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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 20 MARCH 2012

AT 2.00PM

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This transcript has been prepared in accordance with conventions used in the Supreme Court.

ASSISTANT COMMISSIONER: Thank you, please be seated. Yes, Mr Morris.

< **JI FANG ZHOU, on former oath**

**[1.59pm]**

10 MR MORRIS: Very quickly, Mr Zhou, you'll see at page 24 of your statement and following there was reference made to the appointment of Gerard Hunt, you see that there?---Yes.

And you see at the top of page 25 of your statement that you were aware that a Ms Astar attended interviews?---Yes.

Were two of the candidates Tina Huang, H-u-a-n-g, and Steve Kokkinis, K-O-K-K-I-N-I-S, in the first round of interviews?---Yes.

20 Right. And then in the first round of interviews Mr Hunt was not a participant, do you, do you recall that?---That's correct, yes.

But the other two, Huang and Kokkinis, were participants and you talk about in paragraph 119 after the interview process the Selection Committee members decided not to recommend any of the applicants, that is neither Huang or Kokkinis, do you recall that?---That's correct, yeah, I recall that.

Okay. Now, Mr Kokkinis made a complaint to the Chancellor about the selection process did he?---I heard that through other people, yes.

30 You never saw the complaint?---I never saw the complaint myself, no.

Okay. And you say in 122 you recall after the end of the phase that Ms Astar and yourself had robust discussions with Mr Demiralay that we believe that the external applicant, Ms Huang, interviewed well and appeared to be capable to undertake the role of technical team leader et cetera et cetera, right?---Yes.

Now Ms Astar was not within ICT was she?---No, she's not, she's part of Human Resources.

40 Right. So she wasn't under the direct supervisions of Mr Demiralay?---She wasn't, no.

Now if you can recall what the nature of the robust discussions were set out in paragraph 122, I'm sure the Commissioner would be assisted by what you can remember?---I first had a discussion with Ms Astar because she attended the interviews obviously and we discussed the background of the candidates who were interviewed and their suitability and we agreed that Tina Huang appeared to be a strong candidate. So I decided to, to talk to

Mr Demiralay and see, you know, if we, we could make a decision through discussion about the appointment and I put the, put our view across that Ms Huang has the relevant background in IT support management, in team management in a tertiary education environment and I think as I recall Mr Demiralay didn't agree that she was appointable to the role, mainly because of lack of technical knowledge that's required for the position and that, that's where the conversation ended and we decided not to appoint her.

10 Right. Now Ms Astar was present through this discussion with Mr Demiralay?---I don't think she was. I - - -

Just go back to your statement, the first sentence in paragraph 122?---Ah  
hmm.

You say, "I can recall after the interview phase that Ms Astar and I had robust discussions with Mr Demiralay - - -?---Ah hmm.

20 - - - that we believed that the external applicant, Ms Huang, interviewed well" et cetera?---So to clarify that I - as I remember I had a one on one discussion with Mr Demiralay.

Okay?---After the interviews. Ms Astar may have had - well, I say she most probably did have discussions with Mr Demiralay when they're conducting the interviews but then my discussion with Mr Demiralay took place after that.

30 Okay. Now, you've used the word in paragraph 122, the word "robust". What were you seeking to convey by the use of that word?---Just that we, you know, wanted to put our point of view across robustly, strongly, and, you know, that Ms Huang is a very strong candidate for the role, yeah.

Now you say in 124 Mr Demiralay did not wish to readvertise the position again?---That's correct.

Right. In other words nobody was going to be appointed under the first round but he wasn't going to readvertise it again, right?---That's correct.

40 Now you then became aware that on 7 December, 2009 the original Selection Committee members but for Ms Astar interviewed Mr Hunt for the position of technical team leader desktop support?---Yes.

Now, and you set out the extent of your knowledge there?---Yes.

Right. And you say that you weren't aware - you're aware that he was recruited through Succuro?---I wasn't aware of the name of the recruiting company. I knew that he was recommended through a recruitment agency.

Okay. But that recruitment agency turned out to be Succuro. Correct?

---I've been told.

Right. Okay. And you've since been told that there was a \$15,000 placement fee sought by Succuro for that appointment?---I have been told of that in the proceedings today, yeah.

Now was Mr Tshipidis on this Selection Committee?---I believe he was, yes.

10 And did you know whether Mr Tshipidis had formed a view about the relative qualities between Mr Hunt and Ms Huang at least on paper? Were you aware of that?---Not to that level of detail, no.

If at least on paper Mr Tshipidis formed a view that Mr Hunt was at least equal to Ms Huang, right, in terms of ability and suitability for the job would that surprise you?---No. That is the first step of assessing a candidate, so yeah, the normal process would be the hiring manager would assess the written application or the CV of the candidate and form an assessment of that candidate's suitability for the role. And given that Ms Huang wasn't appointable to the role then I would expect that assessment of  
20 Mr Hunt would be that he is at least at her level or should be, should be at a higher level of suitability.

But from what you could see on paper Ms Huang was suitable for the job which is why you went to see Mr Demiralay?---From my assessment I thought she was suitable to the position, yes.

And Ms Astar appeared to share your view. Is that correct?---Yes, that's correct.

30 I have nothing further. Thank you.

ASSISTANT COMMISSIONER: Thank you, Mr Morris. Yes, is there any application to cross-examine this witness? Mr Gibson?

MR GIBSON: Yes, I seek, I seek leave to cross-examine, Commissioner. Mr Zhou, Zhou is that right?---Zhou is fine.

(not transcribable)?---Zhou is fine, yeah. I've been called all different pronunciations and yeah, I've, yeah, it's fine with me.  
40

I'll do my best. Now the process to recruit someone at the University can be quite complicated. Do you agree with that?---I would agree with that, yes.

And since 2006 there have been a number of changes to the recruitment and selection policy. Do you agree with that?---Yes, that's correct.

As a matter of fact you're in Human Resources?---Yes.

You're, I take it, quite familiar with that document, the recruitment and selection policy?---Yes.

And over the years it is a document that has gone from, it's about 15 to 20 pages long, depending on which version you look at?---Roughly, yep, it sounds about right.

And are you aware that the latest version is 9 August, 2011? Is that right?  
---I don't know for sure. That sounds about right.

10

And that there were changes to it on, three changes to the document in 2009?---I don't know.

Perhaps I wonder if the witness could be shown volume 2, page 1. If you have a look at this, if you just open up at page 1?---Yep.

You've got it there. And it says, "Recruitment and Selection." It doesn't have a date under the heading there, but if you go to page 12, see the top right-hand corner of the pages, if you go to page 12?---Yes.

20

See that seems to be a similar document?---Yes.

But it's got an updated date on it?---Yes.

January 2009. And accept from me that if you look through that you would see that same document at page 26 an update, 6 March, 2009, and at page 42 an update of November 2009?---Yes.

30

And page 70, I'm sorry, I missed one, page 56 an update of April 20, 2010?  
---Yes.

And then at page 70, an update of August 2011?---Yes.

So they're the various iterations of the, sorry, I withdraw that. The page 1 document, do you know, it doesn't have, seem to have a date on it?---It does at the end.

What's that date?---It is approved on 24 May, 2006.

40

That's the '06, and we take it that was in place then through to January '09?  
---That appears to be correct.

So those first 81 pages, sorry, 82 pages represent the various Recruitment and Selection Policies of the University from that date in '06?---Ah, yeah, various iterations of the Recruitment and Selection Policy, yeah.

Through to that last update of 9 August, 2011?---Yes.

Do you agree with that? You, being part of Human Resources, are you familiar with the Purchasing and/or Procuring Policies of the University?  
---I'm not familiar with them. I've heard of them but I'm not really familiar with them.

Okay. Now, to recruit, sorry, we've finished with that document for the moment?---Okay.

10 Do you want to hand it back. You told us about the process to recruit staff at the University, there is, a request to hire form is the first thing that's generally generated?---Yes, that's correct.

That doesn't apply in terms of the recruitment or hiring of contractors?  
---It, it does apply to the recruitment of contractors now, that's a recent change from I believe 2010.

Right. Would that be when the new request to hire forms and procedures came into place?---That's correct.

20 Prior to that- -?---The request to hire didn't apply to contractor recruitment prior to that.

That's right. So if we just stick with contractors prior to the new procedures?---Right. Yeah.

Say from '06 through to that process. The person who wanted to recruit the contractor would do that themselves, they didn't need to come through HR?  
---No, no, it didn't need to come through HR.

30 There was at some stage, are you aware of a – I'm talking now it was in relation to ICT, use of preferred of contractors made, I'm talking about individuals?---I'm not aware of such lists.

Are you aware of the list of preferred recruitment agencies being made?---  
Only, only through discussions with Mr Demiralay that he used several recruitment agencies that he has dealt with before and he has favourable terms with.

40 Are you aware of a list prepared by Mr Pigot of preferred agencies, recruitment agencies?---No, I'm not aware of such a list.

Prior, and again stick to this period prior to the new 2010 changes, for a contractor there was no formal procedure in place at the University to recruit a contractor?---There may have been but I don't know what they are. It may be through the finance procurement side of things.

But not as far as you're aware?---Yeah, I don't know either way, yeah.

And following on from that question, and I may be redundant, but there was no need to – formal need to interview contractors. Was that your understanding?---Yeah, certainly not within HR, any HR policy there's no formal requirement to interview contractors.

Now going on to applicants for full time positions, there was – and I'm talking about at any time now in 2006 through to 2011, in general terms there was a – the process was triggered by someone filling in a form, a request done by someone?---Yeah, that's correct, yeah.

10

It doesn't matter whether if it was an old form or the new form - - -?---Yeah, that's correct.

