Services and whoever was the then acting CEO, they would have had lead on that.

10 **MS McDONALD:** Leading up to April 2024, were you ever informed, or did you learn, about some item that was included in the '22/'23 budget which may have had a questionable or dodgy assumption underlying it?

MR AJAKA: No.

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MS McDONALD: Had you ever suggested in the lead-up to the June '24 budget to Mr Portelli that in employing creative accounting, you should do what the other two did previously?

20 **MR AJAKA:** I wouldn't know what the other two did -

MS McDONALD: No, no, no. My first question is, did you say that to Mr Portelli?

MR AJAKA: No, and again I didn't use the term "creative accounting".

25

MS McDONALD: But concentrating on that additional statement of, "Why don't you do what the previous two did with the budget", your saying your evidence is that you never uttered those words?

30 **MR AJAKA:** No.

MS McDONALD: And you had no knowledge of any allegation or assertion that in the '22/'23 budget there were some, an assumption or some assumptions that may have been questionable, but which were employed and had the effect of improving the bottom line of the budget?

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MR AJAKA: No. If I'd been told that something inappropriate had happened, I would have been insisted that it was reported to the Office of Local Government or to the Auditor-General. This is why it's not logical that I would have made comments of that nature. The number of parties involved in putting a budget together, Commissioner, over a four-month period is just extraordinary. I mean, you'd involve your entire finance department, you'd involve all of your directors, you'd involve all of your counsellors. They go through them line-by-line item. And then you've got the Auditor-General to deal with, then you've got ARIC to deal with. It's just not logical that you could do that. And that's why, you know, as I said, no one ever brought it to my attention, I would have reported it straightaway.

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MS McDONALD: Now, can I return to the mayor and your dealings with him about the budget up until April 2024.

MR AJAKA: Yes.

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MS McDONALD: You've given evidence about a particular governance meeting. At that point the state of the budget was about a 20 million deficit.

MR AJAKA: In the beginning, yes.

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MS McDONALD: And you spoke about the mayor becoming upset.

MR AJAKA: Yes.

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MS McDONALD: Putting that to one side, you're obviously having many conversations and discussions with the mayor, just by virtue of him being the mayor and you being the CEO.

MR AJAKA: Yes.

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MS McDONALD: During those discussions, at any time did he raise with you what he wanted the end result of the budget to be?

MR AJAKA: Yes. Up - not during the 20 million when he threw the papers up in the air and not, I don't believe, during the 15 million, but once we announced the seven and a half million and he said, "You're halfway there." Shortly after that we did have a discussion, a verbal discussion, and he kept saying, "Not good enough, I need a much better result." But I was approached by one of the employees after that who indicated to me clearly that being two or three - being in the black for a small amount was never going to work. The mayor had made it clear that he wanted somewhere between 15 to 20 million in the black because he needed the extra funds to ensure that the Hammondville pool project would go ahead.

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MS McDONALD: Can I stop you there. You said that an employee, another employee, informed you of that?

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MR AJAKA: Yes, I believe it was one of the directors. I just can't remember which one.

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MS McDONALD: And you can't recall which director?

MR AJAKA: I know it was one of the directors. It could have been Farooq Portelli. It could have been Tina Bono. But I do recollect that and my saying, "Look, just not going to happen."

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MS McDONALD: Your comment, "It's not going to happen, it's just not going to happen", is that achieving a surplus of about 15 to 20 million?

MR AJAKA: I just couldn't see how we were going to get there.

MS McDONALD: I didn't ask you this before but you indicated, again, a rough development of the budget is that at one stage it was about a deficit of \$25 million.
5 Then you reached about \$15 million and then there was the \$7.5 million.

MR AJAKA: Yes.

MS McDONALD: All deficits.
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MR AJAKA: The 25 and the seven and a half were announced at meetings. I believe the 15 was working with the other directors. I'm not - I don't believe it was formally announced.

15 **MS McDONALD:** The 7.5, that was announced at a governance meeting?

MR AJAKA: It would have either been a governance meeting or what I call an information session or a budget briefing session.

20 **MS MCDONALD:** Roughly, in 2024 which month was the 7.5 deficit achieved?

MR AJAKA: It would have been, I would say March.

MS McDONALD: Around March. The governance meetings, we've seen that
25 minutes are prepared of those meetings?

MR AJAKA: Correct.

MS McDONALD: The informal or the information sessions with the councillors,
30 are minutes kept of those?

MR AJAKA: I - I'm not sure. I know that we prepare briefings for the information.

MS McDONALD: Like an information pack, something -
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MR AJAKA: Like an information pack, and then we just work our way through it. And one of the directors will get up and explain it to the councillors. And so with the budget, it was with the budget papers, and the idea was to go through it item by item. And again, say to them, "Sorry, you're not going to get your animal shelter," or,
40 "Sorry, you're not going to get this," or, "Sorry, you're not going to get that."

MS McDONALD: And the information packs that are presented for an information session, are they part of - are they kept there as part of the recordkeeping requirements of the council, to your knowledge?
45 **MR AJAKA:** Yes, they have to be. They have to be.

MS McDONALD: I nominated the title Information Pack. Is that the description that's used within council?

5 **MR AJAKA:** Look, it's my description, but it might be called - again, it could have been draft budget pack. It could have been whatever it was relating to.

MS McDONALD: Now -

10 **MR AJAKA:** It could be a budget briefing session.

COMMISSIONER: There'd be a record of the dates on which these - the briefing sessions was -

15 **MR AJAKA:** There should be. There should be. Because councillors were formally notified of it - of, you know, date, time, place, what it was going to be. Sometimes an agenda was attached to it.

20 **COMMISSIONER:** And as part of this iterative process of working the budget, these are briefing sessions particular to the budget?

MR AJAKA: Yes. So the ones relating to the budget were very specific for the budget. But on occasions, if something else was really important -

25 **COMMISSIONER:** Of course.

MR AJAKA: - I would add that to the agenda and we would deal with those issues as well.

30 **COMMISSIONER:** Whereas a governance meeting might be more wide-ranging? A governance meeting might be - have more wide-ranging topics?

MR AJAKA: Yes. The governance meeting had a very formal agenda, like a council meeting - formal papers, and you followed that entire agenda.

35 **COMMISSIONER:** But dealing with a number of issues, not just the budget, for example?

MR AJAKA: Absolutely.

40 **MS McDONALD:** And the director with primary responsibility of keeping these records, including a record of the dates of the various briefing sessions or governance meetings, which director was that?

45 **MR AJAKA:** That would be corporate, Farooq Portelli.

MS McDONALD: Right. Mr Portelli.

