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INDEPENDENT COMMISSION AGAINST CORRUPTION

THE HONOURABLE DAVID IPP AO QC

PUBLIC HEARING

OPERATION SIREN

Reference: Operation E09/1228

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON THURSDAY 16 SEPTEMBER 2010

AT 2.05PM

Any person who publishes any part of this transcript in any way and to any person contrary to a Commission direction against publication commits an offence against section 112(2) of the Independent Commission Against Corruption Act 1988.

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

THE COMMISSIONER: Mr Payne.

MR PAYNE: I call Steven Sharp.

MR STEVENSON: I seek leave to appear for Mr Sharp.

THE COMMISSIONER: Yes. Please seated be Mr Sharp. Do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

10

MR SHARP: Under oath, sir, please.

THE COMMISSIONER: Yes. Swear Mr Sharp in, please.

THE COMMISSIONER: Mr Payne.

MR PAYNE: Mr Sharp, what's your full name?---Steven Brian Sharp.

And your occupation?---I'm the manager inspection operations for PIAS.

10 Actually employed by Sydney Water on secondment to Fair Trading or are you actually employed by Fair Trading now?---I believe I'm employed by Fair Trading as (not transcribable) but we perform the role of the inspection regime on behalf of Sydney Water.

Yes. Because you're waiting for some regulations to be passed?---That's correct.

You've made a statement in this matter?---Yes, I have.

20 Can I show you this document? You've had a chance to examine that document in the recent past?---Yes, I have.

This is, and it's the statement that you have made?---I believe so, yes.

Do you wish to make any corrections to that statement?---No.

Do you tell the Commission that the evidence, that the matters contained in that statement are true and correct to the best of your knowledge and belief?---Yes.

30 I tender that statement, Commissioner.

THE COMMISSIONER: Yes. The statement of Mr Sharp will be Exhibit P115.

**#EXHIBIT P115 - STATEMENT OF MR SHARP**

40 MR PAYNE: Mr Sharp, have you had an opportunity to peruse some of the evidence given by the PIAS inspectors who have appeared in this inquiry before you?---Yes, I have, sir.

And in particular Mr Fayers and Mr Vecchio's evidence?---Yes, I have, sir.

You supervised at various points those two gentlemen?---When I was in Sydney Water, Mr Fayers, yes, I supervised him and Mr Vecchio up until just recently, yes, I did.

And a Mr Rogers, did you also have a supervisory role in relation to him or not?---Whilst in Sydney Water I was, yes.

And the point you're making is that both Mr Rogers and Mr Fayers didn't come across to Fair Trading, though Mr Vecchio did?---That's correct.

10 And can I ask you just something about your history, Mr Sharp. Just at the bottom of paragraph 3, is the point you're making that you've been with Sydney Water or you were with Sydney Water between December '03 and March 2010?---That's correct.

And right through that period you were an inspector in the, of the PIAS inspectors?---No. I was an inspector when I started in December, 2003. And in the latter half of 2007, I applied for an expression of interest as the, being team manager compliance, which I was successful in gaining. And later in that year I obtained the role on a permanent basis.

20 I see. And how close was the supervision, we'll take the (not transcribable) with Mr Fayers, were you his immediate supervisor? And if so, for what period?---I was his immediate supervisor from that period when I took over the job as team manager.

So from '07 to 2010?---Late, late '07, yes.

And Mr Vecchio, how close was that supervision arrangement?---The same arrangement.

30 So late '07 to - - -?---Late '07 to current.

To current. Yes. I see. And the same answer for Mr Rogers is it? You were his immediate supervisor?---Yes, sir.

40 You say in paragraph 4 that you are a licensed plumber by trade and you say you actually, you say you were the licensee for Sydney Water "when I was over there", what do you mean by that?---Well, some, some work was done by contract people on, by Civil Maintenance when they put new mains in existing streets and they had to reconnect the houses back up and that work had to be signed off by a licensee that the reconnection of the house to the new main the next morning at work and it had to be signed off by a licensee and that was usually the role of that position that I held.

So that was within Sydney Water doing those reconnections?---Yes.

I see. Prior to 2003 you say you were with the Fairfield Council, was that as a licensed plumber? Is that right?---Yes, I was a licensed plumber, I was a coordinator for plumbing electrical work.

And have you ever worked in the private sphere as a licensed plumber?  
---Yes.

For what period?---Throughout the nineties.

10 You told me earlier that you had an opportunity to read Mr Fayers' and Mr Vecchio's evidence and I want to ask you at the outset, Mr Sharp, had you either as a licensed plumber or in the inspector role you took on with PIAS had you ever heard of the culture of cash payments to licensed plumbers described by Mr Fayers and Mr Vecchio before you read that evidence?  
---No, sir.

THE COMMISSIONER: How long were you, were you, you were an inspector with PIAS?---I was for four years, sir.

And no one ever offered you any money?---No. And no one did offer me money when I, and I was never asked for money when I was doing work and having that work inspected prior to coming to Sydney Water.

20 Can you explain the evidence of Mr Fayers and Mr Vecchio? Why is it that they said that, why did they get so many offers and how come they thought that there are many inspectors who were offered money and took it?---From the evidence of Mr Vecchio I did see that he mentioned that he thought it was anywhere else outside of (not transcribable).

Fayers?---Mr Fayers I, I, I denounce Mr Fayers' entire transcript, sir, as fictitious.

30 MR PAYNE: Including the fact that he admitted being paid cash payments for many years?---I've got no recollection of that at all, only what I've read from the transcription.

THE COMMISSIONER: And that is when his father - - -?---Sorry, sir?

40 And his father was a plumber and his father took him out when he was about 13 and his father was paid bribes then and took it for granted that it would happen and that it was the talk in the tearoom when he first arrived and it was something that occurred but not spoken of. You denounce all of that?---I do, sir, I find it hard to fathom a 10 year old boy questioning his father why he, why he was asked to go to get his wallet from the car.

MR PAYNE: Mr Sharp, I just want to take you up on the last answer when you say you denounce the whole statement. Do you tell the Commission that you have never heard of any rumour that cash money have changed hands between a PIAS inspector and licensed plumber?---I'm unaware of that behaviour, sir.

You were here weren't you when Ms Hiddlestone gave her evidence?---Yes, sir.

10 Do you remember her giving evidence that rumours, she didn't know the names of the inspectors, but rumours had reached her ears that there were presents being given to inspectors by plumbers to pass work and she asked that investigations be made of that matter? Do you remember that evidence?---I think I, I didn't catch all the evidence, sir, but I, it was quite hard to hear from down the back, but I wasn't aware of any of that activity happening.

THE COMMISSIONER: You never heard rumours?---Sir, I've been in Sydney Water 7 years and um, no, like I said, I never witnessed that behaviour when I was out in the field.

20 No, I'm asking you if you heard any rumours?---No, sir. PIAS inspectors basically work solo and we'd come in the office, when I first started, for a short period in the morning, collect your paperwork, field a few phone calls and then um, then head out into the field.

MR PAYNE: Can I ask you about presents from licensed plumbers to inspectors. Have you ever heard of PIAS inspectors receiving any presents? ---In what way, sir?

Well, either alcohol or tickets to performances, anything like that?---No, I haven't heard anything like that.

30 Never heard of a case of beer being given to a PIAS inspector by a licensed plumber?---As I said, sir, we, we crossed paths briefly in the morning and, and then went out in the day and never come back into, into the office until the next morning. No, I haven't heard any of that sort of stuff.

When you say you only crossed paths in the morning otherwise don't see them, are you talking about the people that you were supervising, are you, you didn't cross paths with them during the day?---No, when I was an inspector, sir.

40 I see. As an inspector, did you work alongside Mr Fayers in any of the various PIAS depots?---I don't believe I did as an inspector, sir.

Mr Vecchio?---At the Liverpool office for a short period of time.

In relation to Mr Fayers' evidence, you may recollect that he described a conversation with the senior inspectors on his first day as an inspector. He described it as, "The talk." Is what you tell the Commission nobody ever said anything to you about presents, whether in cash or otherwise, from licensed plumbers?---That's correct.

And I take it from what you say that you never had any conversation with Mr Fayers or in Mr Fayers' presence about these topics?---That's correct.

10 Once you became, you were successful in 2007 in attaining the supervisor role, what steps, if any, did you take in relation to corruption prevention so far as PIAS inspectors were concerned?---I'm not sure of the question, sir, about what steps. When I first come into the role as PIAS we um, it was in the early stages when we started to implement (not transcribable) phase of the centralised scheduling system so my project time was taken up with that, that project.

So centralised scheduling, moving the inspectors around?---Yeah, that's correct. As a forerunner to the centralised scheduling system coming in I, I introduced a manual centralised scheduling system as a forerunner to the, to the other.