- - - to start off and it went off to your office?---That's correct, yes.

And - - -?---Well I'll just clarify that slightly. Yeah, currently the request will come to my office first and then we'll generate the request to hire and then get that approval started. Previously departments would just fill in the request to hire, get it all approved and then send it to recruitment.

20

Now this approval process you're talking about, getting it approved - - -? ---Yes.

- - - depending on the position I take it requires approval by the, I'm not sure whether your answer before you meant that it required the approval of all of these people or you said hiring manager, hiring manager supervisor - - -?---Human Resources.

30

- - - Human Resources person - - -?---Finance.

- - - Finance person or Deputy Vice Chancellor?---Yes, it requires the approval of all those people under the current procedures. But that, that's effective from beginning of 2010.

All right. Well prior to that?---Prior to that it was the, I think it was basically the delegated authority who, who has the authority to approve the recruitment of that position.

40

I'm not quite sure what that meant. Does it still require the approval of all those people or some of them or one of them?---I believe just the delegated authority who, who, yeah, is one of the people listed for the current process.

And that would depend upon the proposed salary of the person?---Sorry?

Would that depend upon the level of the position and the salary?---Yes, yes.

All right. Now once the position was approved and advertised the applicants would come in – your area would do the initial screening of applicants wouldn't they?---That's correct, yeah.

And I should just clarify you work in Human Resources and are dedicated to the ICT group?---I have a dedicated portfolio of departments, faculty schools I look after and ICT is part of my portfolio.

10 So if we get back to that you would do your, someone in your area would do the initial screening of applicants?---Yes, that's correct.

In Human Resources is there more than one person dedicated to ICT or are you it?---There's several Human Resources personnel who are dedicated to ICT, so myself, other recruitment personnel, there's, I mean there's been so many changes through the years but currently there's another recruitment consultant who looks after senior general staff recruitment for ICT, there are two recruitment administrators who support the two recruitment consultants and there would be an HR adviser in the HR relationship group who looks after ICT and I believe case, case management group, there would be a  
20 person whose portfolio includes ICT and in the HR service centre there would be a HR officer who looks after the payroll administrative functions for ICT.

Okay. We'll go back to the screening of these applicants. That was done in your area?---Yes.

And then you would send a list back to the hiring manager- -?---Yeah, we would send what we called a candidate report which includes a summary table of our recommendations about each candidate and the, the actual  
30 applications that were submitted for the suitable and potentially suitable candidates.

And the non-suitable candidates the hiring management never see?---They would just see their name in the summary table and why they were not suitable, but not the, their detailed applications.

In any event, did at some stage then you or someone in your area get informed of who the Selection Committee, who was on it?---Yes, that's  
40 correct.

If we go back, sorry, a step to this screening of applicants. You or someone in your area would then have seen the CV's that came in on the applications I take it?---Yes.

You would have seen who were the nominated referees for the applicants? ---We normally don't pay attention to the referees at the screening stage. There is a lot of information that's submitted with the application.



Normally on the last page of a CV it might say referees, XYZ. You would have seen who the nominated referees were?---Yeah. It's normally included in the application but I would say most of the time we don't pay attention to it. We might receive 50 to 100 applications for a job so, you know, obviously we need to screen them fairly quickly so, you know, we, we pay attention to the most important bits of information and then that usually doesn't include the referees at the screening stage.

10 I thought you said earlier that if an applicant had supplied a referee who was on the Selection Committee- - -?---Yes.

- - -that might be of concern to you?---Yes, it would be.

So wouldn't you check the applications to see who are the nominated referees?---We do, we usually check that at the reference-checking stage.

That's at the end of the process?---Almost at the end of the process, yes.

20 One of the last things to do before the appointment's made?---Yeah, one of the last things to do, yeah.

And if you had seen on a CV of someone that made the shortlist, they've nominated as a referee someone on the Selection Committee, it might raise a flag for you?---Yeah, yeah.

30 Would it have been a problem for you if they had, that person had been working at the University under the supervision of the nominated referee? ---Yeah, that would be, yeah, I wouldn't say it's a problem but that would raise a flag and at the reference-checking stage I would make sure that the Selection Committee member isn't a referee for that candidate.

You would have sought a reference from someone else?---Yeah. We usually have a conversation with the, briefly with the candidate after interviews and just make sure that they're happy for us to contact their referees and we will tell them, okay, you've nominated somebody on the Selection Committee, that's, you know, we can't use them, can you nominate someone else, yeah.

40 I mean, to be specific if you look at Mr Angelopolous, he nominated Mr Demiralay as a referee - - -?---Yeah.

- - - when he applied for the team leader position. And if you accept that he had been - Mr Angelopoulos had been working under the supervision of Mr Demiralay for close to a year it wouldn't be surprising that he was nominated as referee, would it?---I mean, not necessarily surprising if the person's only been working in the University for one year they may not be aware of that particular rule so, you know, we, we do fairly frequently get candidates who apply for positions and then nominate people who are on the

Selection Committee just because they don't know the rule or they don't know who's on the Selection Committee.

Putting aside the rule would it surprise you that someone nominated as a referee the person who had been supervising them directly for the last 12 months?---Ah - - -

As a general proposition?---Yeah, that, that's, that's reasonable, yeah.

10 It's your experience - - -?---Yeah, if they didn't know about the, about the, yeah, that particular rule.

In your experience as someone whose job is about recruiting people it wouldn't surprise that someone nominates their last immediate - - -

MS OAKLEY: I object.

20 ASSISTANT COMMISSIONER: Mr Gibson, he's answered this three times at least. He says if they didn't know the rules yes, it wouldn't surprise him.

MR GIBSON: May it please the Commission.

30 You in your statement at paragraph 48 - have you got a copy there? You stated "I was not aware that Mr Demiralay allegedly preferred one particular external recruitment agency, Succuro Recruitment". You weren't involved in or had knowledge of the contract, the recruitment of contractors prior to 2010?---I knew contractors were being recruited into Field Services but I had no involvement with their recruitment.

You weren't ever involved in the detail of where - who the contractors were or what agency they came from?---Yeah, none of that.

You have made in your statement reference to particular employees or former employees of the University starting I think at paragraph 53 - - -? ---Ah hmm.

- - - to Mr Buxton, do you see that there?---Yeah.

40 Now, is it the case that he was initially recruited as a contractor?---That's correct, yes.

And so at the time of that recruitment there was no policy about Selection Committees for contractors?---No, as far as I'm aware, no.

Now I want to talk to you about this process of someone being employed or appointed on nomination?---Yes.

Is that a term you're familiar with?---Yes, yes.

Is that a process where for a short term appointment - - -?---Yes.

- - - someone can be nominated for a position and not go through any recruitment process?---There is a recruitment process but it's much simpler than the full advertising process.

10 And can you tell me the process of how someone gets to be appointed by nomination?---Okay, so the person is usually known to the hiring manager. So they nominate the candidate for appointment on nomination. See the current process is they would contact Sydney Recruitment, raise a requisition, we send out the request to hire form, it needs to go through the normal approval channels. They need to do one reference check and submitted on the resume of the candidate. And yeah, that's basically it.

The people who are being appointed on nomination whatever form is produced goes to Human Resources, there has to be an approval process? ---Yes, that's correct. Yep.

20

And if there are reference checking is that done by Human Resources?---It's usually done by the department for the nominations.

All right. Whilst on reference checking is it the case that four people had been selected or recommended from a Selection Committee for appointment - - -?---Right.

30 - - - and the process is that a form goes back to Human Resources with a number 1 candidate. Is that right?---That's correct, yeah. The Selection Committee report.

Yes?---Yep.

Who is the preferred candidate?---Yes.

And then there is a process of reference checking?---Yes, that's correct.

40 And is it the case that often that reference check - - -?---The reference checking is usually done before the Selection Committee report is finalised because the - a summary of the references is included in the Selection Committee report.

Is it sometimes reference checking done by your area?---Yes, a lot of times.

So it's independent of the Selection Committee?---Sometimes it is when a senior recruitment staff member is not part of the Selection Committee, so they're completely independent of the Selection Committee. Where

sometimes the senior recruitment representative joins the Selection Committee and then does the reference checks afterwards.

So if – we’ve just got to be correct there, when you say senior recruitment you mean Human Resources?---Yeah, a team within Human Resources, yeah.

10 So if someone from that is on the Selection Committee normally they would do the reference checking?---Yeah, they would or they would ask their recruitment administrator to do the reference checks, yeah.

So the reference checks, their aim is there that they are done by not the hiring manager or anyone in the area where the person is going to work? ---In those cases, yeah, it’s not done by the hiring manager or anybody in the area, yeah.

Now you were asked some questions about an applicant for a position, Ms Huang. Remember those - - -?---Yep. Ah hmm.

20 - - - questions you were being asked?---Yes.

And she was originally interviewed on a panel that included Ms Astar? ---Yes.

And – but was not recommended for the position?---That’s correct.

30 And then I think you said in your statement that Mr Demiralay had said to you, don’t readvertise it, we’ve gone to the market and that’s what we got? ---Something to that effect, yeah.

And he wanted to engage an external recruitment agency to see if they could find someone for the job?---That’s correct.

And then there was another applicant for the job, a Mr Hunt?---Yes.

And there was a Selection Committee convened it did not include Ms Astar? ---That’s correct.

40 You don’t know the reasons why she wasn’t on the committee?---I don’t think there was a explicit discussion about it. I was given the impression by Mr Demiralay that he would take over the, the process in terms of recruiting from the agency and yeah, so it was the, the interview with Mr Hunt went ahead without Ms Astar.