MR AJAKA: He had a section underneath him that were responsible for preparing all of the papers for council meetings, briefing meetings, governance meetings, and they would - also were responsible for notifying the councillors.

5 **MS McDONALD:** Now, you said the \$7.5 million deficit you thought was around March?

MR AJAKA: Yes.

10 **MS McDONALD:** You spoke about at one stage you had reached \$2.5 million in the black.

MR AJAKA: Yes. Because, you know - again, being innovative.

15 **MS McDONALD:** No, I want to -

MR AJAKA: Yes.

20 **MS McDONALD:** My question was -

MR AJAKA: Yes.

MS McDONALD: - when was that?

25 **MR AJAKA:** That was probably at least two, three days before the meeting with the - before I received the email from the mayor asking me to look at, you know, two less directors and so on. But whatever date that was, probably two or three days before that.

30 **MS McDONALD:** And at that stage, is your understanding that the work being done on the staff with the next draft version of the budget had actually moved it into the black, to the amount of about \$2.5 million?

35 **MR AJAKA:** I'd come up with two matters that I wanted Portelli and the other directors to look at. I think it was at an ELT meeting. The two matters that I came up with was (1) to book money owed to us by Canterbury-Bankstown Council.

MS McDONALD: Is this to do with the bridge?

40 **MR AJAKA:** Yes.

MS McDONALD: Right. We've heard about the bridge.

45 **MR AJAKA:** Right. So prior to that - prior to giving that instruction, there was no proceedings commenced. Because I instructed general counsel to commence proceedings, statement of claim was filed. Canterbury-Bankstown had filed their defence. In their defence, they also made an admission that they owed a certain

amount of money. So it was admitted. But the defence was they weren't going to pay that money unless we agreed that that was the only money owed. We believed that far more substantial money was owed, but we also argued that that money should be paid immediately. So because I knew that money was 100 per cent agreed and it
5 would come into that next financial year, my view is it should be booked in the revenue component.

COMMISSIONER: You raised that with Mr Portelli and the others?

10 **MR AJAKA:** Yes. Mr Portelli didn't quite agree with me, and I said to him, "Look, I'm certain about this. You really should go get some advice. Go talk to general counsel, talk to whoever you have to. I cannot for the life of me fathom that if it's admitted by council that they owe it and they're going to pay it - yes, you can't book the second part because we haven't got judgment for that, but this part is admitted."
15 He came back to me saying, "Yes, it can be booked," and it was booked.

And the second one was I gave, again, instructions to look at the Hoxton Park property, and that - they did all of the necessary work on that, came back, and I knew they could definitely - that funds would arrive within the 12-month period required,
20 and so I instructed them to book that. Those two components, I believe, led to it going from seven and a half million in the black to - in the red, sorry, to about two and a half million in the black.

MS McDONALD: All right. Before turning to the meeting of 12 April -
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MR AJAKA: Yes.

MS McDONALD: - you spoke about the mayor obviously wanting a surplus. You've raised the communication you had, or a discussion with another director
30 where he wanted a surplus in quite a considerable sum to assist to finance -

MR AJAKA: Yes.

MS McDONALD: - the Hammondville pool.
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MR AJAKA: Yes.

MS McDONALD: In the lead-up to that meeting of 12 April, were there any other suggestions about your role that may have come either directly from the mayor or
40 indirectly through another either councillor or staff member concerning your role in formulating the budget?

MR AJAKA: Yes.

45 **MS McDONALD:** And what was that?

MR AJAKA: So, on a number of occasions prior to that meeting, prior to receiving that email, the mayor had raised with me that a way to get extra money in the budget

was to remove two of the six directors, to remove four or five managers, to remove the entire legal team of general counsel, and to look at other employees that could be removed. I indicated, "That was a restructure. It can't happen. You've got to go through the restructure process. That takes six to seven months. You've got a month or two before the budget. It's never going to happen."

He kept, he then insisted, "No, no, it's just a budget adjustment, you could put it in the budget." I said, "No, you can't put it in the budget because it's not something that you know will occur 100 per cent in that year. You may not get the restructure occurring and, secondly, we have to do a new restructure in any event or look at the restructure after the council election."

MS McDONALD: Which was September '24.

MR AJAKA: Which is in September. So I said, "We've have already done it twice in this term", mine being the second time. "If you want to do it a third time but not call it a restructure, it's not going to happen."

MS McDONALD: Now, can I just ask, at that point these discussions with the mayor, it's just in a verbal discussion?

MR AJAKA: Yes.

MS McDONALD: And from the way you've described it, it appears to be the mayor raising a possibility with you, you raising your concerns about whether that's viable or not?

MR AJAKA: Yes.

MS McDONALD: Commissioner, is that an appropriate time for just that quick break".

COMMISSIONER: Yes, we will just take five minutes to prepare ourselves for the last part -

MR AJAKA: Be greatly appreciated, Commissioner.

COMMISSIONER: - for the afternoon. I will just come back at five past three.

MS McDONALD: Yes.

MR AJAKA: Thank you, Commissioner.

<THE HEARING ADJOURNED AT 3.01 PM

<THE HEARING RESUMED AT 3.08 PM

COMMISSIONER: Yes, Ms McDonald.

5 **MS McDONALD:** Mr Ajaka, you were talking about the lead-up to the meeting on, I think it was 16 April. You referred to an identification of a possible property that could be sold, 3 Hoxton Park Road.

MR AJAKA: Hoxton Park, yes.

10 **MS McDONALD:** Would you bring up, please, document AJA.001.001.0002. And would you first go to page 3, _00. Right down the bottom of that page there should be an email from a Peter Panopoulos. Yes. Do you see that email? It's dated 12 April and it's from a Steve Simat?

15 **MR AJAKA:** Yes.

MS McDONALD: Who was Mr Simat?

20 **MR AJAKA:** Steve Simat was one of the two property staff that we'd hired to look at the various properties.

MS McDONALD: If you go to the next page - 4. I'm sorry, that was an unclear instruction. This is Mr Panopoulos' email where he says, "Hi Steve", and then there's a reference to areas and amounts, and then it ends with:

25 "Say \$14 million with 1458 metres squared."

MR AJAKA: Yes, it was an estimate.

30 **MS McDONALD:** Would you then return to page 3. And there's an email in the middle of the page from Mr Simat to Mr Mallard.

MR AJAKA: Yes.

35 **MS McDONALD:** 12 April, at about 5.40 pm.

MR AJAKA: Yes.

40 **MS McDONALD:** "Hi Shayne. Please find below value opinion of 3 Hoxton Park Road provided by Civic Valuations."

MR AJAKA: Yes.