20 Can you have a look at paragraph 13 of your statement, exhibit P115. And there's been some mention of this in the past, of these tool-box talks. Do you see that?---Yes, sir.

They're things that you conduct with inspectors every three months and that's recently increased to every month?---That's correct.

You set out the matters you there address, behavioural problems, technical requirements, business requirements and other performance-related issues. Were you intending to convey that during these monthly tool-box talks you'd touch on issues of corruption prevention?---In one or two of those tool-box talks we probably had that as a main topic, yes.

30 And what was it that you conveyed during those tool-box talks on the subject of corruption?---That there are certain policies and codes of conduct and that the inspectors need to make themselves aware of those codes and conducts, code of conducts and policies and, and where to locate them on the Intranet.

And so far as cash payments are concerned, did you address that as part of these talks?---No, sir.

40 So you didn't say anything to them about cash payments from, from licensed plumbers?---No, I didn't, sir.

Is it your evidence that it just never occurred to you that such a cash payment might be offered by a licensed plumber to a PIAS inspector?---As I said earlier, I had no, no contact with that or evidence of that or, or any hearsay or anything.

And you'd never heard a word about it as an inspector and you say you've never heard a word about it until you read these transcripts?---I wasn't

aware there was a practice of that, of that nature evident in the PIAS group in my time with Sydney Water.

Can he be shown, can the witness be shown Exhibit P113. This is a document produced by Mr Barry McClure, who I think you understand is with internal with Sydney Water?---I believe so. I only recently met Mr McClure.

10 And he says that this is a 1991 document concerning fraud control checklist in relation to PIAS or I think as they were then known P and D inspectors? ---That's what I heard him say (not transcribable), yes or evidence to that effect. I've never seen this document before.

Can I ask you some questions about it? If you have a look at the left hand column under the heading, I think it's, Identified Risks, What Could Wrong. Point 1, Bribes could be offered to bully inspectors to approve unsatisfactory work or give preferential treatment, for example, queue jumping. Do you say to the Commission that that's not a topic that had ever occurred to you as an identified risk in relation to PIAS inspectors?---I'm  
20 unfamiliar with the term queue jumping, so - - -

Well, in - - -

THE COMMISSIONER: Doesn't it speak for itself?---The way the operation worked when I come in, sir, was that the inspectors were in control of their own days as far as booking the inspections go. And they made the appointments to, to suit them, to suit the way they run their area. So I don't understand why there would be a need to queue jump when the inspector basically allocated the inspections to, to his day.  
30

MR PAYNE: The second dot point, Mr Sharp, Board inspectors could threaten non-cooperation if kickbacks are not given. Is that something that had ever occurred to you in all the time, that might happen in the time as either an inspector or as a supervisor prior to reading those transcripts recently?---(not transcribable) that there was no recording mechanism for non-compliances to be done and in conjunction with Jackie Hiddlestone, we, we looked at formulating a defect database so we could understand what's happening out there and, and get an overall picture of that sort of incident, that sort of behaviour.  
40

And if you look down the heading, Causes, Why It Could Go Wrong. The first point, inspectors not rotated, that was something addressed by Ms Hiddlestone, as you understood it?---That was the practice when I come in that inspectors usually rotated every two years. And it was a split, a split amongst the group every 12 months. Half the people would rotate and the next 12 months, the other half.

And the last dot point in that, Mr Sharp, Why It Could Go Wrong.  
Inadequate supervision. Do you see that?---I can see the dot points there.

10 Would you accept Mr Sharp, that, that as so far as the evidence of Mr Vecchio and Mr Fayers is concerned and the long history of receiving cash payments from licensed plumbers, that at least looking at the matter now in hindsight, you would agree that there was inadequate supervision of those inspectors?---Well, I wasn't privy to too much inspection years ago, sorry, the inspection or the supervision of, of the inspectors before I become involved in that. I certainly believe in the time that I've been there we've certainly increased the supervision and commenced field audits and the like.

In relation to the inspectors that you supervised have you ever asked any of the inspectors whether they have been offered a cash payment?---No, I haven't, sir.

Have you ever asked any of the persons who you supervised whether they've been offered a present?---No, I haven't, sir.

20 Is there any reason why you haven't asked any of those questions?---Well, I hadn't received any reference to that sort of behaviour happening, sir, no. If I've been negligent in doing that according to this document then I have but this is the first time I've seen this document.

30 Can I ask you about one of Ms Hiddlestone's reforms if I can put it that way, I think all the people from PIAS so far have attributed them to her, if I'm doing you a disservice I apologise?---No, I was only part of the, the implementation stage, these, I believe the centralised scheduling system, the format well, the idea has been around since 2000 or before.

Can I ask about one of the aspects of that and that's the idea of random audits of the inspectors, one of the things that was introduced at the same time as centralised scheduling or rolled out at the same time as I understand in late 2008?---That's correct.

Are you one of the people who conducts these random audits of inspectors?  
---That's correct.

40 Can you tell the Commission whether or not it's the practice as at least one witness has given evidence that on the day that the inspection, the random inspection was to take place the inspector would have noticed that some time during that day he would be inspected?---That's incorrect.

So far as you're concerned that's never happened?---It doesn't happen.

How do you go about selecting what inspectors and what jobs you should randomly inspect?---I look over about a six week period, I try and where

possible do at least three audits on each inspector over that six week period and, and I, I put that into a program that I have on my computer system.

And in terms of the audit that you do you turn up at the job at the appointed time as provided by the centralised scheduling system do you?---That's correct.

10 And so, and then what, monitor the performance of the inspector throughout the inspection. Is that what happens?---That's correct. I don't interfere with the inspection at all I just monitor the, the, a checklist that we have to go through and that covers a myriad of things from vehicle maintenance and unreported damage on the vehicle to the way the inspector conducts himself on site as far as his behaviour and demeanour, whether he's picked up any non-compliance that I, that I see that maybe that hasn't been picked up.

20 And do you review the documentation or what the inspector does with the documentation presented by the licensed plumber. Is that part of the inspection or the audit that you do?---I'll visually watch to see what transpires, what hands over and what doesn't hand over and that sort of stuff, I won't QA the SSD that's the inspector's role.

QA the SSD, quality assess?---Against the criteria, yes, the SSD must be to a certain standard and meet certain criteria with the legend then in certain documentation it needs to be put on the, on the, on the legend at the bottom by the licensed plumber.

30 So just to decode what you said. You won't quality assess the sewer service diagram?---No, I won't, that's the role of the inspector. I'll visually view to see whether he's received it or not if it was a drainage inspection.

40 I see. I understand. And so far as proposals for future supervision of the inspectors reporting to you are concerned having regard to the evidence of Mr Vecchio who did come across with you to Fair Trading and Mr Fayers do you yourself have any plans to review the operation of corruption risks within the PIAS inspectors?---Certainly Fair Trading's got different policies and procedures which are more readily available to, to people along those lines. We're going through an implementation stage at the moment as far as from Sydney Water to Fair Trading. There is I believe a review scheduled for two years from the time we moved over to look at all aspects of the business and see what happens. Certainly we're going to continue with the, a stringent audit program on the inspectors. We do monitor the daily schedule which is viewable on the desktop from back in the office for punctuality of the inspector turning up on site, how long they're there, what comments they put back onto the, on their inspection sheets with their computer.

And in terms of your response, if you like, to Mr Fayers' evidence, I think what you told me is so far as he was admitting taking cash payments over

many years from licensed plumbers, you accept the truth of that evidence, I take it?---Mr Fayers' evidence?

Yes?---No, sir, I think that- - -

You think he was making that up?---I think um, a lot of the content of that um, transcript as I, as I read it, is fictitious.

THE COMMISSIONER: Is what?---Fictitious.

10

Fictitious?---Fictitious. Thank you for picking that one up.

You mean false?---(NO AUDIBLE REPLY)

You mean false?---Fiction.

Fiction?---Yeah.

20 So when Mr Vecchio was asking, "Are you aware of other inspectors that accepted money?" And he replied, "Well, it was just a known thing", do you think that was fictitious as well?---Well, Mr Vecchio, I'm not too sure about what his statement meant there, sir.

Well, I think it speaks for itself. "Are you aware of other inspectors that accepted money?" His reply, "Well, it was just a known thing." Isn't that obvious what he means?---Well, I wasn't here 30 years ago when Mr Vecchio started, sir, and that certainly wasn't a known thing to, to Steve Sharp.

30 He wasn't talking about only 30 years ago, he was talking about his general practice?---Well, I wasn't here when he gave that evidence, sir, I only looked at the transcript.