And was Mr Hunt - that position was for a permanent position or a contractor?---Yes, I believe so, yes, a permanent position.

Do you know if Ms Huang subsequent to this process applied for any similar positions?---Yes, I actually told her about another project manager role in ICT that came up a little while later and she was successful in being appointed to that position which she currently holds.

Apart from that position are you aware if she was interviewed again for a similar team leader position?---Not that I can recall.

10 Your records would show whether or not she applied for and was interviewed for a different position?---The records should, should show that, yeah, if she did.

And whether or not she was successful?---And, yeah, obviously, yeah.

Going back to that first interview where she was unsuccessful, where Mr Demiralay was on the committee - - -?---Yes.

- - - you weren't on the Selection Committee?---No, I wasn't.

20 And you don't have the technical knowledge of Mr Demiralay's area that he would have?---That's correct.

So just finally, the selection - the recruitment process involves in the first instance applications being screened by your department or area?---That's correct.

30 And following the selection process then the successful applicant or recommended applicant again being screened by your, someone in your area?---What do you mean, reference checks or - - -

Well, there is a form, quite a detailed form, sent back to you with the recommended applicant?---Yes.

That's right, isn't it?---The Selection Committee report.

Yes?---Yes.

Selection Committee report?---Yes.

40 With either reference checks having been made - - -?---Yes.

- - - or for you to do the reference checks?---That's correct, yeah.

So if there are any anomalies either in the applications or the referees there is an opportunity for that to be picked up?---There is an opportunity, yes.

Thank you.

ASSISTANT COMMISSIONER: Thank you, Mr Gibson. Yes. Ah, yes, Mr McIlwaine.

MR McILWAINE: Thank you, Commissioner.

Mr Zhou, I represent the interests of Mr Mylonas?---Okay.

10 And I only want to ask you about one I think and that's referred to in paragraph 131 of your statement, do you have that with you?----Yes.

And that's in regard to the placement fee paid to Succuro Recruitment in regard to the employment of Mr Hunt?---Yes.

Now - and you indicate in that paragraph that you understand a fee of approximately \$15,000 was paid and that would appear to be in line with market rates, correct?---Yeah. I wasn't aware of the exact amount but the \$15,000 would be in line with market rates, yes.

20 Now, do you agree from your knowledge and experience that the rate charged in the market by way of placement fee is normally a percentage of the annual salary of the recruited person provided they perform satisfactorily for say three months?---That's correct.

Is that consistent?---Yes.

30 Now, I want you to assume that there's some evidence in documents before the Commission from Mr Hunt. His understanding of recruitment, of placement fees was that a placement fee would usually be in the vicinity of 30 per cent of the annual salary wage of the recruited person. Is that consistent with your understanding?---Not for the position that Mr Hunt was, was appointed to. 30 per cent would be a level fee that's usually charged for a senior executive placement, so head-hunting, head-hunting firms would usually charge that, yeah.

Right. Certainly the percentage fee depends on the seniority of the position?---Yeah, usually, yeah.

40 Now, the particular position that Mr Hunt was appointed to, do you accept that he was recruited on a salary package of \$85,139, or somewhere in that area, plus 17 per cent superannuation?---Sounds roughly right.

Roughly \$100,000?---Yes.

Just assume for the purpose of the argument that was the package he was recruited on?---Okay.

I want to suggest to you that the usual percentage for that sort of figure in the market would be in the area of 20 per cent. Would you agree with that?

---I would say that's at the high end. It's, you know, certainly within the range but at the high end of the range.

All right. But certainly the figure of \$15,000, would that be towards the bottom end of the range?---I would say it's about average.

Nothing further.

ASSISTANT COMMISSIONER: Thank you. Yes, Mr Chalmers?

10

MR CHALMERS: Sir, I act for Mr Passe-De-Silva?---Yes.

Can I take your statement, which I know you have in front of you, and can I ask you to have a look at paragraph 68?---Yes.

Do you see there it's a, in relation to my client, Mr Passe-De-Silva, "I was not aware that Mr Passe-De-Silva was previously engaged as a contractor through an external recruitment agency- - -?---Ah hmm.

20

- - -prior to applying for the continuing team leader desktop support position and being employed in that position." From that statement it sounds as though you believe that in fact he was previously engaged as a contractor through an external recruitment agency. What, what do you base that on? ---I don't agree with that suggestion.

Right. So- - -?---I was just saying that I wasn't aware at all that- - -

Either way?---Either way, yeah, exactly.

30

Okay?---Yeah.

So no one suggested to you that he was part of a recruitment agency? ---I had no knowledge about that issue at all. Sorry?

No one suggested to you that he was part of an external recruitment agency before he received employment?---Only during my ICAC interview.

So did someone from ICAC tell you that?---Ah- - -

40

That, that, that he was part of an external recruitment agency?---Yeah, it was one of the questions the, the investigator asked me during my interview, was- - -

Right---?- - -you know, did you have any knowledge of, that, that Mr Passe-De-Silva was a contractor.

Right?---Yeah.

I see. So you kind of took the implication from the question when you answered the question?---Yeah, yeah, that's right.

Okay. Thank you.

ASSISTANT COMMISSIONER: Mr Chalmers?

MR GOLLAN: Commissioner, my name is Gollan. I appear for Mr Pigot.

10 ASSISTANT COMMISSIONER: Mr Pigot.

MR GOLLAN: Might I seek leave to ask a few questions?

ASSISTANT COMMISSIONER: Yes.

MR GOLLAN: I assure you there won't be many of them.

ASSISTANT COMMISSIONER: Thank you.

20 MR GOLLAN: Mr Zhou, is it?---Yeah.

I'm sure that I won't be the first to make a mistake, given your earlier comments. Can I just ask you, there were some questions asked by learned Counsel Assisting the Commission with respect to your statement, particularly paragraphs 122, 123 and thereafter. Whilst you're turning that up, refreshing your memory, it's about the robust conversation said to have been had by you and Ms Astar with Mr Demiralay?---Yes.

30 Ms Astar was someone, I apologise to the sound recorder, but Ms Astar was someone that you worked with for some time before that?---For several years, yeah, about- - -

And- - ?- - two or three years before that, yeah.

I apologise. Sorry for speaking over the top of you?---No, that's okay.

And your appraisal of her was that she was a competent and good employee in the role that she conducted?---Yeah, in every way, yeah.

40 And I take it when it came to the follow up after the first round for whatever reason had been unsuccessful?---Yes.

That it came as some surprise to you that Ms Astar had then been excluded from those further considerations?---I wasn't surprised. As part of the discussions I had with Mr Demiralay, he did inform me that he's going to engage recruitment agencies to try to fill the role. You know I think he gave me the impression that he would take over the recruitment process and deal with the recruitment agencies himself. So I wasn't surprised when he told



me that he has found a good candidate and that Ms Astar wasn't part of the Selection Committee who saw the person.

The process?---Yeah.

And I take it then from your statement, from what you've said that when he told you that he didn't want to re-advertise that in other circumstances it had been the situation that there was re-advertising?---Yeah, there were, yeah. Sometimes they were re-advertising, sometimes the manager went to the agency, yeah.

And did you have any expectations that the process would encompass further re-advertising or re-advertising before he advised you that no, well as you said in paragraph 124, that he felt he'd exhausted the external market and that he was going to approach a recruitment agency?---There's no University policy or procedure that you know, puts a compulsory requirement on the hiring manager to re-advertise. So I was, you know, certainly trying to – in my discussions with Mr Demiralay, trying to offer our services as the internal recruitment team to fill the role. But you know, I accepted his decision to go to an external agency to fill the role.

And you most certainly would need to be advised given your earlier involvement in the attempts to recruit someone. Correct?---That's correct, yeah.

You'd expect at least as a matter of courtesy if not protocol that he would advise you that he was going beyond your department and looking outside. Correct?---Yeah, that's correct.

Now just more generally you – when Counsel assisting the Commission asked you some questions about giving notice or otherwise alerting people of any potential conflict within the process of recruiting - - -?---Yes.

- - - and would it be fair to say that at the convening of the interview panel that that's the time that you would expect any conflict to be made aware to those others involved in the process?---Yeah, that's one of the times. I mean as a, I guess as a general rule people should declare conflict of interests as, as early as possible. So it could be before, before the panel convenes for the interviews.

But at least by the time the panel (not transcribable)?---At least by the time of, yeah.

And one might expect for the process that follows thereafter that if there was a conflict that that would have been disclosed at some earlier stage if not at least the panel convening?---That's correct, yeah.

Thank you.

ASSISTANT COMMISSIONER: Yes, there's nothing else. Oh yes, Mr Eurell.

MR EURELL: I just have a couple of questions for you Mr Zhou in relation to I think Mr Gibson raised it with you a bit earlier?---Yes.

10 And you recall that he asked you some questions about the fact that Mr Angelopoulos had nominated Mr Demiralay as a reference when he applied for the team leader position?---Yes, I have a vague memory. There were a lot of questions.

Do you recall acknowledging the fact that at the time that Mr Angelopoulos made an application for that position he was in fact being supervised or working under the management of Mr Demiralay?---I believe that's the case, yes.

20 And you indicated in response to the questions that it may have been a fact that Mr Angelopoulos may not have been aware of the rule?---That he nominated Mr Demiralay as a referee, yeah, that's correct.

What were you talking about?---That a member of the Selection Committee cannot also be a referee.

And where do you say that is recorded?---As far as I know it's not recorded in the policy.

30 You accept, don't you, that if it's a rule people are to be bound by it, it ought to be if not must be written down?---Well, to me it would be much better if it was written down in the recruitment selection policy for example but it is also seems to me to be common sense that the referee for a candidate should be independent of the Selection Committee.