45 **MS McDONALD:** If you then proceed - now I'm getting mixed up. I think it's page 2. Yes, a little bit higher. The email there from Shayne Mallard to Farooq Portelli.

MR AJAKA: Yes.

MS McDONALD: And it has got:

5 "Budget adjustment CF. Hi Farooq, the CEO has requested I bring this new City Futures budget initiative to your attention and add to the budget prior to any discussions with mayors and councillors."

I will just jump ahead:

10 "Commercial property team under Steve has analysed 3 Hoxton Park Road for disposal this coming financial year."

And then there's a section about valuation, the sale price and then:

15 "The matter of the CS tenancy has been relocated or leased back for a period to a new buyer, is subject to negotiations at sale time."

Do you see that?

20 **MR AJAKA:** Yes. Correct. That was at my instruction.

MS McDONALD: All right. And then just to finish this sequence of emails, if we can go to the first page, we've got Farooq Portelli to Mr Nadan:

25 "Vishwa, based on advice provided below, factor the proposed sale of the 3 Hoxton Park Road site in the budget next door."

And then there's again a reference to the values.

30 **MR AJAKA:** Correct.

MS McDONALD: Now, in the second email, which was from Shayne Mallard, he stated that:

35 "The CEO has requested I bring this new City Futures budget initiative to your attention."

MR AJAKA: Yes.

40 **MS McDONALD:** How did it come to - how did you become interested in 3 Hoxton Park Road?

45 **MR AJAKA:** So as I said earlier, I had instructed the directors to find innovative ways and to look at all of the properties we held. So during meetings with them, it became clear that Hoxton Park was the only one that we could bring into that financial year budget. The other properties that were being talked about were going

to take at least two years, possibly three or more. Lot 101 and lot 102 at the Hammondville precinct, that looked like more a year to - and that's why we weren't going to bring it into the budget.

5 So they went about to work, so I instructed them to go and work but we needed to do all the probity. We needed to get a proper valuation. We needed to understand - we needed to understand that it could go in, and that led to it finally - Farooq would not have sent it to Vishwa if he didn't believe it would go into that - yes.

10 **MS McDONALD:** All right. But the valuation that you're relying upon, is that valuation - was provided by Mr Panopoulos?

MR AJAKA: It was an estimate.

15 **MS McDONALD:** It was an -

MR AJAKA: An estimate valuation.

20 **MS McDONALD:** Estimate. But usually where property is either to be sold or purchased by council, usually two more substantive valuations are obtained.

MR AJAKA: There are a lot more substantive actions to be taken, a lot more probity to be taken, a lot more valuations to be taken. Then you've got to look at whether you're going to do expressions of interest, auctions, etcetera. That would take at
25 least three, four, five months, and that's why I was confident that within a 12-month period all of those steps would occur. But you would not do that prior to it going into the budget and prior to it being approved by council. Again, council budget. But this could have appeared when we were informing this to council, either before it went on exhibition or after it went on exhibition. Council could have easily said, "No, take
30 it out." So you weren't going to go spend a lot of money on it if it's not first been approved to go into the budget.

MS McDONALD: Right. So you're saying that at this stage it is purely being included in the budget and with the capacity for the governing body to say, "We
35 agree" or "We don't agree with it being put into the budget"?

MR AJAKA: Correct.

40 **MS McDONALD:** That is different from an actual resolution by council to sell the property?

MR AJAKA: Absolutely, because it firstly would have to be by resolution of council to be in the budget. But then after you undertake all of the probity and all of the valuation, etcetera, you would need to bring it back to council before you can
45 proceed with the actual sale. They can always change their mind at any time in between.

MS McDONALD: Now, you also mentioned before our short break an email from Mr Mannoun dated 12 April 2024 in which some financial modelling was raised.

MR AJAKA: Yes.

5

MS McDONALD: Would you please bring up document OLG.001.001.0310. Yes, thank you.

MR AJAKA: I don't think that's it.

10

MS McDONALD: Maybe if you go through the document.

MR AJAKA: I don't think that's the document. That's not the document that I think you're referring to.

15

MS McDONALD: I'm sorry?

MR AJAKA: What was on the screen wasn't the document I think you were referring to.

20

COMMISSIONER: I think it's just a different part of that document, perhaps.

MS McDONALD: It's page 2 of the document and I'm hoping there's an email from mayor Ned Mannoun to you, 12 April at 9.20. Yes, there it is.

25

MR AJAKA: Yes. That's it. That's it now.

MS McDONALD: Now, now starting there.

30

MR AJAKA: Yes.

MS McDONALD: That's an email that is addressed to you but also copied in Mr Portelli and also Deputy Mayor Macnaught.

35

MR AJAKA: Yes.

MS McDONALD: Before turning to the content of that email -

MR AJAKA: Yes.

40

MS McDONALD: - what was your understanding of why out of all the councillors, Deputy Mayor Macnaught was copied into this?

MR AJAKA: I don't know. I just assumed because she's the Deputy Mayor. I didn't even think about that.

45

MS McDONALD: Now, we've got next steps budgets and there's a request of modelling and recommendations for the budget.

MR AJAKA: Yes.

5

MS McDONALD: And four points.

MR AJAKA: Yes.

10

MS McDONALD:

"Reduction of management costs by \$2 million."

MR AJAKA: Yes.

15

MS McDONALD:

"This can be achieved by a mixture of lessening the amount of directors and managers."

20

MR AJAKA: Yes.

MS McDONALD:

25

"One million reduction in wages by removing non-core function positions."

MR AJAKA: Yes.

MS McDONALD: And:

30

"Annual comparison of legal expenses over the last 10 years."

MR AJAKA: Yes.

35

MS McDONALD: And then:

"Income projected from property leasing presented to councillors in 2018 in February 2022 versus current. This is to include Civic Place, 33 Moore Street, the old library and 3 Hoxton Road. The budget cannot sustain wage growth over five per cent. If we do not address this issue now, we will have the same issue going forward."

40

MR AJAKA: Yes.

45

MS McDONALD: So that's the email you received. Could we move up the document.

MR AJAKA: Yes.

MS McDONALD: You respond - yes, you've got that there - on that date at 3.44 with:

5

"Hi Mr Mayor. As discussed, Lauren will arrange a time for Farooq and I to meet you and the deputy mayor to discuss."

And then you have a direction to Farooq to put the figures together.

10

MR AJAKA: Yes.

MS McDONALD:

15 "And see me to discuss."

MR AJAKA: Correct.

MS McDONALD: And then just continuing up, we have an email from Lauren Myers. That's 14 June. Put that email to one side, sorry.

20

MR AJAKA: Yes.