Well, I'm asking you whether you say that that's fictitious as well?---Well, I don't, I don't believe that it's a common practice amongst the inspectors, sir.

40 Well, Mr Vecchio said, and I'm reading from 483, page 483 of the transcript, line 43, "Well, as I would say, if it's offered to me, it would have been offered to somebody else." What do you say about that?---Well, I say that's what Mr Vecchio's opinion was.

Well, if it was offered to Mr Vecchio, why wouldn't it have been offered to somebody else?---Sir, I'm not um, here to judge Mr Vecchio, but perhaps Mr Vecchio asked for it and not just had it offered to him.

See, you differentiate between Mr Vecchio and Mr Fayers. You say you're prepared to accept this happened to Mr Vecchio and you say that perhaps he

asked for it, but you say that what Mr Fayers said is fictitious?---Well, I say that his statement was, sir, in relation to um, some of the um, the events that he says happened. Maybe I was wrong in saying that the entire statement was fictitious. I, certainly some of the events that were in the transcript, I'm one hundred per cent sure did not happen.

10 So the impression I get from your evidence, Mr Sharp, is that you just don't think there's a problem there?---Well, obviously there's a potential for a problem, sir, as I can see from this checklist, but currently I don't believe there's a problem involved.

Well, not only that, the impression I get from your evidence is that throughout the time you have been an inspector and involved at Fair Trading there has been no problem with inspectors being paid money? ---Well, I've certainly not witnessed it myself and I have not had it brought to my attention.

20 Yeah. And you don't regard it as a problem?---Well, it wouldn't be a problem if I don't believe it's happening, sir.

And even though Ms Hiddlestone is actually not involved on a day-to-day basis with plumbers and she's heard rumours, you, unlike her, you've heard no rumours?---That's correct.

You've heard no evil?---Um, I've heard no corruption or, or, or offer of payments in my role.

30 Mmm. And you've got no explanation for this sharp difference between, and I don't intend any pun there, between your evidence and that of others who have said that they'd actually received many payments and that payments is a practice and others who said they've heard about it. You- -? ---I could say maybe hearsays from years ago, I'm not too sure. I've not, I've not heard that. In the time that I've been here I haven't witnessed any inspectors doing that behaviour and I certainly haven't had any reports from anybody about it.

40 So as far as you're concerned, there's no need to change anything?---Well, we're always looking to change the processes and business and make it more accountable. The reason why we looked at centralised scheduling and, and, and changing the processes we've got now is to make the business more reportable.

But you don't see any problem with payments, corrupt payments to inspectors because- -?---Well (not transcribable)

- - -you say to your knowledge it doesn't exist and you've never heard about it?---Well, not in my time, no.

Yeah?---And ah- - -

MR PAYNE: Mr Sharp, I just want to give you every opportunity and make sure we're not at cross purposes. When you said to me a moment ago that Mr Fayers' entire statement was fictitious, are you saying that he's come to this Commission on his oath and admitted corrupt payments for many many years, are you saying that that was- - -?---I'm not saying that part's fictitious. If Mr Fayers has said that, then I believe that he's done that. I'm saying that events that he, they were in that statement regarding certain  
10 inspectors out of certain offices and um, secret meetings when he first come in, on the day he come in, he made a statement that he was told no one ever talks about it, yet on the first day he walks in the place he's inducted into some secret brotherhood. That, that doesn't gel with me.

And so far as Mr Vecchio's concerned, to the extent that he said he accepted cash payments on a regular basis over many many years and it was part of the culture that he'd grown up with in Sydney Water, again, do you accept that evidence?---I accept that evidence if that's, if that's what happened 30 years ago. I don't know whether that's- - -  
20

THE COMMISSIONER: Over the last 30 years, Mr Sharp. He didn't say it only happened 30 years ago, he said it had been happening over the last 30 years?---I read in his transcript, sir, he said from '78.

Exactly?---I don't know what- - -

He didn't mean it, it means he knew that it started in 1978. He didn't suggest it stopped in 1978, it continued?---He said he started doing that in '78, sir.  
30

Yeah, quite. But it kept going. It was there throughout the 21<sup>st</sup> century till now, according to Mr Vecchio?---Mr Vecchio's entitled to his opinion, sir.

Do you regard that as fictitious?---I don't believe that's been the case in my time in Sydney Water and Fair Trading, that the group that I currently work with, that, that behaviour is evident.

MR PAYNE: Well, Mr Sharp, just to summarise. You do accept, don't you, that when Mr Vecchio has come here in a public forum on his oath and admitted corrupt payments over many years up to and including the  
40 beginning of 2010. You accept that that happened, don't you, or do you say that's fictitious?---Well, it's not, of course I accept that it happened. Mr Vecchio said he's done that. I'm not responsible for what he done on his personal back.

Well, as his supervisor for at least- - -?---Three years.

--three of those years and as Mr Fayers' supervisor for at least three of those years, Mr Sharp, do you regard that evidence as identifying a problem at all for Sydney Water or not?---Yes, I do.

And my question is, even given what I accept were, I withdraw that. My question is, accepting that is a problem, from your position as a supervisor of the remaining PIAS inspectors, do you believe there are steps that can and should be taken to improve forward control so that this can't happen again?---Certainly.

10

And what would they be?---Well, it'd be to continue the awareness of the Codes of Conduct. We just recently introduced PIAS inspectors to a, a compliance officers Code of Conduct, which is probably another step up from the standard Code of Conduct. We've invited all the inspectors to participate in a investigations course, which talks a lot on that sort of stuff. And make a lot of awareness to them available.

20

The last Code of Conduct that you mentioned it's an inspectors, a PIAS inspectors Code of Conduct is it?---No, it's an investigators Code of Conduct, specifically to Fair Trading.

Promulgated by the New South Wales Department of Fair Trading is it? ---Yes, yes, sir.

And has that actually been published?---It's been given to the inspectors in hardcopy and they had to sign for it, yes.

And been distributed to them?---Yes, sir.

30

How recently?---About six weeks ago.

And that you say deals with some of these fraud control checklist issues that perhaps weren't dealt with quite so thoroughly in the past, in your Sydney Water days?---Well, it certainly goes into greater detail than the standard Code of Conduct.

40

And just before we leave this topic, Mr Sharp. I don't know whether your attention's been drawn to the fact, but there are a number of licensed plumber witnesses who have come through this inquiry and given evidence in the last week and a half. And if I could summarise from a number of those witnesses, they say that the practice of providing a cash payment or a drink, as they put it to the PIAS or P and D inspector, it is a long standing part of the culture and something that they had done on many occasions. Were you aware of that?---I've been in the court a couple of times, sir, and I've heard some people that along those lines. After some, some deliberation in most cases, I've heard them say when first asked do they give PIAS inspectors money and most of them said, no.

And after some deliberation once I'd asked them a few questions and they realised the solemnity of the occasion, a number of them, you heard them say that they did provide cash payments to PIAS inspectors?---That's correct. Yeah.

Again, do you regard that as a satisfactory state of affairs so far as the PIAS inspection group is concerned today?---I most certainly don't, sir. They didn't elaborate how many of the inspectors they give it to, sir. And maybe it was just the one or two that were doing it. I don't know.

10

Well, I suggest to you that a number of them, for example, Mr Romanous said it was a very widespread practice. Do you agree?---I didn't read Mr Romanous' statement, sir. That's one I missed.

20

To the extent that we can deal with this, that PIAS inspectors who report to you have to deal with it, are there steps being taken as you understand it, to increase the educational awareness on the licensed plumbing side of their obligations in relation to PIAS inspectors?---Sir, my, since my involvement with the PIAS inspection I've been involved in the implementation of many and many changes to the group to make the group more accountable, more reportable and certainly more transparent. And my goal is to continue to do that in Fair Trading, along the lines of their policies and, and procedures.

And to involve licensed plumbers in that education and training is really my question, Mr Sharp?---Could you clarify that a bit further, sir? Do you mean bring licensed plumbers in to talk to the inspectors?

30

Well, and let them know what Sydney Water's policies are regarding the payment of money and to let them know for example, if, is there a fraud hotline within the Department of New South Wales, Department of Fair Trading?---I'm sure there would be, sir. The PIAS group is part of the centralised scheduling project. It was broken into three, three distinct areas. That's not specific to my area. There's a group called strategy who looks at all of that sort of stuff. You know, there's another group called compliance, which looks at all the non-compliances and, and that type of work, what's happening in the industry, in regards to regulation. And then there's the operation side, which looks after the day to day operations of inspectors out in the field doing inspections.

40

Mr Sharp, you may be aware that some evidence was given, there was a former inspector called a Mr Johannsen. Do you remember him?---I certainly do.