Have you ever worked for the State or Commonwealth Public Service?  
---I've worked for Sydney Water which is a State corporation, I don't know if that would, you know, qualify as State Public Service.

40 And are you aware that as a practice the civil service in this country requires one of your references to be your existing supervisor at the time you make the application, whether that's in government or not?---I'm not aware of it, that rule, no.

Yes, thank you, Commissioner.

ASSISTANT COMMISSIONER: Thank you. Yes, Ms McGlinchey.

MS McGLINCHEY: Mr Zhou, I appear for Mr Tsipidis, Tsipidis?  
---Yes.

Do you have your statement there with you or - - -?---Yes, I do.

Would you just turn up paragraph 98. Paragraphs 98, 99 and 100 deal with the interview process, which Mr Tsipidis was ultimately successful in the role of team leader, resourcing?---Yes.

Okay. In paragraph 98 you say the Selection Committee interviewed for the position of team leader, resourcing on 22 September, 2009, Mr Tsipidis was the only applicant interviewed for the position?---Yes.

10

And I think at paragraph 99 you also talk about the interview and on paragraph 100 you also talk about the interview?---Yes.

It's the case, isn't it, that that interview on 22 September, 2009 did not take place?---I - as far as I know there was an interview. I wasn't there but yeah, as, as far as I've been told there, there was an interview.

20

Can I suggest to you that what happened was that Mr Tsipidis was advised prior to the interview that because there was only one other applicant and that in fact he was the only viable candidate for the position that the interview wasn't necessary. Do you know anything about that (not transcribable) the position?---I, no, I don't.

Thank you.

ASSISTANT COMMISSIONER: Yes, thank you. If there's no other? All right. Yes, Ms - - -

30

MS OAKLEY: I'd ask that Mr Zhou be excused.

ASSISTANT COMMISSIONER: Yes, Mr Zhou, you are excused. Thank you for your attendance?---Thank you.

**THE WITNESS EXCUSED**

**[2.53pm]**

40

MR MORRIS: If it's convenient, Commissioner, I tender the statement of Simon McCoy.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: It was dated 8 April, 2011.

ASSISTANT COMMISSIONER: Yes. That will be Exhibit 5.

**#EXHIBIT 5 - STATEMENT OF SIMON MCCOY DATED 8 APRIL 2011**

MR MORRIS: I now tender the statement of Irene Brazil which is dated 1 September, 2011.

ASSISTANT COMMISSIONER: It will be Exhibit 6.

10

**#EXHIBIT 6 - STATEMENT OF IRENE BRAZIL DATED 11 SEPTEMBER 2011**

MR MORRIS: I tender the statement of Sarah Louise Collins.

20

MR GOLLAN: Commissioner, I arise with respect to that. I've been in some discussions with my learned friend about whether or not we can obviate the need for her to be called. In the circumstances I'd ask that that tender be deferred so that I can continue those discussions at the conclusion of the proceedings this afternoon. I expect that we will be able to meet some accommodation. I sent Mr Morris a late night email and he returned with an early morning phone call, both of which have led me to believe that I think that we will be able to, we will be able to sort that problem out but I would ask at this stage that that be deferred subject to her being required and as I say we can sort that out this afternoon and advise you first thing in the morning.

30

ASSISTANT COMMISSIONER: And what do you say to that?

MR MORRIS: As I understand the position it's a matter of emphasis rather than content and my friend has asked me whether, if we can't resolve it whether we can make Ms Collins available for cross-examination.

ASSISTANT COMMISSIONER: Mmm.

MR MORRIS: Now, what I propose to do is tender the document now.

40

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: And if we can't reach agreement, then what we can do is, we can try and make Ms Collins available for cross-examination at her convenience to meet my friend's convenience.

MR GOLLAN: I'm content with that approach and I'm grateful for my learned friend's (not transcribable) but- - -

ASSISTANT COMMISSIONER: Yes, it seems the statement will be tendered whatever happens. The question is whether you require the witness for cross-examination. So we'll tender the statement at this time and note that you reserve your right to apply for cross-examination if necessary.

MR GOLLAN: And whilst I'm on my feet, I also apprehend that Mr Alex Papangelis will fall into that category and I don't want to interrupt my learned friend or the Commission.

10

ASSISTANT COMMISSIONER: Yes, yes, we note that. Yes. So Ms Collins' statement will be Exhibit 7.

**#EXHIBIT 7 - STATEMENT OF SARAH LOUISE COLLINS DATED 15 SEPTEMBER 2011**

MR MORRIS: I tender the statement of Alex Papangelis or Papangelis dated 13 October, 2011, subject to Mr Gollan's discussions.

20

ASSISTANT COMMISSIONER: Yes, that will be, yes, that will be Exhibit 8.

**#EXHIBIT 8 - STATEMENT OF ALEX PAPANGELIS DATED 13 OCTOBER 2011**

MR MORRIS: I tender the statement of Yvonne Pollock, P-O-L-L-O-C-K, dated 15 September, 2011.

30

ASSISTANT COMMISSIONER: That will be Exhibit 9.

**#EXHIBIT 9 - STATEMENT OF YVONNE POLLOCK DATED 15 SEPTEMBER 2011**

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MR MORRIS: I tender the statement of Caroline Louise Bugg, B-U-G-G, dated 16 November, 2011.

ASSISTANT COMMISSIONER: Yes, that will be Exhibit 10.

**#EXHIBIT 10 - STATEMENT OF CAROLINE LOUISE BUGG DATED 16 NOVEMBER 2011**

MR MORRIS: And I tender the statement of Vanessa Chau, C-H-A-U, also known as Tuyet, T-U-Y-E-T Vanh Chau, dated 24 October, 2011.

ASSISTANT COMMISSIONER: That will be Exhibit 11.

10 **#EXHIBIT 11 - STATEMENT OF TUYET VAN (VANESSA) CHAU  
DATED 24 OCTOBER 2011**

MR MORRIS: The next witness, Commissioner, I tender the statement of Irma, I-R-M-A, Alviar, A-L-V-I-A-R, Torres, T-O-R-R-E-S, dated 11 October, 2011, but she will be called for some brief evidence.

ASSISTANT COMMISSIONER: Yes. Well, the statement of Ms Torres will be Exhibit 12.

20

**#EXHIBIT 12- STATEMENT OF IRMA TORRES DATED 11  
OCTOBER 2011**

ASSISTANT COMMISSIONER: And Ms Torres is now called.

MS OAKLEY: I seek leave to appear for Ms Torres and I'd ask for a section 38 declaration.

30

ASSISTANT COMMISSIONER: Thank you, Ms Oakley. Please take a seat, Ms Torres. Yes. Your counsel has indicated you're seeking a section 38 declaration, the effect of which is that nothing you say here can be used against you in any future proceedings, however that does not apply if it is found that you have breached the Independent Commission Against Corruption Act in some way, for example by providing false or misleading evidence.

MS TORRES: Ah hmm.

40

ASSISTANT COMMISSIONER: Do you understand the effect of the order?

MS TORRES: Yes, I do.

ASSISTANT COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by her during the course of

her evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced

10 **PURSUANT TO SECTION 38 OF THE INDEPENDENT  
COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT  
ALL ANSWERS GIVEN BY THIS WITNESS AND ALL  
DOCUMENTS AND THINGS PRODUCED BY HER DURING THE  
COURSE OF HER EVIDENCE AT THIS PUBLIC INQUIRY ARE  
TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED  
ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS  
TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR  
ANSWER GIVEN OR DOCUMENT OR THING PRODUCED**

20 ASSISTANT COMMISSIONER: Ms Torres, you are required to take an oath or make an affirmation to tell the truth.

MS TORRES: Oath, please.

ASSISTANT COMMISSIONER: Thank you.

ASSISTANT COMMISSIONER: Thank you. Yes, Mr Morris?

MR MORRIS: Thank you. Your full name is Irma Alviar Torres?  
---That's correct.

10 And you're a finance officer- - -?---Yes.

- - -by occupation and you're employed at the University of Sydney?---Yes.

You prepared a statement dated 11 October, 2011?---That's correct.

And the statements made in that statement are true and correct?---Yes.

I just wanted to raise with you - - -?---Ah hmm.

20 - - - a couple of issues. You set out in your statement that there were two  
requisitions in relation to certain appointments that came from Mr  
Demiralay at ICT. And you set those out in your statement?---Ah hmm.

I'd ask you to go to the annexure at page 32 of your statement?---Okay.

If you look down the bottom there, in the centre bottom - - -?---Sorry, page?

Page 32?---I don't have page 32.

30 You don't have page 32?---I got only up to page 11, sorry.

Have you got annexures to your - - -?---Okay.

Yes. Now this at the bottom on page 32 is a request for a quotation waiver  
that you received from Mr Demiralay?---That's right.

On or about 6 May, 2010?---Ah hmm.

Right?---Yeah.

40 It's not a memory test, Ms Torres?---Okay, yeah, because - - -

But you just have to look at the document?---Yeah, yeah.

Yes?---No, I see this.

And that related to a placement fee with respect to the employment of Mr  
Gerard Hunt as a team leader?---That's correct.



Now one of the things that you had noticed – you received an invoice as I understand it from Succuro for a placement fee of about \$15,500. Do you recall that?---Yes.

And you sent back a requisition to Mr Demiralay saying well it's over \$10,000 and you need a couple of quotes or you need a quotation waiver?  
---Ah hmm.

10 Right. And this is the document you received back from Mr Demiralay?  
---Yep.

Is that correct?---That's correct.