MS McDONALD: Now -

25

COMMISSIONER: Take it down?

MS MCDONALD: Just - sorry, if we can go back to the email from Mr Ajaka at 3.44.

30

MR AJAKA: Yes.

MS McDONALD: Now, in his email, there are a couple of issues that the mayor raised, one of which was the mixture of lessening the amount of directors and managers.

35

MR AJAKA: Yes.

MS McDONALD: And you've given evidence that as part of your informal discussions with the mayor, that had been flagged before.

40

MR AJAKA: He's - he'd raised it many times. But he always specified two directors, about four managers, four, five managers. And then he also kept advising the entire legal team. And then he would say, "Some others that we don't want here."

45

MS McDONALD: All right. The idea of the legal team, is that linked with point 3:

"An annual comparison of the legal expenses over the past 10 years."

COMMISSIONER: Sorry, operator could you scroll down.

MS McDONALD: I'm terribly sorry, yes.

5

MR AJAKA: Yes, because he'd said to me on a number of occasions, in his view it would be cheaper to go out to outside legal firm and have them do all of our legals than to be using in-house. And I disagreed.

10 **MS McDONALD:** All right. But it seems the request here is to do some kind of analysis that may justify that -

MR AJAKA: Yes.

15 **MS McDONALD:** - being implemented. Then the income projected from the properties, and there's a reference there to 3 Hoxton Park Road.

MR AJAKA: Yes.

20 **MS McDONALD:** Did that prompt Mr Simat to seek the valuation of 3 Hoxton Park Road or were you already looking at it?

MR AJAKA: No, no. I'd already instructed all properties to be looked at. I didn't quite understand point 4 where he was coming from with that and why those
25 properties were mentioned, especially when you were talking 2018 and '22. I mean Civic Place had only just been built.

MS McDONALD: And what's the reference to the old library? Was that a standalone building as well?

30

MR AJAKA: Yes. So, again, one of the matters that I asked, when I was asking the staff to look at - in various innovative ways, was that we owned some really substantial libraries, 33 Moore Street where we were, our offices. The old library and old council chambers were in the one building and we owned that, a very substantial
35 site which was next door to 33 Moore Street. And that was what another one of the properties I wanted to look at to see if there was something we could do to enhance its value.

40 We had entered into a lease in relation to it but because it was a fairly rundown building, and my view not a properly utilised space that was capable of so much more. It was just single-storey space.

MS McDONALD: Now, the email, your response - in it you also directed Mr Portelli to start crunching the numbers.

45 **MR AJAKA:** Yes. Yes. So prior to that, as soon as I got the mayor's, I did speak to the mayor and say to him, "I don't understand why we're doing this. We really need to meet and have a discussion." You know, "This is not a budget next steps or a

budget adjustment. You know my view that this is a restructure." He disagreed. I said, "Look, can we get together and talk about it?" And he wanted the deputy mayor in that meeting and I said I'll bring Farooq to that meeting, and that's when I asked Lauren, who was acting as my EA at that time - mine was away - and that's why she said:

"As discussed, Lauren will arrange."

I didn't type my letters. They were typed by my EAs, but I dictated them.

MS McDONALD: Now, did that - the foreshadowed meeting that you discussed with the mayor, does that become the meeting on 16 April 2024?

MR AJAKA: The one where the comment is made? Yes.

MS McDONALD: Yes.

MR AJAKA: Yes.

MS McDONALD: So that meeting followed on from this exchange and your discussion with the mayor, and it was a meeting attended by you, the mayor, Deputy Mayor Macnaught?

MR AJAKA: Yes.

MS McDONALD: And Mr Portelli.

MR AJAKA: Correct.

MS McDONALD: And that was it?

MR AJAKA: Correct.

MS McDONALD: On 16 April - sorry, where was the meeting held?

MR AJAKA: My office.

MS McDONALD: Roughly what time of day?

MR AJAKA: It was meant to be earlier, but from recollection the mayor was not available and it was subsequently changed to a later time. It may have been around the 4 pm mark.

MS McDONALD: And your understanding of the purpose of the meeting was to discuss the current draft budget and these particular suggestions or recommendations for the budget that the mayor's raised?

MR AJAKA: My intention in the meeting was to explain to him that there was no point doing this, because if he really wanted me to take the steps, as he had continually told me to do, it was a restructure. That was my first priority.

5 **MS MCDONALD:** Now, what happened at the meeting? What did you - did it commence with discussions about particular topics?

MR AJAKA: Can we put the "1, 2, 3, 4" up?

10 **MS MCDONALD:** From the mayor's -

MR AJAKA: Email.

15 **MS McDONALD:** - email? Yes. That's towards the bottom of that document.

MR AJAKA: Yes.

MS McDONALD: So this is still -

20 **MR AJAKA:** Yes. Yes. So -

MS McDONALD: - 001.001.0310, page 4.

25 **MR AJAKA:** Yes. Yes. So mayor arrived, deputy mayor arrived, Farooq was there in the room. The usual pleasantries were exchanged. And then I indicated to the mayor, "Look, this is clearly a restructure. I've told you before we can't do this. There would be real probity issues, governance issues. It takes six months. The budget is ready to go to exhibition in about a month's time. I don't understand why we're doing this and what benefit." He said, "I disagree with you." I said, "All right. 30 Let's go through this as an agenda item. Let's take item number 1. Who are the two - who's the first director that you want to go?" He told me the name of the director.

35 **MS McDONALD:** So he'd identified a particular director?

MR AJAKA: Michelle - Michelle, who was the director of customer service. And he had previously, on numerous occasions, told me he wanted her gone. He wasn't happy with her, she wasn't listening to him, he didn't like her. That sort of ridiculous comments. And I'd say, "No, she's doing a great job." So when he told me she was 40 the first one, I said, "Look, that's insane. We can't do that. We just hired her. She's doing a fantastic job. She came from the state government. I think she was working for IPART at the time, or one of those government departments. She's doing a really decent job. On what basis would you terminate her?" He said, "Well, how do you know she's doing a good job?" I said, "Of course I know." He goes, "Give me one 45 example." I said, "She orchestrated the entire move almost single-handedly from the old office to the new office of all the departments, and it was flawless." There was absolutely no issue, both in the library and in relation to the office.

And he then said to me, "Well, show me her KPIs to prove it." And I said, you know, "Ned, you know she doesn't have any KPIs. You know I'm still waiting for my KPIs. You haven't supplied me my KPIs, like you're required to." And then he turned
5 around and said, "That's Stephen Blackadder's fault." I said, "Well, not really. You're supposed to supply me mine. It's your responsibility to give me my KPIs of council." We kind of then stopped there. I then said, "Look, who's the second director?" because at that stage I had no idea who he was thinking of, and he said, "Shayne Mallard."