And a question was put, I don't suggest evidence was given. A question was put to the effect of which was that a Mr Thwaite, who was a former inspector, P and D or PIAS inspector. Do you remember him?---Mr Ken Thwaite, yes.

That he had somehow received a cash payment from a licensed plumber but had made that known to Mr Johannsen at some point in the immediate last few years. Is that something you've ever heard before?---Just recently I, I'd heard that that was raised to, by Mr Thwaite.

That was raised by Mr Thwaite. When was that?---When did I, I only heard within the last two months or so.

He's a current PIAS inspector is he, Mr Thwaite?---Correct.

10

And he raised with Mr Johannsen within the last couple of months something?---I never raised it with Mr Johannsen. No, I heard that that, that it happened.

THE COMMISSIONER: Mr Thwaite raised it? Mr Thwaite?---Mr Thwaite, yes.

Raised it not you?---That's what I heard.

20

Mr Thwaite raised it?---I heard that Mr Thwaite had raised it with Mr Johannsen.

MR PAYNE: Mr Johannsen's been long gone from Sydney Water though hasn't he?---That's correct.

So when, I'm sorry, you heard that he had raised it in the past?---I heard, I heard another person within PIAS saying that that happened.

30

Are you aware of whether it did or not?---Oh, well, no, sir, I was an inspector at the time. I didn't know it happened at the time. But I'm aware now that it happened.

And have you since seen any documentation concerning that subject matter, Mr Thwaite raising with Mr Johannsen some cash payment?---No, sir.

Excuse me, Commissioner. I have nothing further for Mr Sharp.

40

THE COMMISSIONER: Mr Sharp, you drew attention to the fact that some of the licensed plumbers who gave evidence (not transcribable) their evidence denying that they'd made any payments?---From my time when I was in the court, sir. I heard that question asked and they said, no, first off.

Yes. And you referred to the fact that in regard to a number of these licensed plumber witnesses, after what I think you said was deliberation, they changed their evidence?---Well, it appeared that way, sir.

Yes. I got the impression that you would rather, you would tend to believe what they first said not what they later said?---Don't get me wrong sir, I,

obviously there's some, some form of corruption has happened here, sir, because two people have admitted to making cash payments. Now, I'm saying that I have not ever witnessed or heard - - -

10 No, I know that you're saying that. That's not what I'm asking you. When Mr Payne put to you that a number of licensed plumbers had admitted paying money to PIAS inspectors, you responded by saying that originally in their evidence, or a number of them, they were denying making the payments?---That was, that was my observation.

Yes. And that observation was entirely accurate. But I got the impression that you were saying, well, they may have said it later, but just bear in mind what they said in the beginning. Isn't that what you were saying?---No, sir. I said that it appeared that their evidence was clouded and they weren't too sure whether they did or they didn't.

20 I see. So you are not prepared to accept the substantiation of Mr Fayers and Mr Vecchio from the licensed plumbers?---I'm not too, could you ask that question again, please?

Yes. You are, correct me if I'm wrong, but the impression I get from your evidence is that you are not prepared to accept any substantiation to the evidence of Mr Vecchio and Mr Fayers, who said that this practice of paying PIAS inspectors was endemic, you're not prepared to accept the evidenced of the licensed plumbers as substantiating that evidence?---I'll accept anything that comes out of this hearing, sir. And I'll work with whatever comes out. Now I know you're not asking that question, but we've got 3,500 plumbers on our database that we work with on a daily basis.

30 Mr Sharp, would you mind just answering that question. The question I'll say it again is my impression in the way you answered Mr Payne was that you are not prepared to accept the evidence of the licensed plumbers about this endemic practice as being reliably supporting the evidence of Mr Fayers and Mr Vecchio to the same effect. Is my impression right or wrong?---It's still clouded, sir, I know you explained it clearly but - - -

40 I've given you plenty of opportunity, if you don't want to answer it you don't have to?---Thank you.

I'll draw my own inferences from their failure to do so?---Sir, I'm just saying you're talking about two people, if you're saying that do I believe that those two people have acted inappropriately yes, they have. Do I believe - - -

I'm not talking about, I'm not only talking about them acting inappropriately I'm talking about their evidence that there is a culture that's endemic in Sydney of licensed plumbers paying PIAS, some PIAS, many

PIAS inspectors money?---When you use the term many I don't, I don't  
conduce with that, sir. Some, some I would, certainly I know the character  
of a number of the people if not all of them, people that I currently work  
with and they're, and they're of highest integrity.

Now, again I may be wrong, I may have misunderstood you and I'd like you  
to correct me if I'm wrong. When you were asked about what steps you  
think should be taken in the future, if any, to remedy the risk of corruption  
and my impression was that you, the steps you would have in mind as  
10 giving your talks about the code of conduct - - -?---That was just one of the  
processes - - -

What others?---One of the other things is to continue with the stringent audit  
program - - -

Stringent audit program?---Yes, where we go - - -

What's that?---Where we go out in an unannounced visit aside from the  
inspectors who have inspections booked, there's a communication program  
20 that's aimed at going out to the plumbing industry itself, we visit Master  
Plumbers Association's trade shows on almost every occasion and we have  
a website available and we send letters out to the, to the plumbing industry.

Do you think that steps of that kind other than the surprise visits would've  
had any effect on Mr Fayers and Mr Vecchio?---I believe they've acted in,  
on their own initiation.

Yes. If a plumber, if an inspector was of a mind to accept payment then  
would you agree telling him not to would be pretty useless?---No, I think  
30 the more you reinforce it the more you put it out there for, for both sides of  
the fence to, to have it in front of them, it'd certainly decrease the  
opportunity of a mindset to do that.

Essentially what, the most effective thing to do would be to make the  
prospects of inspectors being caught doing this more likely wouldn't it?  
---Yes, sir.

So I can see that making surprise visits to the site that would be one. Any  
other steps that you could take to make catching inspectors doing this kind  
40 of thing more likely or is that too difficult?---I'm not too sure what you  
want from me in this answer, sir. As I said we, we, we intend to make sure  
that we have a rigid program of what you just talked about and we talk  
about we're going to have toolbox talks on a monthly basis, encourage  
people to come forward if they, if they hear this sort of behaviour,  
encourage the industry to report this behaviour.

That would help?---All those things are a culmination of, of, of the  
education package as far as, and the implementation of the audit system

where we have a bit more scrutiny on where they are, what time they are and accountability.

All right. Thank you. Does anyone want to question Mr Sharp? Ms Hughes.

MS HUGHES: Mr Sharp, I act for Mr Fayers. You've said here today that it's your opinion that much of Mr Fayers' evidence was fictitious. Is that correct?---That's correct.

10

And you've said that what part, you accept that he took corrupt payments. Is that correct?---He's admitted to doing that, yes, I do.

So what part of his evidence do you consider fictitious?---There was references to an instance that happened with Mr Russell Martin of (not transcribable), I don't believe that happened in the shape or form that Mr Fayers put in there. Mr Fayers made reference to a number of offices that he worked in yet made no reference to that particular office where that major incident occurred.

20

Can you think of one cogent reason why Mr Fayers would make up this evidence?---I'm not a medical person but I think Richard has a few issues that he needs to address. He's admitted that he has been taking counsel, that was on our inference and I'm not too sure that that's been hugely successful at the moment.

And Mr Vecchio, similar situation or - - -?---Mr Vecchio demonstrated aggressive behaviour, documentation behind his character.

30 You accept Mr Vecchio's evidence, is that the case?---Yes.

THE COMMISSIONER: You don't accept it. Everybody knew about the inspectors taking money?---He didn't say that, sir. That's, that's somebody else's - - -

(not transcribable) "Are you aware of other inspectors that accepted money?" He said, "Well, it was just a known thing." Page 483 line 31? ---Just a known thing amongst who, sir.

40 Pardon?---Just a known thing amongst who, where, what? Just a known thing. A known thing to him?

Well, it's a known thing in the industry?---I think, you'd have to acknowledge that known thing could make reference to just his own person, it could be, it could be widespread, open to interpretation.

And his statement that, "If that's offered to me it would've been offered to somebody else." You don't agree with that?---Well, yes, I do, 'cause obviously Mr Fayers has had it offered to him.

So you only accept that it was offered to Mr Vecchio and Mr Fayers?  
---Well, I believe people are innocent till they're proven guilty and there's been no reference to any other individuals at the moment.

No one, no, all right. Yes.

10

MS HUGHES: Mr Sharp, the evidence from Mr Vecchio and from Mr Fayers is that they never asked for money but it was offered to them. Do you accept that? Do you accept that that's (not transcribable) evidence?

THE COMMISSIONER: Do you accept that that's true? That is that they never asked for money it was just offered to them and I think that was pretty clear?---I think that's a question I'd probably, I'd refrain from answering, sir, 'cause it's only my opinion not my - - -

20

Well, you were asked for your opinion?---I was asked for my opinion?