And he says ICT exhausted all the University avenues to fill the position without success. A decision was made to go through an external recruitment agency to find a suitable candidate to fill the position. Do you see that?---Yeah.

20 Now you relied on that in approving that statement, in approving the placement fee did you?---Actually I don't approve. I just look at the document it's been signed - - -

Yes?--- - - - and then, because it's the supporting document I just attach it to the requisition.

I see?---Yeah.

So you attach it to the requisition?---Yeah, I don't approve this, yeah.

30 You don't approve it?---No, I don't.

But it goes off somewhere else to approve, for approval?---Yeah. Yeah, to procurement.

To procurement?---I'm sorry, purchasing office. It was different name before, it was purchasing, yeah.

40 Right. So you make sure you've got a form that complies and it's signed and you send it on for somebody else to deal with?---Ah hmm. Because I just do that entry in, in our finance system. And then it's been approved by purchasing officer.

Okay. Now go to the next page and in fact the, in fact the next page which is page 33 is a series of email exchanges between various people in ICT and yourself to try and sort out - - -?---Ah hmm.

- - - a requisition with regard to the appointment of Mr Andri Selamat. Is that correct?---Yeah, correct.

And I think the correspondence starts at page 38?---Yeah.

All right. And it concludes at page 33. In other words this is in reverse order isn't it?---Ah hmm.

10 Now essentially the essence of what happened is to be found on page 33 and what happened was you said well if you want to appoint this person you need two more candidates, right, or quotations or applicants. Is that correct?---Actually I mentioned here that he needs two more candidates because there's supposed to be three candidates.

Right. And that's because the total expenditure exceeded \$50,000?---That's correct.

Is that correct?---That's correct.

20 And I take it that at the top of that document you see there's the final email in the sequence, Hi Irma, the other two candidates that were unsuccessful were Steven Bach and Patrick Taylor, regards Todd Demiralay?---Yeah.

All right. Now do you recall reading that?---Yeah.

And you relied on that did you?---Yeah.

Yes. And in fact if we go to page 39?---Yes, there's a recruitment confirmation.

30 Right. Now is that actually a document that you saw at the time?---Yeah, because it's one of the requirements as well. So that a purchase order can be generated.

Right. And did you read that, you saw that that document was signed at page 40?---Yeah, by Todd.

By Todd?---Mmm.

And you've relied on that did you - - -?---Yes.

40 - - - in approving the expenditure?---As I said I don't approve the expenditure.

I see?---I just collect all the requirements and submit it online.

Okay. So essentially you make sure that the relevant forms are there and that they're in the required format?---That's right. That's correct.

And you saw here on page 39 did you – did you read this document before you sent it on?---Oh, yeah.

Yes. You saw that the list of agencies contacted were Succuro Recruitment?---Ah hmm.

Do you see that?---(NO AUDIBLE REPLY)

10 And you see that each of the candidates names Andri Selamat, Steven Bach and Patrick Taylor - - -?---Ah hmm.

- - - were all referred by the agency Succuro?---Ah hmm.

Right. You saw that there was no rate of dollars per day completed for two of them?---No.

Did that cause you any concern?---Actually I thought that this can be added later on.

20 Okay?---Yeah.

That's fine. All three were available immediately?---Yeah.

And only Mr Selamat met the criteria, the other two being unsuccessful. Right?---Ah hmm.

And you see there short listed candidates is blank?---Ah hmm.

30 Right?---Ah hmm.

And the interviews were conducted by Todd Demiralay, George Tsipidis and Andy Apin?---That's correct.

All right. And then we've got the preferred candidate and reason for selection and we've got three points there at the bottom?---Ah hmm.

And did you form the view that the panel had met and agreed and resolved to take Mr Selamat over the two?---Ah hmm.

40 All right. Did you actually form a view as to whether all three of them were interviewed or not?---As I said I don't check those, I just check all the details like it's my role who, who met the criteria, who's, who's the successful applicant and under rates, the period and the account to be charged, that's, that's where I concentrate. Not, not no the recruitment process.

I understand and at page 40 do you see a, you see there's a signature?---Ah hmm.

Right. You've seen Mr Demiralay's signature before?---Yeah.

And that looks like Mr Demiralay's signature?---Mmm. Yes.

And indeed towards the end of your annexures there are a number of Succuro Recruitment invoices that are approved and have a look at page 51?---Okay.

Just by way of one example?---Yeah.

10

That's an approval for payment, signature by Mr Demiralay. Do you see that there, page 51?---Ah hmm. It's more of the timesheet.

Sorry, it's the approval of the timesheet is it?---Yeah.

And 52 and so forth. There are a number of examples of it I suggest?---Ah hmm.

I have nothing further.

20

ASSISTANT COMMISSIONER: Yes, thank you. Mr Gibson.

MR GIBSON: Thank you, Commissioner.

Ms Torres, if you could - you were asked some questions about a placement fee for Mr Hunt?---Ah hmm.

The recruitment of Mr Hunt and the approval of that and you were taken to page 32 in your statement?---Okay, sorry.

30

Can you go to that?---Okay.

So you were asked some questions about that document?---Ah hmm.

I just want you to now go to page 28?---28. Okay.

Do you see that there is there on that page, it's a string of - again, it's a string of emails but on that page part of the string is - in the middle of it an email from Mr Pigot - - ?---Ah hmm.

40

- - - on 3 May at 4.54 indicating that the payment of the invoice was approved?---Yes.

And did you understand that to be in relation to that placement fee?---Yeah, because I attached the requisitions and the invoice and it says here this is to seek your approval regarding the attached requisition 184417 and Succuro's invoice payment for the placement fee of Gerard Hunt.

And that - - -?---That, so I assume that everything's approved.

That's right. And that was from Mr Pigot who was the - - -?---Ah hmm.

- - - director of Service Management Information and Communications Technology?---Yeah, correct.

He was senior to Mr Demiralay?---Ah hmm.

10 Is that right?---That's correct.

Thank you.

ASSISTANT COMMISSIONER: Yes, thank you. Does anyone else wish to question this witness?

MR McILWAINE: Just one thing (not transcribable) Commissioner.

ASSISTANT COMMISSIONER: Yes.

20

MR McILWAINE: Ms Torres, you've seen the document which I think is page 32, attached to page 32 to your statement which is the request for quotation waiver?---Waiver, yeah.

Can you tell me whether that document was attached to the email sent to Mr Pigot?---I can't remember. Let me see, I don't, I'm sorry, I couldn't answer that.

30

I see?---But I can check it in the attachment when I go back to work.

Well, on the documents you have in front of you - - -?---No.

- - - you can't say one way or the other whether that was sent. Perhaps if I can ask you this. From your general practice would you be likely to have sent that document - - -?---Ah hmm.

- - - with all the other documents to Mr Pigot?---Ah hmm.

Correct?---Ah hmm.

40

ASSISTANT COMMISSIONER: Well, I think page 29 seems to indicate you were sending something to him. You see that?---Yeah, I did.

Regarding the attached?---Oh, hang on. Yeah, I can remember now. When I sent it to Mark Pigot the, the request for quotation waiver is not attached because it was rejected by Alex Papangelis and that's when I asked Todd to fill in this form.

Yes, I understand that. The invoice was rejected because it was over Mr Demiralay's delegation, correct?---No, because it's over 10,000.

And there was no evidence of three quotations and - - -?---Yeah.

- - - anything like that or - - -?---Yeah.

- - - a request for quotation waiver, correct?---I'm sorry, say it again.

10 You needed either evidence of three quotations or the completion of this form, the request for the quotation waiver, is that correct?---It's been rejected because it's over 10,000. If it's over 10,000 you need two quotes and, and yeah.

But if you don't have two quotes as a procedure - - -?---You need a quote waiver.

A quote waiver?---Yes.

20 Correct?---That's correct.

And the person who is ultimately approving all this is Mr Pigot, is that correct?---It's more of approving the expenditure but not, not that side.

Who finally signs off on the expenditure?---Mark Pigot.

Okay?---But there is another approval in procurement.

30 Right. He has to sign off on it?---Ah hmm.

And he has to be satisfied I take it that the University's requirements in regard to that purchase have been satisfied, correct?---Yes.

ASSISTANT COMMISSIONER: Well, look at - Ms Torres, can you look at page 28?---Okay.

Mark Pigot did send back a thing to you on 3 May saying payment approved?---Ah hmm.

40 And that follows on an invoice from you on 3 May saying this is to seek your approval - - -?---Ah hmm.

- - - regarding this invoice payment?---Ah hmm.

Can you please see attached for more details, that's what you're saying to Mr Pigot?---Yeah.

Can you remember what you sent him that persuaded him he should approve this payment?---Yeah, the, the invoice - - -

Yes?--- - - - and, and the requisition.

But you don't know if you sent the request for quotation waiver - - -?---No.

- - - signed by Mr - well, wouldn't you need that?---Because - - -

10 Would he need that to approve it?---It's like this, there is some quote waiver, like there is a reason for it - it was done previously there is no quote waiver because it's like there are two instances I remember that we don't need a quote waiver, that its over 10,000.

Ah hmm?---Well, because it's, it's understood that the person has been hired and, and it went through the recruitment process but this time Alex rejected it.

20 Oh, right. So Mr Pigot approved it and then Mr Papangelis rejected it on 4 May?---Yeah.

And that's when you would have had to get the - - -?---Quote waiver.

Okay. All right. Now I am with you?---Sorry.

That's very good. Yes. Does anyone else have any questions?

MR GOLLAN: Yes, if I may?

30 ASSISTANT COMMISSIONER: Yes, Mr Gollan.

MR GOLLAN: Ms Torres, I appear on behalf of Mr Pigot?---Okay.