10 **MS McDONALD:** And he was the director of City Futures.

MR AJAKA: He was the director of City Futures. My response, "You're mad. There's no way it should be Shayne Mallard. Again, doing an extraordinary job.
15 Really good at his job. You know the Office of Local Government have been examining us in relation to his appointment. You know we have to deal with that. Our entire argument with Shayne Mallard is he's absolutely brilliant, doing a great job, he's amazing. How could I possibly justify terminating him, and why would you do that to Shayne Mallard?" And I said the same with Michelle, "Why would you do
20 that to Michelle?"

MS McDONALD: Now, can I just pause there. In your discussion with the mayor, you reminded him that there was an Office of Local Government examination of the appointment of Mr Mallard.

25 **MR AJAKA:** He was one of the number that they had - were looking at.

MS McDONALD: At that point, had the Office of Local Government informed you of the result of the investigation? Or was your understanding that it was ongoing?

30 **MR AJAKA:** My belief at the time was that the investigations were over. After we supplied all the information we'd not heard back.

MS McDONALD: Okay.

35 **MR AJAKA:** So when I said to him, you know, "I don't understand how you would even do that to Shayne," he said, "That's okay. You just give him \$200,000 and he'll go." And I looked at him and I said, "Again, you can't be serious. How would you possibly explain to the Office of Local Government handing him \$200,000?" I mean,
40 the story that would come out would be outrageous. It's improper. And his answer was, "Look, don't worry about it. If you give it to him now, it won't appear in the current budget papers," because the period was almost over.

MS McDONALD: It would be booked to the current financial year?

45 **MR AJAKA:** It won't be booked - and it won't appear in the new budget appearing because the payment had already been made. So it wouldn't really appear. And

I looked at him and said, "There's no way we're going to do that. That's just, again, that's just crazy. Of course people would find out." And he said, "No, just do it in this method. No one will know" and that's when I sort of, I guess out of frustration, I picked up my phone, pointed to my phone and said, "For the love of God, shut the fuck up. Enough."

MS McDONALD: Up until that point and when you uttered those words -

MR AJAKA: Yes.

MS McDONALD: - was the meeting relatively cordial or were voices being raised?

MR AJAKA: No, up until that point it was cordial. Even when I made the comment, voices weren't raised, and then the meeting continued for another 15, 20 minutes and there was no animosity, no raised voices, nothing.

MS McDONALD: So you made that comment which included, "Shut the fuck up." What was the mayor's immediate reaction to that?

MR AJAKA: Look, in a calm way, he said, "What did you say?" I said, "Don't make me repeat it, you heard me" and that was it.

MS McDONALD: Did you observe him to be physically shaken or upset?

MR AJAKA: No. Nothing. I mean, he stayed in the - he was still sitting down. Deputy mayor was still sitting. There was no leaping - I mean, this is a person who, when he's upset, throws papers in the air and storms out. There was no storming out. But then we continued, and then as soon as that was -

MS McDONALD: Sorry, can I just pause there. You have deputy president - sorry, deputy president - deputy mayor Macnaught -

MR AJAKA: Yes.

Ms McDONALD: - in attendance when you uttered those words.

MR AJAKA: Yes.

MS McDONALD: Did she look physically distraught or upset?

MR AJAKA: No. Nothing.

MS McDONALD: So there was that exchange of, "What did you say?" and you said something like, "I'm not going to repeat it" or "Don't get me to repeat it."

MR AJAKA: Yes. I said - yes, something like that.

MS McDONALD: Did you observe how Mr Portelli reacted?

MR AJAKA: No. As I said, there was no change in the energy in the room at the time. It was a statement that was said and we just continued as if it was normal.

5

MS McDONALD: At meetings that you attend with the mayor and a deputy mayor or councillors, is that language usually used?

MR AJAKA: No. It was - look, it was clearly out of character for me and it was clearly out of frustration. But more than anything else, it was a way of me pointing out to him that what he was saying and pointing to my phone, if it gets picked up, there are going to be some serious issues here.

MS McDONALD: That was how "pay Mr Mallard \$200,000 and we'll put it in this year's" -

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MR AJAKA: "We'll conceal it". And that's what I was implying, "We'll just conceal it. No one will find out about it", which was ridiculous.

MS McDONALD: So after that interchange, the meeting continued?

20

MR AJAKA: Yes, for about 15, 20 minutes. We still had to deal with the managers and part 1. We then had to deal with - we then dealt with the 1 million core functions where another issue arose with one of the people working for him. But we - and then we dealt with the legal, and then we moved (indistinct) kind of finished by then. I think, all up, almost an hour had transpired, and then they left in an orderly fashion, if I can use that.

25

MS McDONALD: The managers, at that point was the mayor identifying managers?

30

MR AJAKA: All he - when I said to him, "So which managers are you talking about?" it was basically, "You know, all the managers who aren't doing the right thing, all of the managers who've given me problems" and then he identified one of them as one of the managers from the section 7.11 and he identified a couple of managers from the A planning department that he'd had issues with.

35

MS McDONALD: Then - and was your view that to terminate their employment would have been a restructure?

MR AJAKA: But if you look at the letter as a whole, you're talking one third, 33 per cent of my executive. When you look at all the managers, you're talking anywhere up to 15, 20 per cent of my executive - not executive, of the managers. Then you look at the entire section of legal, you're talking 100 per cent of that. How is that not a restructure?

40
45

MS McDONALD: The suggestion of a million dollar reduction in wages by removing non-core function positions, did he identify which positions he had in mind?

5 **MR AJAKA:** So he - he said to - I then opened up, "Look, looking at number 2 who do you mean by non-core function?" He said, "You've got a few people that really aren't needed, they should go" and I said, "Look, Ned, if you're going to talk non-core function, you know the first people that are going to have to go are at least two of the people that work for you. I mean, Betty Boustani is probably the first
10 person that would need to go because nobody can quite understand what she is doing for you." She was only on a temporary contract, she wasn't on a permanent contract at that time, so her contract was about to expire. He then turned and his comments to me was, "That's really low of you to pick on Betty Boustani."

15 **MS McDONALD:** And your description of her working for the mayor, even though formally in the organisational structure she was under a directorship or a directorate?

MR AJAKA: Correct.

20 **MS McDONALD:** Your view is how she worked, she was really working for the mayor?