Yes?---Yes.

MR STEVENSON: Well, can I respectfully submit that it's not a fair question to ask.

THE COMMISSIONER: Why not?

30

MR STEVENSON: Well, the witness is being asked if he accepts that other people ever asked for money. Well, how would he know except by reading the transcript?

THE COMMISSIONER: Except by reading the transcript?

MR STEVENSON: Apart from what I've heard of this Commission. He's being asked his opinion about what other people did as opposed to whether he knows about it.

40

THE COMMISSIONER: Well, I suppose the fact is that, all right, Mr Stevenson. The fact is that Mr Sharp as I understand his evidence, you're not prepared to accept that offers of this kind were made to inspectors and that inspectors accepted them except to the extent that Mr Fayers did and Mr Vecchio did. Is that correct, Mr Sharp?---Not at this present time, sir, unless somebody else comes through and says that they did.

That's his evidence?---I don't doubt the integrity of the people that I work with presently.

Yes, that's his evidence.

MS HUGHES: Mr Sharp, we've heard evidence from licensed plumbers that they made offers to inspectors - - -

THE COMMISSIONER: I don't think he has heard it, he wasn't here.

THE WITNESS: I take exception to that, sir.

10 THE COMMISSIONER: You have what?---That you'll be making an assumption on my, my character. You're saying that I don't accept that. I do accept it that, that that's happened but I'm not saying it's endemic and I don't believe it's a culture.

I asked you whether you agreed or not, I thought you said you agreed to what I said. Anyway, proceed.

MS HUGHES: Do you think it's highly unlikely that Mr Vecchio and Mr Fayers were the only persons, only PIAS inspectors offered money?---(NO  
20 AUDIBLE REPLY)

Why only those two?---(NO AUDIBLE REPLY)

THE COMMISSIONER: Well, he's explained that. He says he believes that his colleague are innocent- -?---I can only speak for the people that I've supervised, not, not people I didn't supervise or, or have an opportunity to work with outside of the last seven years.

30 Of course the fact that, do you regard the fact that two of, how many people have you supervised?---In, in Sydney, in um, in Sydney Water?

Yeah?---Inspectors, up to 27.

Over a period of four years?---Yeah, 3 years as a supervisor, sir.

MS HUGHES: What I'm suggesting to you, Mr Sharp, is that the evidence that gave, that was given by Mr Fayers was very frank and truthful evidence?

40 THE COMMISSIONER: He can't answer that?---Mr (not transcribable) made a statement that Mr Martin visited every plumber in the Blue Mountains and um, and, and in the evenings and encouraged them to um, make um, complaints about that particular inspector that had taken his area. Yeah, 70, over 70 plumbers that live and operate in that Blue Mountains area. Are you telling me that he went and visited every 70 of those people?

MS HUGHES: I suppose, Mr Sharp, before you can combat corruption you must first accept it exists?---Well, I accept that there's certainly a problem.

It's been evident by this Commission. I mean, PIAS has been put under an umbrella. Certainly there's some evidence of, of inappropriate behaviour by individuals and we need to address that and we need to make sure it doesn't happen again and we need to make sure we put steps in place to ensure that the entire PIAS group's transparent going forward.

I have nothing further, Commissioner.

THE COMMISSIONER: Mr Stevenson?

10

MR STEVENSON: One question on a different subject. I think you've heard that Mr, have you recently had a conversation with Mr Vecchio about the subject of him preparing sewer service diagram?---On 7 September.

20

What was that conversation?---Um, that was the day Mr Vecchio was suspended and I had to make a contact with him to meet us downtown at um, at um, the McKell Building. Um, I went down with the Assistant Commissioner. I waited downstairs for Mr Vecchio to turn up. When Mr Vecchio turned up he said, "I don't know what I've done, all I've ever done was draw a couple of diagrams for a few close friends for money." And I said, "Well, you should, the first thing you should never do is take money."

Has he ever mentioned those matters to you before that?---No, sir.

Thank you, Commissioner.

THE COMMISSIONER: Yes, you may be excused, sir?---Thank you.

30

**THE WITNESS WITHDREW**

**[3.03pm]**

MR PAYNE: Commissioner, I call Mr Mann, M-A-N-N.

THE COMMISSIONER: Are you legally represented, Mr Mann?

MR MANN: No.

40

THE COMMISSIONER: No. Mr Payne, I'm not sure what the evidence is that Mr Mann is going to give.

MR PAYNE: Commissioner, I have no intention whatever of putting anything to Mr Mann that so far as I'm concerned might lead to an adverse finding, but I think in everyone's interest, given he has no legal representation, perhaps an order is appropriate.

THE COMMISSIONER: Yes. Mr Mann, I'm going to make an order to the effect that the evidence you give cannot be used against you in any

criminal or disciplinary proceedings. This order is for your own protection. Do you understand that?

MR MANN: That's fine. I see no need for it.

THE COMMISSIONER: Do you want me to make it or not?

MR MANN: Make, make the order but- - -

10 THE COMMISSIONER: All right.

MR MANN: - - -I just can't see that I'm going to be accused of anything.

20 THE COMMISSIONER: Pursuant to Section 38 of the Independent Commission Against Corruption Act I declare that all answers given by Mr Mann 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 accordingly there is no need for him to make objection in respect of any particular answer given or document or thing produced.

30 **PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT I DECLARE THAT ALL ANSWERS GIVEN BY MR MANN 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 ACCORDINGLY THERE IS NO NEED FOR HIM TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

THE COMMISSIONER: Mr Mann, do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

MR MANN: Oath.

40 THE COMMISSIONER: Will you swear Mr Mann in, please.

MR PAYNE: Right. Mr Mann, what's your full name?---Norman Victor Mann.

And you are an accredited water service coordinator with Sydney Water?  
---That's right.

10 The accreditation program for water service coordinators started in 1993  
and you've been an accredited water service coordinator since that time?  
---That's right.

Prior to that time you were employed by Sydney Water Corporation for a  
period?---A long time before that.

Between approximately what periods?---I started the beginning of 1960 and  
left the end of 1972 and went into private practice. I was in private practice  
since then, the end of the '72.  
20

Now, you've made a statement in this matter to the Commission. Can I  
show you this document. That's the statement you've made?---That's right.

And you've had an opportunity to consider it recently?---Yes.

Is there anything you wish to correct in that statement?---No.

Do you tell the Commission that the contents of that statement are true and  
correct to the best of your knowledge and belief?---That's right.  
30

Commissioner, I tender the statement.

THE COMMISSIONER: The statement of Mr Mann is Exhibit P116.

**#EXHIBIT P116 - STATEMENT OF MR MANN**

40 MR PAYNE: Mr Mann, can I ask you some questions in amplification of  
the matters set out here. First of all, can I draw your attention to paragraph  
5. You say you've known Mr Buckley for about 12 years, so that's  
basically the period that you've been involved as a water service coordinator  
for Sydney Water is where you've known Mr Buckley?---Yes.

You didn't know him prior to that time from any association with Sydney  
Water or else-wise in the industry?---No.

And you regard in general terms his interpretation of the national sewerage code and Sydney Water rules as pedantic and inconsistent?---That's right.

Did you, can you explain perhaps by reference to paragraph 6, so if you need to look at it, but can you explain what methods were then available for you to take up those complaints within Sydney Water and what it is that you did?---Where I felt that his issuing a Corrective Action Request was unreasonable, I referred it to the supply management group or the supply performance audit group, as they're now called- - -

10

Yes.---?- - -for a decision as to whether it was reasonable or not and in most cases it was considered unreasonable and was cancelled.

And just to take you up on that, the supplier performance audit group is a group within the urban growth department?---Yeah.

And you've nominated Mr Price, Mr Barnes and Mr Hammond as the main personnel you dealt with, in paragraph 6?---Yes.

20

As you understand it, Mr Buckley was employed in another part of Sydney Water, namely the maintenance division, rather than urban growth?---Yes, but the supply performance group is responsible for management of CARs and as water service coordinators, if we have to reply to a CAR it goes back through them.

Yeah?---So I thought they were the best people to decide whether it was worth proceeding or not.

30

I don't suggest for a moment to the contrary. I'm just trying to establish some boundaries of the evidence. Can I ask you about 7 and your external quality council. That was a body that you participated in throughout the last ten years?---Yes. I'm still a member of that council.

And typically Sydney Water would be represented on that council by Mr Saxby and Mr Purcell?---They were the main managers involved. There were also representatives from other groups within urban growth, such as the supply management group and standards group and so forth.

40

So you're indicating- - -?---But basically either Paul Saxby or Steve Purcell chaired it.