I just want to ask you, you were saying, my learned friend on my left was asking you some questions - - -?---Ah hmm.

- - - and that there was another approval required as well?---Yeah.

40 You were not afforded the opportunity of telling us that. Can you tell us what you had intended to say and explain that to us please?---It's like this, my main role is to create requisition that is data entry to P2P which is Procurement to Pay, that's the, the University finance, yeah, system. So when I entered it requisition, with the requisition ID and then Alex Papangelis will look at everything and then he will approve it if, if all the requirements are met.

And where's Alex, in what department?---Purchasing, procurement now, yeah.

And he represents the other department that you were talking about that needed clarifying?---That's right. It is checking all the, the details, no, not the details, the requirements.

Right. And as it turns out Alex rejected this particular payment?---This time, yeah, because at first yeah, as I said earlier there were two that went through, even though its over 10,000, ah hmm, for the placement fee.

10 And those, those emails were passed back and forth in the early period of May, before 6 May and then at page 32 you have a document signed, a request for quotation waiver - - -?---Yes.

- - - signed by Mr Demiralay?---Yeah.

Having been rejected by the usual protocol and process that it had gone through then Mr Demiralay produced to you, did he, this 6 May waiver? ---Yeah.

Thank you.

20

ASSISTANT COMMISSIONER: Yes, thank you, Mr Gollan. Yes, if there's nobody else? I think this witness may now be excused?---Thank you.

Yes, thank you for your attendance - - -?---Thank you.

- - - Ms Torres, you are now excused.

30 **THE WITNESS EXCUSED**

**[3.19pm]**

MR MORRIS: Commissioner, I tender the statement of Michelle Hanchard dated 27 October, 2011.

ASSISTANT COMMISSIONER: Yes, that will be Exhibit 13.

40 **#EXHIBIT 13 - STATEMENT OF MICHELLE HANCHARD DATED 27 OCTOBER 2011**

MR MORRIS: I also tender two statements of Mr Nicholas Kovari, spelt K-O-V-A-R-I. The first is dated 4 April, 2011 and the next is dated 7 February, 2012.

ASSISTANT COMMISSIONER: Yes. The statement of Mr Kovari dated 4 April will be Exhibit 14.



**#EXHIBIT 14 - STATEMENT OF NICHOLAS KOVARI DATED 4 APRIL 2011**

ASSISTANT COMMISSIONER: And the statement dated 7 February, 2012 will be Exhibit 15.

10 **#EXHIBIT 15 - STATEMENT OF NICHOLAS KOVARI DATED 7 FEBRUARY 2012**

MR MORRIS: Mr Kovari will be called to give evidence, Commissioner.

ASSISTANT COMMISSIONER: Yes. Is Mr Kovari here? Mr Kovari, are you legally represented?

MR KOVARI: Yes, I am.

20 ASSISTANT COMMISSIONER: Oh, you are, Ms McGlinchey. Is your client seeking a declaration?

MS McGLINCHEY: Yes, Commissioner, and he will be sworn.

ASSISTANT COMMISSIONER: Thank you. Mr Kovari, I'm about to make a declaration, the effect of which is that nothing you say here can be used against you in any future civil, criminal or disciplinary proceedings and the only exception to that is if it's found you've breached the Act by for example providing false or misleading evidence. Do you understand the effect of the order?

MR KOVARI: Yes, I do.

ASSISTANT COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

**PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON**

**OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO  
MAKE OBJECTION IN RESPECT OF ANY PARTICULAR  
ANSWER GIVEN OR DOCUMENT OR THING PRODUCED**

ASSISTANT COMMISSIONER: Could the witness be sworn, please.

ASSISTANT COMMISSIONER: Yes, Mr Morris?

MR MORRIS: Thank you, Commissioner. You've produced, Mr Kovari, your full name is Nicholas Kovari. Is that correct?---That's correct.

10 And your occupation is information technology professional?---When I'm working, correct.

And you've sworn two statements for investigators in relation to this inquiry. Is that correct?---That's correct.

Now, as I understand it through discussions with your legal representative, you have very recently found a copy of an email which relates to your employment at the University of Sydney?---Correct.

20 And you produced it to your legal representative and gave her instructions to provide it to us?---That's right.

Right. Commissioner, I seek, I tender an email from Mr Kovari dated 18 October, 2006, which has another attached email, I have one copy for you, Commissioner, and one for the witness, and this document became available to us very shortly after the, we resumed at 2 o'clock.

ASSISTANT COMMISSIONER: Yes, thank you. Well, this will be Exhibit, this email from Mr Kovari will be Exhibit 16.

30

**#EXHIBIT 16 - EMAIL PROVIDED BY MR KOVARI**

MR MORRIS: Now, Mr Kovari, have you got a copy of that in front of you?---I do.

Could you just, that document is what it appears to be, an email dated 18 October, 2006, relating to various contracting procedures?---That's right.

40 All right. Now, in that regard, if I might take you to your, to your first statement of 4 April, 2011, if you go to page 3 of that document and you'll see paragraph 6 and if you go down to the second-last sentence which reads, "The process at this time was if Demiralay or any of the managers required contract staff, then they would select three or more agencies and obtain two or three resumes of potential candidates from each agency for the position. There was no policy or rule as to which agency a staff member should use." Do you see that?---Yes, I do.

And having produced, found this document, is that the document to which you, is that the document, contemporaneous documentary evidence that supports the assertion in paragraph 6?---Yes, it is.

Right. Now, this was circulated about five weeks after Mr Demiralay commenced his employment at ICT?---Well, it was certainly after he started, I can't remember exactly what date he started.

Right. I want you to assume it was the early part of September?---Okay.

10

But you know he'd actually started because you'll see in the intended recipients box at the top of the document Mr Demiralay's name?---Correct.

Right. And you were at, certainly at this time and for I think a further couple of years, Mr Demiralay's direct supervisor?---For about 18 months, that's right.

18 months. Right. Now, you had also sat on Mr Demiralay's Selection Committee?---Correct.

20

Right. And you refer to that in paragraph 4 of your first statement. Do you see that?---Yes.

All right. Now, you say that there was a number of candidates and Atilla Todd Demiralay was appointed to the position. Right?---Correct.

Did it come to your attention that one of his referees was a person by the name of Soula Tsipidis?---I certainly can't recall now.

30

Right?---But even, even if I would have seen the name it wouldn't have meant anything to me.

Right. Did you actually see the, do you recall now whether you saw the referee statement from Soula Tsipidis?---Certainly not, not after all this time.

No. Was that something that, in the ordinary course, you would have the referee's statement at the time of the selection panel meeting?---No, that would be done after the panel recommended a successful candidate and the recruitment people within HR would have sought the referees' report, they would have contacted the referees and asked them certain questions.

40

In other words, you start off with a shortlist, you identify who the Selection Committee wants to interview, you proceed to interview, you select a nominated candidate or the best candidate and then you send the matter over for HR to deal with reference checks and so forth?---Correct.

Right. Would it, would you and the Selection Committee have in front of you the curriculum vitae for the applicant?---Absolutely.

Would it concern you that the curriculum vitae would include the name of a referee, namely Soula Tshipidis, who was in fact related by marriage to the job applicant?---If I would have known that I would have made sure that HR would have been made aware of that, but I didn't know that at the time.

It wasn't disclosed to you?---Pardon?

10

It wasn't disclosed to you?---No, it wasn't disclosed to me.

Had you ever heard the name, Soula Tshipidis?---No, I don't recall it.

Were you ever there when Mr George Tshipidis obtained employment either as a contractor or a full-time employer at ICT?---I certainly was.

20

Did the link between the referee on Mr Demiralay's job application and the presence of Mr George Tshipidis at ICT, was that something that became obvious to you or - - ?---No. I, I would not have recalled the original name of Soula Tshipidis.

Now, the Code of Conduct had been around for a number of years?---Yes.

By the time of Mr Demiralay's appointment in 2006 you assumed that – it's the case is it that at that time, that is September 2006 an employment package was put together by the Human Resources department and provided to new employees?---Correct.

30

And by reason of that system which was in place at the University you assumed that Mr Demiralay would have, it would have come to his attention?---Correct.

It's not an unusual policy or protocol to having any sort of business is it? ---No.

40

It represents nothing more than a requirement that if a potential conflict of interest exists between your own personal life and your obligations that you're supposed to discharge for your employer that you should make a disclosure about it?---That's correct.

And is it something that you've experienced in many different organisations?---In having a Code of Conduct?

Yes?---Yes. I think probably at least in two organisations where I've worked there have been Codes of Conduct.

Now paragraph 6 in your first statement you say, I may be wrong but I were using Succuro Recruitment prior to Demiralay's appointment?---Yes.

Now if the first contractual document on the University's records seems to be about January 2007, would that suggest to you that in fact you might be wrong?---That would suggest that I am wrong.

10 Okay. And I mean no criticism by that. Now I think your email speaks for itself and teases out many of the details which are already set out in the balance of your statement. You say in paragraph 9, Demiralay never declared to me any conflict of interest nor did he mention that he or his wife had an association with Succuro?---Correct.

Did you have any discussion with Mr Demiralay at all about what his wife did?---I don't recall any, no.

20 And you say that had he done so, raised any conflict or potential conflict he'd have directed him to report - you'd have directed him to report the conflict to the internal audit department. That was a policy that was part of the, that was part of the Code of Conduct wasn't it?---I believe so. I can't actually recall what was in the Code of Conduct. It was a lengthy document and I haven't been at the University for a number of years now.

Yes. So really you're relying on memory?---That's right.

But the document will speak for itself. Is that correct?---I would think so.