MR AJAKA: There were some - by that stage there were quite a number of issues that were arising about how she was working for the mayor. At one stage I recall,
25 maybe a month before, about a week, where I had to bring her into the office with her director and say, "Look, I'm getting a lot of complaints about you, you're going around giving orders to the staff that you shouldn't be doing, and at times you're acting as if you're the mayor. You are not the mayor. You're not a CEO. You're not a director. You're a policy advisor to the mayor and you answer to your director and
30 you answer to me." And, you know, that was a bad situation.

MS McDONALD: Now, at this meeting on the 16th, you had received the advice from Mr Mallard about the valuation that was contained in that email?

35 **MR AJAKA:** Yes.

MS McDONALD: About 3 Hoxton Park Road.

40 **MR AJAKA:** Yes.

MS McDONALD: Did you raise that at the meeting that, "We've identified", for example, "We've identified this" or -

45 **MR AJAKA:** No, we raised at the meeting that the budget was two and a half million in the black. I remember that. And I remember having previously told Mr Portelli when he first told me that, after taking into the account those new matters, when he told me it was two and a half million dollars, I indicated to him that

he should immediately let the mayor know to which he said, "Yes, I will" because it was regular for him to update the mayor.

5 **MS McDONALD:** And may I confirm the identification of the directors by the mayor? It was Shayne Mallard and Michelle - is it McIlvenny or -

10 **MR AJAKA:** McIlvenny. Yes, I think that's how you pronounce it. And, you know, at the time I took it that it wasn't so much the positions as it was the personalities. He did - he had not wanted Michelle there for some time, almost from when she was first employed.

15 **MS McDONALD:** Now, after the meeting, did you have any immediate correspondence, email or discussion with the mayor about what happened at the meeting?

20 **MR AJAKA:** No. After the meeting had occurred - look, I made it clear that I didn't tell anybody. There were four people in that room and I absolutely ensured that I did not tell a single person what happened in that meeting. But I'd started to receive a lot of phone calls from different staff members and even from councillors from other councils, saying, "Did you really tell the mayor to shut the fuck up?" He was telling the whole world, even at meetings.

MS McDONALD: Well, sorry, your evidence is you didn't tell anybody?

25 **MR AJAKA:** No -

MS McDONALD: Of course you're getting phone calls or inquiries -

30 **MR AJAKA:** Yes.

MS McDONALD: - from other people.

MR AJAKA: Correct. And -

35 **MS McDONALD:** Your assumption is one of the other three people in attendance at the meeting must have informed others?

40 **MR AJAKA:** Well, it had to be the mayor, because one of the phone calls I received shortly thereafter was from Mel - Councillor Mel Goodman, who told me that the mayor had informed him and wanted to know what I was going to do about it and was I going to - I said, "I'd absolutely love to apologise. I shouldn't have said it. I regret saying it and I'm more than happy to apologise. I'd like to go and see him and apologise in person."

45 **MS McDONALD:** Can I just pause there. Commissioner Goodman -

MR AJAKA: Councillor Goodman.

MS McDONALD: Councillor, I'm sorry. Councillor Goodman.

MR AJAKA: Yes.

5 **MS McDONALD:** He was - represents the Liberal Party on Council or is a Liberal Party -

MR AJAKA: Yes, he's one of the Liberal Party team.

10 **MS McDONALD:** Now, you indicated to him, when he had contacted you, that you shouldn't - "I shouldn't have made the comment."

MR AJAKA: Yes.

15 **MS McDONALD:** And that you were willing to go and apologise to the mayor.

MR AJAKA: Correct.

MS McDONALD: Did you do that?

20

MR AJAKA: I tried. Councillor Goodman and I agreed to a specific time to go and do that. But then the mayor wasn't there. Councillor Goodman would ring me - so we would have had probably five or six phone conversations over a number of days, and each time I believed it was locked in for me to go in, something would change and the mayor wasn't available. Quite a number of SMSs went between me and Councillor Goodman on the basis of me apologising and me saying, "I'm just confirming I'll be there at 1 o'clock. Happy" - and then towards the end, Councillor Goodman would come back to me and say, "Okay. The mayor wants you to apologise but he also wants it in writing," to which I agreed.

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Then another time he again repeated to me he wants it in writing, and I said, "Look, I'll even engrave it on a stone and put it on a plaque outside the building if that makes him happy." And again, we arranged a time. Nothing happened. And then on a third occasion, he indicated to me, "No, the mayor wants you to put it in writing. Send it to Ray Hadley and have Ray Hadley read it over the radio," which I said, "You're playing games. This has now become ridiculous."

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MS McDONALD: The role of Councillor Goodman - is it fair to describe him as acting as either a mediator or some kind of communication conduit between you and the mayor?

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MR AJAKA: I took him as being, you know, a friendly intermediary. I really thought that he was trying to assist me and trying to assist the mayor and arranging a genuine time for us to get together. I was actually very appreciative of what he was doing.

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MS McDONALD: Your office and the mayor's office were on the same level?

MR AJAKA: Yes. We're literally 10 metres apart from each other. He's on one side; I'm on the other.

5 **MS McDONALD:** Why didn't you just go and knock on his door and walk in and say, "Comment I made, sorry"?

MR AJAKA: Because of that immediate first discussion with Councillor Goodman, I took it that the approach was to arrange a time to go in there. But it also, after the
10 second conversation, became clear that all the Liberal councillors should be there so I can do it in front of all of them. I believe he wanted an audience for that, and I thought that was the audience. I didn't feel that I needed to just barge into his office without warning to do it.

15 **MS McDONALD:** Excuse me. Then the continuation of discussions or communications with Councillor Goodman where he's acting as this intermediary, over how many days did that occur?

MR AJAKA: Literally from the day the comment was made. It was happening
20 almost twice a day, every single day, right up until the council meeting that I was suspended with pay. The last agreed time for me to go in and apologise with everyone and I agreed to bring it in writing was for that day at 12 o'clock.

MS McDONALD: And, sorry, what was that cut-off day that you just mentioned?
25

MR AJAKA: The last agreed time with Councillor Goodman was for 12 pm the day of the council meeting.

MS McDONALD: During this period with Councillor Goodman acting as an
30 intermediary, at some point, did he communicate with you not only seeking an apology in different ways the apology would be given, but also a proposal or a suggestion that you go on leave?

MR AJAKA: Yes.
35

MS McDONALD: And when did that arise?

MR AJAKA: So, in one of the conversations he mentioned that, "Look, the mayor
40 will accept your apology, will accept it in writing, but you also have to agree to go off on six weeks leave."

MS McDONALD: Was it explained to you why it was expected that you would go off on leave?

MR AJAKA: Previous to all of this happening, one of the staff had approached me
45 to indicate that the course of the, I guess, my supposedly not doing what the mayor wanted when we used to discuss these matters, that I should take six to eight weeks

leave, but that Jason Breton could come in as acting CEO and he'd make the tough decisions that I was refusing to make.