And from time to time you're indicating that for example Mr Price, Mr Barnes or Mr Hammond might also attend but that Mr Saxby or Mr Purcell was the chair throughout that period?---Yeah. Phil, Phil Hammond was the main attendee of the quality council for many years.

I see. Can I take you directly to paragraph 8. Mr Farrell, another water service coordinator describe him as a design representative. He also served on the council throughout most of this period?---Yes.

10 And you say in paragraph 8 there were a number of issues surrounding Mr Buckley's interpretation were also raised at this council in addition to what you'd done, you've told us before the, the Supplier Performance Audit Group, you were also raising that and as you understood it so was Mr Farrell in relation to Mr Buckley at this, at this council?---Yes. What we tended to do was go into the supplier management group to deal with CARs and when there was a question of interpretation of standards that was taken to the quality council for a decision.

I see and by standards you're referring to the Australian Standard, the Sewerage Code?---The Sydney Water edition of the national code.

20 I see. And that's all published by the Australian Standard and that's the Australian standard for the National Sewerage Code?---Yes, it's the Water Services Association of Australia produce it and you get it through Standards Australia.

30 I see. In paragraph 8, if I can ask you about this occasion that you're recalling, it's about five years ago, you say an allegation was raised that Buckley had taken money from construction and you do remember the words, the effect of that he, Buckley, was given, I'm sorry, that the money was given in a brown paper bag were used?---Yes. I don't know that it was a specific allegation with any particular names mentioned except Buckley's and there had been stories of that sort of thing around for a long time but I had never experienced any of them so I wasn't prepared to perpetuate it.

When you say you never experienced it I take it you had been a water service coordinator on jobs involving Mr Buckley?---Yes, many times.

And to your knowledge money didn't change hands in relation to those jobs is what you're saying?---That's right.

40 And the allegation that was raised about Mr Buckley taking money at this forum, do you remember who raised it?---I think it might have been Phil Farrell but it was a long time ago. When I was approached by ICAC I went back through the minutes of the Quality Council for the past five years which I had in my office and I couldn't find a reference in those five years so it must have been before that.

Or perhaps it wasn't minuted?---Possibly but, you know, I felt that it had been.

You certainly recall it being raised?---Yes.

Do you recall seeing it in the minutes?---Well, not completely but the fact that I went searching back through the minutes indicates that I thought it was in there but - - -

THE COMMISSIONER: Or you thought it should have been?---It should be, yeah. Now, I didn't find it in the five years that I went back but maybe it was before that time.

10 MR PAYNE: Just in fairness to you, Mr Mann, I'll put to you what Mr Saxby says which is that he does remember an allegation of this kind being raised by Mr Farrell but he told the meeting he shouldn't put it in the minutes because that's distributed to the industry and they talk about offline, does that accord with your recollection?---I can't really remember that being said.

But its an alternative explanation for it being more than five years ago, it may be that your initial instinct of five years is not - - -?---It is, it is an alternative explanation and if that's the case I accept it.

20 You say you recall being advised that this, that's the, the allegation you think made by Mr Farrell about Mr Buckley was to be investigated and it was either Mr Saxby or Mr Purcell who told you but you're not sure?---Yes. I would have thought that it would have been Paul Saxby at that time because he was the chairman of the Council.

Did you ever hear back from Mr Saxby or anyone else within Sydney Water about the outcome?---No, not that I can recall.

30 Do you remember it ever being followed up at an External Quality Council meeting? Did anyone ever raise it again?---Not that I can recall, no.

When you mentioned earlier about there being many rumours that you had heard although you hadn't had any direct experience about Mr Buckley, were they rumours that you'd heard in the context of meetings such as this with Sydney Water or are you talking more about conversations with constructors and other water service coordinators on jobsites?---Yeah, conversations with other WSCs and constructors, never in a forum with Sydney Water, only, only that one time.

40 The one that you think was from Mr Farrell that you've referred to in paragraph 8 is the only official - - -?---Yeah, yeah.

And then in paragraph 9 and following you're talking about something that happened earlier this year, when the internal audit people from Sydney Water came and made a presentation to the External Quality Council? ---They made a presentation to the Water Servicing Coordinators Forum which is a meeting that's held between Quality Council meetings.

I see. Just for the water servicing coordinators, not with the wider group as you're talking about?---No. Well, there are representatives of Sydney Water at that forum but its basically a forum for water servicing coordinators to raise any issues that they have so that they can be considered at the next Quality Council meeting, that's the purpose of them.

And I take it at that forum you were made aware that Sydney Water either had or was about to establish a fraud hotline, a confidential fraud hotline?  
---Yes, we were told about that in the presentation by the Internal Audit  
10 people.

And to your knowledge as a representative on this, on this forum, the Water Services Coordinator Forum, have steps been taken to disseminate that information widely amongst water services coordinators and constructors since that day?---The whole presentation was sent out in the minutes to all water servicing coordinators and subsequently the following week, when there was a Quality Council meeting, the people from Internal Audit came along and gave the same presentation and I think that was distributed with the minutes of the Quality Council which go to all suppliers, not only  
20 WSCs.

In paragraph 11 you return to the subject of rumours about Mr Buckley that you've heard, an assumption that you made there, namely that it would have been in return for passing work without delays, of speeding the process, what you knew about Mr Buckley never rose higher than those rumours and as far as you can recall you never actually raised it with anyone within Sydney Water, other than the extent that you were at the meeting with Mr Farrell that we've spoken about?---Well, I didn't have anything to raise because I never experienced it. The constructors that I used knew my  
30 requirements and they never had a problem with having a job passed so there was no need to make any payments so I never experienced any of my constructors complaining about the man. I only heard about it from other WSCs and constructors.

You talk in paragraph 12 about a job you did with Mr Devereux of Perfect Pipes there. You're aware of evidence that Mr Devereux has given in this Commission that he did make a payment on that job?---I wasn't aware of it but I have since heard that he was one of the contractors who claimed to have made payments and if he did I accept that.  
40

But you were the WSC on the job and you had no knowledge of it at the time is what you say?---No, that's right.

Excuse me, Commissioner. I have nothing further for Mr Mann.

THE COMMISSIONER: Does anyone wish to question Mr Mann?

MR LEE: I do, Commissioner.

THE COMMISSIONER: Yes.

MR LEE: Mr Mann, I represent Mr Buckley. Do you understand that?  
---Yeah.

10 In paragraph 6 of your statement you said that had cause to contest a  
number of CARs issued by Mr Buckley?---Yeah.

Do you know the number of CARs you had cause to contest?---Oh, five or  
six.

And you say further in that paragraph that most of those CARs that were  
contested were interned?---That's right.

And again you had a number of contested CARs that you were interned?  
---All of them.

20 Nothing further, Commissioner.

THE COMMISSIONER: Mr Stevenson, I think you're the last remaining  
person.

MR STEVENSON: Mr Mann, I'm the barrister for Sydney Water?---Fine.

Just one matter, in paragraph 9 in respect of the WSC forum meeting in  
April/May this year?---Ah hmm.

30 And you tell the Commissioner that during that meeting Bob Pascoe raised  
the question of Mr Buckley?---Yes.

Did, and you were told you tell us that the matter would be dealt with. That  
was something said by Mr Saxby or Mr Purcell was it?---Yes, at that time it  
was probably Steve Purcell. But the fact that the internal audit people were  
there, they became aware of it when it was raised.

40 Was any mention made at that meeting that the matter was currently under  
consideration as far as Buckley's conduct, was currently under investigation  
by ICAC?---I don't recall being told that at that meeting.

Thank you.

THE COMMISSIONER: Thank you Mr Mann, you may be excused?  
---Thank you.

**THE WITNESS EXCUSED**

**[3.21pm]**

MR PAYNE: Commissioner, I call Danny Ghantous.

THE COMMISSIONER: Be seated Mr Ghantous.

MR PAYNE: Commissioner, somewhat unusually, Mr Stevenson has raised a matter with me, he wants to clarify at the outset. I'm happy that he do that and then I'll conduct my examination of Mr Ghantous.

10 THE COMMISSIONER: Do you mean you're asking for an adjournment. Is that code?

MR PAYNE: No, no.

MR STEVENSON: I want to read some evidence from Mr Ghantous.

THE COMMISSIONER: Oh, I see.

MR STEVENSON: (not transcribable) Commissioner.

20 THE COMMISSIONER: Yes, very well. Just a moment Mr Stevenson, you may.

MR STEVENSON: And I seek your leave to appear for him?

THE COMMISSIONER: I beg your pardon?

MR STEVENSON: I seek your leave to appear for Mr Ghantous.