30 Now in your second statement you set out a – do you have a copy of that in front of you?---Not in front of me.

This is a statement dated 7 February, 2012?---Yes.

40 And in fact what that does is tease out what the system was, certainly between paragraph 4 and about paragraph probably about 21, having discovered this email that you've provided to this Commission just after lunchtime, does that basically – it's that email that assists you in confirming what you've told the investigators is correct?---Yeah, I believe so. I mean that was what I believe was in place at least at the end of 2006 and at least part of 2007. I can't recall whether this was ever repealed as such. So I believe it was in place all the way through from the end of 2006 onwards.

But you see when you look at the email from Chris Bird in Exhibit 16 it says, Good afternoon, following discussions amongst the ICT directors we're looking to ensure consistency in the raising of contracts for contractors. There's no doubt that what you're referring to is short term contractors for the ICT department?---This is relating to – depending on what you mean by short term contracts. It's more likely to have been contracts that were three months and longer.

Okay?---Rather than much shorter term where we would have classed them as casuals and they would have fallen into the under \$5,000 amount where quotations were optional.

All right. But obviously enough there was from the terms of this document itself there was some concern among the ICT directors that there may have been inconsistencies with the application of the University protocols and standards?---Yeah, correct. The, I'd have to look at a purchasing policy  
10 from pre-2006, but I have a recollection that there was a purchasing policy pre-2006 that did not include the words contractor and it was grey. I recall having discussions with the Deputy Director of Finance about whether contractors were covered by the purchasing policy. And this email subsequently came out essentially to clarify that yes, contractors were classed as goods and services and therefore the purchasing policy had to be complied with.

And as to the balance of the matters set out in your second statement and in relation to your first and second statements, what you state in those  
20 statements is true and correct to the best of your ability?---That's right.

And in relation to the documents that relate to the appointment of Mr Angelopoulos and the statements that you make in your second, in your second statement at paragraphs 37 and following are the statements that you make there, are they based on your recollection or are they based on a refreshment of memory and your knowledge of the procedures that existed at the time?---No, recollection.

Right. So those matters were actually formed by your recollection?  
30 ---Correct.

All right. Thank you. Just in relation to this process at ICT that was – ICT was going through a big process of change. Is that correct, at the time?  
---Correct.

And in fact there was a consolidation of IT services, a movement from faculty based into ICT?---Yeah, progressively from 2007 onwards.

All right. And you were given a – were you given a plan for the University  
40 with certain objectives for that consolidation?---Well we developed a plan over a period of time. So three 2007 plans were developed - - -

I see?--- - - - for the implementation, it was shared services programme.

Right. And did that relate just to process and practical planning or did that also relate to budgeting?---It included budgeting.

Right?---Budgets were part of the plan.

I see. And were actual budgets set – proposed and set on an annual basis or a process achievement basis?---No, I think it was on an annual basis.

All right. You see one of the issues is that if the total value of a contract were to exceed \$200,000 there was a procurement provision that required – that triggered a public tender process?---Correct.

10 Now, when you're dealing with short-term contractors trying to fill in for staffing issues and to get these tasks performed, and where you've got one particular contractor providing multiple, sorry, one particular recruitment agency providing multiple contractors, how were you practically expected to work out whether in advance or could you in advance work out whether that trigger would be set which would send you out to a public tender or whether you could rely on this process set out on the email chain?---From memory I think there were two, two triggers that I, I recall, one was when a contract was renewed for a contractor, I don't actually recall any triggers based on the agency, so that when an agency's total billing went over a certain amount that it would trigger a process, I don't recall that, that there  
20 was anything like that, what I do recall is that when a contractor had to be extended, so it might have been a three-month contract and we went to six months or a six-month to twelve months, but there was a review to check whether the contract value was going to tip one of these points. So if it went over \$199,000 where a tendering process was required, then it would have triggered a tender waiver process I think.

Ah hmm?---And where a quotation waiver was required it would trip that and the quotation waiver would be completed.

30 In terms of your monitoring of expenditure, you may or may not have heard statements this morning about annual amounts being paid to Succuro in particular exceeding \$200,000 in a financial year?---Ah hmm.

Right. Now, assume for a moment you were apprised of that information, that in for instance last year the total amounts paid to Succuro contractors exceeded \$200,000 and the expectation is that that need would be replicated in the next financial year, was that the sort of thing that would trigger this tendering process?---Well, I would imagine that it would have caused some concern and there would have been investigation and it would have  
40 triggered either a quotation waiver process or a tendering process. But for example in with my budgets, I would have rarely seen a transaction list. So I would have seen an amount for contractors and it might have been 2, 3, 4, 500,000. If it was within the amount that I expected it wouldn't have triggered me to do any investigation, it was just an amount and it was within budget so I would have been happy with that. So had I have gotten a transaction listing where I would have seen the same agency listed time and time again, that would have, that would have triggered an investigation.



Right. So you didn't actually, in, in the sort of financial information that you were provided in, who provided you with this financial information?  
---That would have come from financial reports generated by Corporate Finance.

Corporate Finance. Essentially the sort of, is what you're telling the Commission that the sort of financial, such financial information as you were given did not, did not enable you to determine whether the sort of trigger points set out in your emails were actually being achieved with respect to any particular IT recruiter?---That's right. I would have started investigating if my budget was being overspent- - -

Yep---?- - -or one of the categories was over budget.

All right?---Then I would have asked for a detailed listing to find out why that was the case.

Right. But apart from that you have no other method of- - -?---That's correct.

20 - - -monitoring your expenditure?---Correct.

And looking at it with hindsight, if you'd been given, and I accept that it's hindsight, if you were given this additional information, that would have been a useful, would have been useful material for you to determine whether, whether you should have proceeded to open tendering or maintained a piecemeal approach?---Well, it certainly would have been useful information, and I'd suggest that if, if, if reporting like that would have existed it probably would have triggered procurement to have investigated, but clearly there was nothing to trigger an investigation by them either.

30 But not only that, given the terms of Mr Bird's email that you circulated amongst your managers, it's the sort of thing that would have caught the attention of the ICT directors?---Correct.

I'm pleased to say that's all.

40 ASSISTANT COMMISSIONER: Thank you, Mr Morris. Yes, does anyone seek to question Mr Kovari? Mr Gibson?

MR GIBSON: Yes, thank you, Commissioner. Mr Kovari, if I can just begin with the email that's now Exhibit 16. You did not have that with you or did not have reference to it when you made either of your statements?  
---That's correct. I didn't realise I had it.

It was in your possession?---That's correct.

I take it that you didn't have reference to it when you were making your statements?---I didn't realise I had it in my possession.

Your second statement, Exhibit 15, made on 7 February, 2012, goes into a lot more detail about processes within the University?---Correct.

(not transcribable)---That's right.

10 Did you have, when you made your second statement did you have access to some more documents or information to help you with your recollections?  
---I didn't realise at the time I made either statement that I in fact had some emails.

No, just forgetting the email for a moment, when you made your second statement did you have any other documents made available to you- - -?  
---No.

- - -to help you with your memory?---No.

20 So it's entirely just- - -?---Just the documents that are in the attachment here, the selection reports and the appointment forms.

And did that- - -?---They were shown to me at the time I made the second statement.

And that helped you recollect the processes for recruitment of staff?---I'm not sure if they helped me recollect them or whether I just recollected them.

30 Okay. So in your first statement, if you have it in front of you, at paragraph 6, do you see that?---Yes.

And this is before you had recourse to the email, you say that recruiting contract workers was a bit of a grey area?---Grey area in that Human Resources didn't cover contractor recruitment and there was a period where contractors weren't specifically mentioned in the purchasing policy, nor was there any policy on how you went about recruiting contractors.

40 It would appear that the email might have cleared some of that up?---Well, that's, that's about the financial component, not, not the process- - -

The mechanics of going about recruiting?---It's the, yeah, it's the mechanics of what, what the cut-off values are where you require multiple quotes or you clearly can't get multiple quotes for the same contractor so it implies getting multiple CV's from more than one agency.

ASSISTANT COMMISSIONER: And in fact the email suggests, doesn't it, more generally that contactors are to be treated under the same rules that apply to acquisitions of goods and services generally?---Correct, that's right.

So it was in effect making it clear that contractors came within the normal purchasing policy and that it had to be followed in respect of- -?---They did it at the time of this email. Prior, prior to that it wasn't.

Yes, and you're saying prior to that it was a bit of a grey area?---That's right.

Yes, yes, thank you.

10

MR GIBSON: And do you agree that Mr Demiralay I think started work at the University on or about 9 October, does that sound familiar to you?---I believe it was early October.

20

And I'm being told at the bar table it could have been September. Does that make much difference?---Well, pretty close. I think the, I think the panel, recruitment panel might have been in August and I think he went off on his honeymoon so I think the point was actually delayed a bit. So it was probably October, early October, it may have been very late September, I mean, I'm talking in excess of five years ago so, I'm not 100 per cent sure.

From your memory, there was no induction training for Mr Demiralay?---The University, when I started The University there was a whole day set aside for induction. Subsequent to that, and I started in 2002, at some time subsequent to that I think they cut it back to half a day. So I believe around the time that Mr Demiralay was recruited there was a half day induction.

30

You don't know whether he attended or not?---I couldn't tell you now whether he did or not. I was regularly followed up by HR to ensure that new recruits did go to the closest induction that was coming up but I couldn't tell you now whether that happened or not.

All right. The email that's Exhibit 16 and I want to ask you questions about if you can remember what your understanding of, of what it was at the time you received, not now. Do you understand the difference?---Right.

It won't be the same. Is it your understanding that that related to a contract for a single position, type position?---Correct.