5 **MS McDONALD:** Mr Breton, at that point, was director of operations, was he?

MR AJAKA: Correct.

MS McDONALD: Who was the staff member who conveyed that to you?

10 **MR AJAKA:** I can't recall. I can't recall if it was a staff member or, in fact, one of the directors. I just can't remember. It may have been one of the directors.

MS McDONALD: That communication of a suggestion that you take leave before this all blew up -
15

MR AJAKA: That was the first time I had heard about me taking leave.

MS McDONALD: But that was never suggested to you directly by the mayor?

20 **MR AJAKA:** No.

MS McDONALD: It was through, you think, one of the other directors?

MR AJAKA: I believe so, yes.
25

MS McDONALD: And your understanding is that the mayor is speaking with that director to get the director -

MR AJAKA: Yes, to communicate to me.
30

MS McDONALD: Did that occur often? It seems a rather unusual way of -

MR AJAKA: No, there were many times where a director will come in and say to me, "I had a meeting with the mayor and the mayor would like the following things done" and the director was reporting to me.
35

MS McDONALD: Well, I can see that where it's a legitimate part of council operations -

40 **MR AJAKA:** Yes.

MS McDONALD: - but a suggestion that you go on leave so that difficult decisions dealing with the budget seems an unusual discussion to be having with somebody who reports to you.

45 **MR AJAKA:** I took it as inappropriate and a nonsense.

MS McDONALD: And you can't remember who the director was?

MR AJAKA: I don't want to guess.

5 **MS McDONALD:** You've spoken about Councillor Goodman acting in this intermediary -

MR AJAKA: Yes.

10 **MS McDONALD:** - during this time. Did Shayne Mallard have any role in again speaking with you or speaking with the mayor?

15 **MR AJAKA:** At one stage Shayne Mallard came to see me after a number of discussions and indicated to me that the mayor wanted me to apologise, to which I explained to Shayne all the numerous attempts I made to do that. And I also believe he mentioned that the mayor wanted me to also resign.

MS McDONALD: And that was communicated by Shayne Mallard?

20 **MR AJAKA:** Correct.

MS McDONALD: Before that, was there any communication you received about a wish for you to resign?

25 **MR AJAKA:** I believe it was also mentioned once before but I - I can't recall if it was Councillor Goodman in part of the discussions with him. Councillor Goodman did mention that I'd be - yes, Councillor Goodman mentioned that the mayor wants me to resign and when I said to him, "Why would I do that? That's just ridiculous and, you know, how is that fair?" And he did mention that, "Look, the mayor would organise a golden handshake for you" and I said, "That's completely inappropriate."
30 And I indicated to him that he, as a councillor, shouldn't be putting comments like that to me.

35 **MS McDONALD:** At this time had the April council meeting occurred? Sorry, we've got - that was a vague question, I apologise for that. We've had the meeting on 16 April.

MR AJAKA: Yes.

40 **MS McDONALD:** It seems after that -

MR AJAKA: There's a council meeting.

MS McDONALD: Yes. And in the interim period you're having discussions with Councillor Goodman?

45 **MR AJAKA:** And SMSs.

MS McDONALD: And through him trying to organise an apology, etcetera.

MR AJAKA: Yes.

MS McDONALD: That comes to naught? That comes to nothing, the -

5

MR AJAKA: So I understood that we were going to have a meeting on the council day at 12 o'clock. I kept chasing Councillor Goodman to confirm that the meeting was on. He kept indicating he'd come back to me. At one stage indicated that the mayor wasn't there, and then the next thing that occurred is I received an email from

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MS McDONALD: Would you bring up OLG.001.001.0311. Yes

MR AJAKA: That's my response but the -

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MS McDONALD: I think it's towards -

MR AJAKA: The bottom.

20 **MS McDONALD:** - the bottom of the document.

COMMISSIONER: Just pause and wait for Ms McDonald's question.

MR AJAKA: Yes. Yes, that's the email I referred to from the mayor.

25

MS McDONALD: Yes.

MR AJAKA: It came in at 11.19 while I was still trying to get confirmation of the 12 o'clock.

30

MS McDONALD: So, from that, the planned council meeting was the evening or late afternoon of 24 April?

MR AJAKA: Council meetings are at 2 pm.

35

MS McDONALD: And this is an email you received from the Mayor with Mr Portelli copied in. Subject matter: Workplace Safety and it's:

"I'd like to advise I don't feel safe at my place of work being 50 Scott Street. Hence I've not been in the office this week."

40

Raises with you:

"This is purely because of the manner in which you spoke to me at the meeting. Abusing and bullying behaviour is unacceptable. Duty of care to our employees and I, therefore, inform you because of the environment that you have created, I am finding it difficult to chair today's meeting with you sitting next to me."

45

Then:

5 "Could you please make suitable arrangements to make sure a safe environment is provided to myself and others."

And then if we go down:

10 "My preference is to have the deputy mayor sitting next to me."

And then:

15 "I note that you have made no effort to reach out to me personally to remedy your actions. I must say this lack of remorse or action from your side is more disappointing than what you said."

Now, where he states that he hadn't attended the office because he doesn't feel safe, did you observe him at the office at any time after the meeting of 16 April?

20 **MR AJAKA:** My understanding was that he was in the office on a number of occasions when I was SMSing Goodman, but I did not actually see him. I was advised by my EA.

25 **MS McDONALD:** This assertion of the mayor being concerned that it's not a safe environment for him, until this was raised in this email, was it ever raised with you?

30 **MR AJAKA:** No. Nothing. I mean, as I've said, after the comment was made, the energy in the room didn't change and he remained there for another 20 minutes. Nothing was ever said. I mean - I mean, I did respond to it, but, no, I was - again, I was stunned when I received this letter. Just came out of nowhere.

MS McDONALD: You have a workplace and safety - a director or a manager -

35 **MR AJAKA:** Yes.

MS McDONALD: - in charge of workplace and safety?

40 **MR AJAKA:** Yes. It's done through the - through what's referred to as people - human resources manage that.

MS McDONALD: Did they contact you to -

MR AJAKA: No.

45 **MS McDONALD:** - to state that - any complaint or any concern had been raised with them?

MR AJAKA: No. No complaints whatsoever. And the other thing is the mayor is not my employee. He's the mayor.

MS McDONALD: You're employed by the council.

5

MR AJAKA: As a whole. I'm their employee, but the Mayor's not my employee. None of the councillors are my employee.