30 THE COMMISSIONER: Yes, certainly. Now, do you want a Section 38 order?

MR STEVENSON: No.

THE COMMISSIONER: No. Mr Ghantous, do you wish to give your evidence under oath or do you wish to affirm the truth of your evidence?

MR GHANTOUS: Affirm, thank you.

THE COMMISSIONER: I thought you said Mr Stevenson was going to - -  
-

MR PAYNE: I going to give him the statement, I'm going to tender it. I'm  
going to sit down, Commissioner. Your full name is Danny Ghantous?  
---That's correct.

10

You've made a statement?---Yes.

I'll show you the document and I understand you wish to make some  
corrections that Mr Stevenson will ask you about?---That's right.

Commissioner, can I tender the statement at this stage.

THE COMMISSIONER: Well, is there an objection to that, Mr  
Stevenson?

20

MR STEVENSON: I'd like to ask him some questions first.

THE COMMISSIONER: Very well.

MR PAYNE: I'll withdraw the tender. He's been sworn in.

THE COMMISSIONER: Yes.

30

MR STEVENSON: Mr Ghantous, do you have a copy of your statement in  
front of you there?---Yes.

I'll take you to paragraph 13?---Yes.

You see you say there that you've never socialised with Mr Buckley and  
that he has never attended your home and you've never attended his home.  
Do you see that?---Yes, I do.

40

Now, is there something you'd like to say about those paragraphs? Do you  
want to make a qualification or correction?---Yes. Just when I was asked  
about this question, I thought in socialise was have I been over his house  
and met his family. He's been over my house and met my family.

So you understood that you were being asked whether you'd been to,  
whether Mr Buckley had been to your house on a social occasion?---That's  
right.

And is this right, he never has been to your house on a social occasion?  
---That's correct.

But he has been to your house on one occasion has he not?---That's correct.

Could you tell the Commissioner about that occasion and what happened?

---Yes. Yep. Commissioner, just with, with that occasion (not transcribable)

First of all when was it?---It was just before Christmas, to memory.

10 Just before Christmas 2009?---2009, that's correct. Well, I, I called John Buckley, I was just going on holidays then, so I finished off at work and John Buckley was on shift work. So it's a late shift start and a late finish. I called him and I, I asked him if he can come past my premises so I can speak to him.

THE COMMISSIONER: To your home?---That's right. Yes.

MR STEVENSON: Why did you ask him to do that?---Because at the, at the time, currently I'm a field supervisor, and I just wanted to speak to him about some rumours I've heard.

20

And what were those rumours?---Just that John Buckley from accredited constructors that they were saying about you that you only pass the job for a buck.

From whom had you heard that? Can you recall?---I, I recall, but I don't recall the date and I'm not 100 per cent if it come from the water services coordinator or the constructor himself. But I do remember one of the water services coordinators that were there was Bob Pascoe.

30 So having heard those rumours you asked Mr Buckley to come to see you at home?---Yes.

40 Okay. And what happened?---I just wanted to speak to him face to face. Anyway I said to him, not straight to the point, you know, after saying hi, how are you and things like that. I said to him, John, I just hear rumours about you that you know, you're passing a job for a buck. And he said to me, it's a, it's a rumour that I've heard before and I thought, you know, so I said to him, okay, sorry. I just thought it's a rumour and I just said to him, because I was just wanted to see you face to face. If it is true don't be silly, you've got too much to lose.

Well, did you ask Mr Buckley whether it was true, that he was taking a buck?---Yeah, I did say to him, is it true? And he said to me, it's a rumour that he's heard.

Did he deny or accept that - - -?---Oh, he denied it. He denied it, yes.

THE COMMISSIONER: So he did deny it?---Yes.

MR STEVENSON: Yes, thank you.

MR PAYNE: Mr Ghantous, look, Commissioner, I tender that statement subject to the corrections that my friend just led.

THE COMMISSIONER: Yes. Mr Ghantous' statement is, will be Exhibit P117. And paragraph 13 is superseded, well, paragraph 13 should not be regarded as part of the statement. In fact I think that we should delete it.

10

MR PAYNE: Yes.

THE COMMISSIONER: So P17 is Mr Ghantous' statement with paragraph 13 deleted.

**#EXHIBIT P117 - STATEMENT OF MR GHANTOUS WITH PARAGRAPHS 12 & 13 DELETED**

20

MR PAYNE: I suppose in fairness to you, Mr Ghantous, have a look at paragraph 12 of the statement as well and just work out what we do with that. The first sentence is incorrect too isn't it?---Yes, that's right.

So - - -

THE COMMISSIONER: Well, I think we'll delete paragraph 12 as well.

MR PAYNE: Yes.

30

THE COMMISSIONER: Because that's also at variance with Mr Ghantous' oral evidence.

MR PAYNE: Yes. It falls with the oral evidence.

THE COMMISSIONER: Yes. Paragraph 12 is deleted as well and not regarded as part of Mr Ghantous' statement.

40

So Mr Ghantous, I think in fairness to you I'll put to you the evidence before this Commission is that some months prior to this occasion that you're talking about other persons had let it be known to Mr Buckley that he was under investigation for taking bribes by this Commission. And I'm not going to suggest to you that anything you said to him tipped him off about that. So we understand one another. You say in your evidence do you that the first you heard of this was something Mr Pascoe said to you on or about the period immediately before Christmas 2009?---Yes, that's right. Nothing was mentioned about an investigation, but - - -

And I think as you told Mr Stevenson when you had Mr Buckley come and talk to you about it, you asked him about the substance of the allegation Mr Pascoe had told you about, namely that he took money to pass work and that Mr Buckley said, what, I deny it or, or I had heard the rumours too? Is that - -?---That's right. He said, I've heard those rumours also.

THE COMMISSIONER: And they're not true?---Sorry?

And they're not true?---No.

10

So he didn't say that?---No, he said that they're rumours.

And did he say they are not true?---Not that I recall, he said- - -

I see. All right.

MR PAYNE: Simply that he heard the rumours as well and you left it at that?---Yes, that's right.

20

At that time, so just before Christmas last year, you were Mr Buckley's field supervisor, were you?---No, I wasn't, I was just one of the field supervisors.

I see. His field supervisor at that time was Mr Dushko Bjazevich?---No, that's the team, the team manager. Saso's his field supervisor.

I see. Mr Vasilevski?---Yes, that's correct.

And he was his field supervisor for some years prior to that?---I've been there for 2 years and (not transcribable) 2 years.

30

And you were a field supervisor but not Mr Buckley's field supervisor? ---That's correct.

But you were sufficiently concerned by what Mr Pascoe said that you asked Mr Buckley to come to your home?---That's right.

Did you discuss the matter with Mr Buckley again after that occasion on the- -?---No, I didn't.

40

And did you take it up with anybody else within Sydney Water?---No, I didn't.

You accepted what he said. You had understood him to, what he said, "I have heard the rumours as well", you had understood that to be a denial, had you?---Yes, that's right. I just took them as rumours.

I see. And in paragraph 4 of the statement, Exhibit P117, you're talking about your duties in your position as field supervisor of 16 production employees. That never included Mr Buckley?---That's correct.

As you say in paragraph 6, you never supervised him but you had worked with him from time to time. In doing the, if I can call it the inspection work- - -?---Yes.

10 - - -that Sydney Water is required to do and that the civil delivery section does in effect on behalf of the urban growth section for both sewer and water, is that something you'd participate in regularly?---I've only participated in it as a field supervisor 'cause I've done the role and if John, which is the sewer, the waste water developer and George is a water developer, if they're not in they'll occasionally come to me to go and participate in the inspection.

And you would fill in from time to time?---From time to time. Rarely.

20 And the Sydney, the water inspector, if I can put it, his name was George what?---George Anellis.

And he did all of the water inspections in the inner west- - -?---That's correct, yeah.

- - -for the whole time you were at this, at the Box Hill depot?---The inner west depot.

The inner west depot?---Yeah.

30 And Mr Buckley, other than those few occasions you were asked to fill in, he did all of the sewer inspection work?---Sewer probably only a few times.

Namely you only filled in a few times?---Yeah, for the sewer.

40 And how did it come to be that Mr Buckley was the principal or even sole sewer inspector in the civil delivery section in the inner west, was it something that was just an accepted matter when you arrived at the depot? ---When I arrived at the depot he was the waste water developer. I just, I just thought he's the most experienced one there and of his age he stayed doing that role.

There were a number of people in the depot though who were qualified to do that work, weren't they?---No, no there wasn't, to my, there wasn't enough qualified people there to do that role.

What does one need to do within the civil delivery section to become qualified to become the sewer inspector?---He needs to learn the process first of all.

Who would teach him?---It would be the current developer will teach him.

So on-the-job training within civil delivery?---That's right.