40

If it exceeded that value?---That's right.

And not, it didn't relate to aggregate value from a service provider?---No, because I wouldn't have know what the aggregate value was, there would have been other departments within ICT possibly using the same agencies or even across the whole University using the same agency so I would have no visibility of the aggregate.

It was impossible for you to gauge the aggregate value of the service provider?---Correct.

If they were providing services across the University on multiple contracts?  
---It would have been very difficult.

If anyone could track that it might have been the finance.---Correct, that's right.

10 But it, at the department level, you weren't provided with any information that allowed you to gauge that?---No, I wouldn't have seen anything outside of my department.

In fact, I think you said you did get some information but it was a total, a value for all services provided by all recruitment agencies.---In the contractor part of my reporting correct, that's right.

It didn't get differentiated between different agencies?---No.

20 ASSISTANT COMMISSIONER: It does seem, excuse me Mr Gibson. It seems to me in the case that we're talking about, the University wasn't actually contracting with the workers. Although they didn't have a written contract they were, the, Succuro was paying the workers weren't they?  
---That's right, you don't, when you're recruiting a contractor you don't actually hire the contractor themselves, you're hiring the agency.

So the contractual relationship for the University was with Succuro.---  
That's correct.

30 And unfortunately, because that wasn't documented it was never brought to attention that the contract with them was actually worth quite a lot of money.---Well, that's right, there was a requirement and I think it was in 2007, it might have been before, in 2007 we were required, I think through the Office of General Counsel to use University standard contracts and not recruitment agency contracts. So the expectation was that when we recruited somebody from the recruitment agency we entered into a written contract, a University contract with that agency.

40 And do you know whether that ever did happen with Succuro or not?---I couldn't tell you.

Yes, Mr Gibson.

MR GIBSON: Thank you. So just on that point in fact there was no - you mentioned a policy around about 2007 about contracts but that would still mean that there was individual contracts for each contractor recruited?---No, I think there was a, I think in 2007 there was actually a heads of agreement

so the very first contractor that you took from an agency that you'd never dealt with before you drew up a heads of agreement.

Which would then cover all subsequent - - -?---From memory I think subsequent ones were addendum to or addenda to the original contract.

10 And again, if this was the case and that had happened Finance would be able to track the amounts?---The contracts I think were held within ICT. I think the contracts were only provided to Finance or Procurement when we needed to apply for a quotation or a tender waiver, I, I think, I'm not a hundred per cent sure.

From my understanding you didn't have the information, the financial information to determine whether you needed to, whether you had exceeded the various ceilings, pardon me, levels, as per the procurement policy?---No, but when we extended a contract then we, then we would have checked to see what the previous contract had as far as follow and if then we were going to tip then we would organise the paperwork.

20 I appreciate that applies to a single individual if you were going to extend their contract - - -?---Yes, yes.

- - - you could have recourse to the financial information?---Correct.

But if you then employed someone else on a contract basis from the same agency unless you had been keeping some separate ledger or either actually or mentally - - -?---Ah hmm.

30 - - - you didn't have access to the information - - -?---That's correct.

- - - that would tell you when you tipped into the next category requiring different action?---That's correct.

Of course if there was a single contractor as you said either extended or a single contract, you, you could work that out?---That's right.

40 MR MORRIS: Your Honour, I'll just rise before Mr Gibson sits down just to ask whether – it does seem to be that the witness and Mr Gibson may have been at some cross-purposes because when we look at the - looking at the old contract and looking at the total expenditure and looking forward to a renewal it seems that Mr Kovari is talking about an individual - the, the extension of a particular contractor, an individual person who is performing services and not the Succuro recruitment contract and I don't want Mr Gibson to have sat down and ceased his cross examination if the witness and he are at cross-purposes.

ASSISTANT COMMISSIONER: Yes. I understood that the witness was talking about from 2007 a heads of agreement with someone like Succuro

which contractors were added to and in that case it would have been possible to review what you were actually paying to that agency as, as opposed to individual contractors which I think is more what you're talking about?---That's right. If there was a heads of agreement then we would have visibility of the total contract.

10 Did you have that?---I couldn't tell you what contracts were actually in place but if we had a heads of agreement then it could have been checked but I don't recall if there was one for Succuro, I can't tell you now who we had contracts for.

What you're suggesting is if there was a heads of agreement that would have been kept within ICT - - -?---That's right.

- - - and each contract from Succuro would have been - had the (not transcribable) added to it and you could - - -?---That's correct.

- - - have the information?---That's correct.

20 MR GIBSON: Did you keep within ICT monthly performance statistics of your team leaders?---What do you mean? Can you clarify that?

No, I can't. Monthly performance statistics for each – under your control you had various managers?---That's right.

Who under them had team leaders?---Some had team leaders, yes.

In relation to the managers, did you keep monthly performance statistics?  
---I don't recall keeping monthly performance statistics.

30 Excuse me, Commissioner. In relation to recruitment while you were there, for contractors there was no need for an interview process?---I am sure that there was a requirement at some point and I think that also came from Chris Bird. And it probably would have been around the time that this email about following the purchasing policy came out that did require us to interview contractors.

40 In terms of – you see paragraph 26 in your second statement, where Mr Demiralay did tell you he was going to invite people who had worked for him in other organisations to apply?---I recall that he asked me if he could invite somebody that had worked for him in a previous organisation to apply for a role. And I indicated that I thought that was okay, but he needed to advise the members on the recruitment panel.

All right. It was spoken openly in your area of ICT that Mr Demiralay was going to invite people he'd worked with in other areas to apply for positions wasn't it?---What do you mean by other areas?

Well that he – I'm referring back to your paragraph 26, that he spoke not only to you but as far as you know he spoke to other people about it?---Well as I said there that he, he was able to invite people that had worked for him or he was aware of to apply for positions that were being advertised.

And did he also tell you that his wife had worked for Succuro?---No, he didn't. And I certainly don't recall that.

10 You don't recall it. He might have told you?---I doubt it very much, I would have remembered that.

And in terms of – going back to this budget position, you don't recall – it talks about a heads of agreement?---Ah hmm.

And your recollection of some form of notice coming out, being distributed?---Oh yeah, there was, there was an email at some point, I couldn't tell you exactly when. It could have been 2006, it could have been 2007 that would have come out from the Office of General Counsel  
20 requiring us to use the University contracts and not agency contracts.

But you don't recall whether that, in your time at the University, whether that was implemented?---Oh, it was implemented.

So you do remember having, having this heads of agreement - - -?  
---Absolutely.

- - - with Succuro?---No, I don't recall one with Succuro, I recall heads of agreement. I think - I personally did not recruit anyone from Succuro. I recruited a number of project managers from other agencies and I would  
30 have arranged for heads of agreement for those people from those agencies.

In terms of recruitment within ICT you I take it recruited people who were going to be immediately below you in the organisation?---Correct, yeah.

Not, not further down?---That's right.

That was left to others?---Yes.

40 So for instance - so if there were contracts with Succuro after the (not transcribable) of this policy they should have been under the single heads of agreement contract?---Yes, it should have been. It doesn't mean that it or any others were in fact because whilst a policy will instruct you to do something in a particular way you can avoid doing something in that particular way. So just because there was a requirement to complete a heads of agreement document doesn't mean that you couldn't avoid doing that.

Are you saying that there were different ways of recruiting people (not transcribable)?---There could well have been.

When people were recruited to your area of ICT by, not you, others, say people in management positions, that was Mr Demiralay or Mrs, Ms (not transcribable)?---Ah hmm.

10 Or team leaders below them it would require your approval?---Not necessarily. It depend, depended on the delegations and the value of the cut off but I think they had delegations of up to \$50,000.

50,000. For team leader positions, for instance, did they earn more than 50,000?---Ah, that's right.

So anyone recruited to one of those positions required your approval?---If it was a contract value greater than 50,000 - - -

20 Yeah?--- - - - it should have come to me, yes. But if it was a three-month contract then it wouldn't have been over 50,000.

Then after you approved it you've forwarded it to Procurement, Finance, Human Resources?---I can't actually remember exactly where it went. I think if you're talking about a contract itself, the contract would have been held by my assistant and it would have been advised to the CIO's assistant and I think subsequently they were held by the CIO's assistant and that was up till about I think late 2007 where I wasn't permitted to sign contracts anymore and I think the CIO had to sign contracts.

30 Thank you.

ASSISTANT COMMISSIONER: Thank you, Mr Gibson. If there's nothing else for this witness? Mr Gollan.

MR GOLLAN: If I could.

I'll get you away as soon as possible. In the role you occupied where you were managing people like Mr Demiralay, as the supervisor or manager you were relying upon them to be truthful with you - - -?---Absolutely.

40 - - - to tell you whether or not that there is a conflict or something that might otherwise be perceived as a conflict?---Absolutely.

You don't go about and interrogate them, there's a reliance, a professional reliance upon them being straightforward with you?---Absolutely correct.

Thank you.



ASSISTANT COMMISSIONER: Thank you Mr Gollan. Yes, well if there's nothing else may this witness be excused?

MR MORRIS: I just have one question.

ASSISTANT COMMISSIONER: Yes.

MR MORRIS: If Mr Demiralay was responsible for retaining Succuro was it then his responsibility to formulate a heads of agreement?

10 ---Yes, it would have been.

Thank you.

ASSISTANT COMMISSIONER: Thank you. Yes, well thank you for your attendance. You are now excused from further attendance. And we will resume at 10.00am.

20 **THE WITNESS EXCUSED** **[4.10pm]**

**AT 4.10 PM THE MATTER WAS ADJOURNED ACCORDINGLY**  
**[4.10pm]**