MS McDONALD: And the usual practice at the council meetings at that point - we've watched a video of a recent council meeting from February of this year and there is a table with the Mayor and the current CEO sitting next to him.

10

MR AJAKA: Correct. Correct.

MS McDONALD: That was the same procedure in the old chambers?

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MR AJAKA: Yes. Yes.

MS McDONALD: Now, still on these emails, you respond?

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MR AJAKA: Yes, I did. Fairly recently.

MS McDONALD: And if we can just pause there. That is your response?

MR AJAKA: Yes. It will have the time on top.

25

COMMISSIONER: Scroll up a little bit. There we go, yes.

MS McDONALD: At about 11.42.

30

MR AJAKA: Yes, and it was - from memory, it was typed by the person substituting as my EA, Lauren. I dictated it to her and she typed it.

MS McDONALD: All right. And in that, your initial comments, you were stunned to receive the email. Then in the second paragraph you refer to, or you assert that the mayor had been bullying you for months and trying to compel you to take actions, which you repeatedly said, "I'm unable to," or, "Not appropriate to do."

35

MR AJAKA: Yes.

40

MS McDONALD: Are you referring there to the -

MR AJAKA: Terminating certain employees.

MS McDONALD: Right.

45

COMMISSIONER: Anything else?

5 **MR AJAKA:** No. It - it was mainly terminating certain employees. And there was that one stage - and he knows that - that when he kept talking to me, and I said to him, "Look, you know, you're talking 15, 16, 20 possible employees, you're talking 20 families. I'm just not going to do that." But he would continually go on about it.

MS McDONALD: You then go on and assert that he's been aware that you've been attempting to meet with him on a couple of occasions -

10 **MR AJAKA:** Yes.

MS McDONALD: - to apologise.

15 **MR AJAKA:** Yes.

MS McDONALD: And you're referring to the evidence that you have given about Councillor Goodman -

20 **MR AJAKA:** Yes.

MS McDONALD: - trying to facilitate that?

MR AJAKA: Yes.

25 **MS McDONALD:** And then you say in the paragraph:

30 "Your assertion I've shown no remorse is inaccurate. I've indicated that I was happy to apologise and you have sent a message to me that the apology must be conditional on either eight weeks leave immediately, I resign immediately, or I agree to terminate two directors, 10 managers."

Etcetera.

35 **MR AJAKA:** These were said at different times by Councillor Mel Goodman. There was always something extra that would come in.

40 **MS McDONALD:** And then if we just continue through this email, you then say you're the CEO of the council, you will be attending the meeting and sitting at your required spot.

MR AJAKA: Yes.

MS McDONALD: And then you said:

45 "It's a matter for you if you wish the deputy mayor to take the chair's seat."

In your place, and that's occurred in the past. And then right at the bottom you say:

"I'm well aware that you have advised a number of people that you intend to have a motion to have my appointment terminated, and this is, of course, a matter for council."

5

MR AJAKA: Yes.

MS McDONALD: How did you become aware of an intention to move a motion for your employment's termination?

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MR AJAKA: So Councillor Goodman had mentioned to me that, look, if I don't do what the mayor wants he's going to move for a motion. I believe Shayne Mallard brought it to my attention as well. And even Jason Breton mentioned to me, "You understand that he's going to get rid of you now? You're not the first CEO that he's gotten to" - "that he's gotten rid of." And I kept saying, " Well, he can't do that. It's a matter for council."

15

MS McDONALD: And the point in which you're responding in this email, which was at 11.42 am on the day of the council meeting - at that point, to your knowledge, had any foreshadowed resolution -

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MR AJAKA: No.

MS McDONALD: - or motion been put forward to the council?

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MR AJAKA: At that point I did not - even when I went into the council meeting, I did not believe that he would move a motion to expel me - remove me. I just didn't believe he would do that.

30

MS McDONALD: And we'll move - we'll return to this tomorrow morning, but when you attended the council meeting, was there an attempt to terminate your employment but via the mechanism or procedure of a mayoral minute?

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MR AJAKA: Yes. Prior to that, the meeting started. He sat next to me, I sat next to him. We went through the normal formalities. We went through the prayer. We went through all of that. And then a couple of matters were dealt with, conflicts of interest. Then one of the councillors moved a motion congratulating the staff and congratulating the CEO on a, in effect, job well done. And he and all the Liberal councillors unanimously voted for that motion, so I took it, it was all over. I - you know, I mean, why would you pass a motion congratulating me? And then it wasn't until a bit after that that suddenly he moved that it had to go into confidential session.

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MS McDONALD: And at that point, you left the chamber?

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MR AJAKA: I was directed to leave the chamber. All of us were directed to leave the chamber, including those sitting in the public gallery.

MS McDONALD: And when you were - so you assumed your usual seat?

MR AJAKA: Yes.

5 **MS McDONALD:** And the mayor assumed his usual seat?

MR AJAKA: Yes.

10 **MS McDONALD:** And you dealt with each other professionally during that part of the -

MR AJAKA: Yes.

15 **MS McDONALD:** Is that an appropriate time?

COMMISSIONER: Yes. Just before we finish for the day, whilst this document is on the screen, Mr Ajaka, in case I forget to return to it tomorrow, you'll see on the screen the fourth paragraph:

20 "Your behaviour over the last few months".

Do you see that paragraph?

25 **MR AJAKA:** Yes.

COMMISSIONER: What behaviour were you referring to?

MS MCDONALD:

30 "That has been not only unprofessional but also unacceptable."

COMMISSIONER: That's the one, yes. Do you see that, Mr Ajaka?

35 **MR AJAKA:** Yes.

COMMISSIONER: What behaviour were you referring to?

40 **MR AJAKA:** So again, the way he kept at me about making changes to the structure.

COMMISSIONER: All right. Anything else?

45 **MR AJAKA:** And the way he went on about the budget when he would speak to me. You know, including even throwing the papers up in the air in front of everyone. It was that behaviour. Clearly, at this time, as I had said previously, there seemed to be a change in attitude in him. He seemed to be getting very angry all the time. He

seemed to be getting very stressed all the time. He always had a shot at me or at any of the staff. It was that behaviour.

5 **COMMISSIONER:** All right. Mr Ajaka, we're going to resume your evidence tomorrow morning. If you wouldn't mind being back here, ready to go, just before 10 am, I'd be most grateful.

MR AJAKA: Thank you, Commissioner.

10 **COMMISSIONER:** Is there anything I need to deal with this afternoon? No?

MS McDONALD: No, Commissioner.

15 **COMMISSIONER:** All right. I'll adjourn until 10 am tomorrow. Thank you.

 <**THE HEARING ADJOURNED AT 4.03 PM**