So far as you know, has there ever been any training conducted by the urban growth department of what they would expect to see from civil delivery inspectors in relation to these inspections?---No.

- 10 Is there any centralised training within the maintenance department of the civil delivery employees who are expected to do inspections?---No.

As far as you know, is there any supervision by anyone of the quality of the work of these inspectors like Mr Buckley?---You mean is anyone supervising him?

Well, is it anyone's job to go out and look at what he's done at an inspection and say, that was well done or not so well done?---No.

- 20 Once Mr Buckley succeeded to the position of inspector for sewer works for the inner west, was there any requirement that he update his skills or do any education work in order to continue to perform the role?---Not what I'm aware of, no.

Was there any, and all of the questions I've just asked you, that remains the position today, there's been nothing introduced that would involve inspection of the sewer e-Developer's inspection work that's any different to when Mr Buckley was doing the job?---No.

- 30 In terms as a field supervisor, do you have occasion to conduct any performance reviews of the inspection work that Mr Buckley or Mr, forgive me, George Anellis, was it?---George Anellis, yes.

Do you have occasion to perform any performance review in relation to either of those gentlemen with their inspection work?---Yes, there is a performance review and it's done yearly, but it's not directed on inspection work.

- 40 I see. So they're performance reviewed on other things they do but not on their inspection work?---That's right. It's quality in the way they deal with the customers and just their quality of safety, but nothing pretty much states the quality work of the developer work.

For how long did you perform the role of doing inspections prior to coming to the inner west depot?---Probably about under two years.

And you were trained by who, someone else within civil delivery, were you?---Ah, yeah. I was trained by, his name's Michael, he was the developer there and he, he trained me.

In which depot?---Ah ah, Ryde depot.

And you've got a qualification as a motor mechanic?---I'm a qualified motor mechanic, yes.

10 Do you have any TAFE or other educational qualification in relation to engineering or sewer or water work?---No.

So far as you're aware, within the civil delivery section, the people doing this inspection, are there any educational requirements to do the job?  
---The highest level you can go to in maintenance is level 6. I think it's a level 4, level 4 that ah, that knows the, you can say that knows about waste water and water, the area of the assets.

20 Mr Buckley was a level 6 employee within the maintenance department?  
---Yes.

And those levels are internal Sydney Water levels, are they?---That's right, yes.

30 And so when I asked you about educational qualifications, that's internal educational qualification, is it?---Yeah, it's on-the-job guys that you need to get signed off to progress in their next level and in some of those there's things about constructing some pipe work, valves, that's probably the closest you get to any sort of construction work.

And that sign-off, if you like, is conducted by someone else within civil delivery rather than anyone from urban growth or someone with a responsibility for the Sydney Water assets generally?---That's anyone within Sydney Water that's got a certificate 3 in assessment training.

And as I understand it, what you're saying to me is that the practice though of training these inspectors is done in-house within civil delivery?---That's correct.

40 And it's, I thought you told me nobody from urban growth, the responsibility for the network more generally or the section 73 certificates, nobody from urban growth comes and has anything to do with civil delivery and training, that you're aware of?---No. There is, if you, if you get stuck or some, you know, e-Developer, like, that's the computer, computer work. There is some assistance with Jim Carey from, I think he's urban growth, and he will just sort of can come down and teach you a little bit on the computer that's got to do with the developer work.

I see. So that's on the data entry, the computer side of the developer's job?  
---Computer side. That's correct.

So that when the job number and the job comes through on the e-Developer system just what one does with it taking the job through to the next level?

---That's right. The next stages and how to release it such and such.

Excuse me one moment, Mr Ghantous. I have nothing further for Mr Ghantous.

10

THE COMMISSIONER: Yes, Mr McIlwaine.

MR McILWAIN: Thank you. Mr Ghantous, I represent the interests of Mr Khare Aoun?---Yes.

Do you know that person?---Yes, I do.

Can I ask you were you the inspector on a job undertaken by Mr Aoun at Post Office Street, Carlingford?---Yes, I remember the job.

20

And do you recall having a conversation with Mr Aoun at that job about Mr Buckley?---No, I don't.

I want to put something to you and ask you to comment on it?---Yeah.

I suggest to you that on that job you were doing your inspection and Mr Aoun said to you, What are you doing here? And at one stage the conversation turned to the subject of John Buckley and then you said to Mr Aoun, I don't know what you've done to him but let me tell you he's after you, he hates you, I don't know what you've done to him. Do you remember saying that to Mr Aoun?---No.

30

Not at all?---No.

Not possible that conversation took place?---No.

And he said, he then told you that he's done something to Mr Aoun and he's driven Mr Aoun away from working in the area. Do you remember having that conversation?---No.

40

Now, can you recall the timeframe of that job?---Yes, it was my first day at the job actually, first time I ever met him.

When was that?---Probably in 2000 and probably 5.

2005?---Possibly, yeah.

So do you tell the Commission, have you ever had a conversation with Mr Buckley about Mr Buckley's attitude to Mr Aoun?---No, not about his attitude.

And what conversation have you had with, if any, with Mr Buckley about Mr Aoun?---Just some Corrective Action Requests he's probably raised.

Just discussing in general terms some CARs he raised with Mr Aoun. Correct?---Yes.

10

Now, I want to suggest your evidence that you've given to the Commission today about denying the conversation with Mr Aoun is not the truth. What do you say about that?---It's not truthful?

Yes?---Well, we've never had that conversation.

When you made your statement, you made a statement dated 5 August, 2010 to the Commission, you've seen that statement today?---Yes.

20

And you were given the opportunity of correcting some matters about that statement when you commenced your evidence, that's correct?---Correct.

And if you could just direct your attention to paragraphs 11 and 12. You have in front of you the original statement?---Yes.

30

In your original statement you said this, do you agree? "First I heard about John being investigated was a couple of months ago when he told me he was being investigated, he was pretty shattered about it, he said he couldn't talk about it, I heard nothing about this prior to that." That's what you said in the original statement. Correct?---That's correct.

And that original statement was made on 5 August, 2010?---Yeah.

And what do you suggest from that paragraph was you knew nothing about John being investigated until a couple of months prior to 5 August, 2010. Correct?---Yeah. That's correct.

Now, that wasn't true was it?---That this paragraph wasn't true?

40

It wasn't true that you didn't know anything about Mr Buckley being investigated until two months prior to 5 August, 2010?---That's right. That's correct.

Sorry?---That's correct.

So you agree with the proposition - - -

THE COMMISSIONER: Say what you mean, Mr Ghantous. So are you saying yes, you agree it wasn't true or are you saying it was true?---Sorry, can you rephrase the question?

MR McILWAINE: Do you agree with the proposition when you said that in your statement that you didn't know, had heard nothing about Mr Buckley being investigated until two months prior to 5 August, 2010? Do you agree with the proposition that when you said that in your statement you were not telling the truth? Correct?---No.

10

Well, were you telling the truth then or not?---Yes.

You were telling the truth?---On this paragraph.

THE COMMISSIONER: So are you saying it's true to say that the first you heard about John being investigated was a couple of months before you made the statement?---That's correct. By John himself.

I beg your pardon?---By John himself.

20

Yes. That's what he - - -?---That's what I meant by this paragraph.

He told you that he was being investigated?---That's correct.

MR McILWAINE: And that's the first time you say, that is, two months prior to 5 August, 2010 that's the first time you've heard that John Buckley was being investigated?---That's the first time I heard that he's being investigated by ICAC. That's correct.

30

Take away the ICAC part of it. Is it your evidence that two months prior to 5 August, 2010 was the first time that you heard Mr Buckley was being investigated?---Yes.

You'd never heard that before?---No.

You didn't hear it in Christmas 2009 when you spoke to Mr Buckley at your house?---No, I didn't.

40

Didn't hear it from anyone else in Sydney Water?---No, I didn't.

And paragraph 13 of your statement you said that, amongst other matters that Mr Buckley had never attended your home?---That's correct.

And that wasn't true was it?---Well, I consider attend the inside of my home.

Sorry?---I meant by that he's never attended my home by coming inside my home but he's attend my, outside my home once.

I see?---Yes.

But I suggest to you that you used words here “never attended my home” because you were hiding conversations you had with Mr Buckley December 2009?---No, I wasn’t hiding nothing.

Well, you didn’t tell the investigators that conversation with Mr Buckley in Christmas 2009 did you?---That’s because I presumed it was a different question.

10

I’m sorry?---That’s why I presumed it was a different question when they asked me.

What do you mean by that?---I thought if we socialised at my home or at his home like I explained.

But you knew the investigators were talking about John Buckley. Correct? ---That’s correct.

20

And yet you certainly didn’t volunteer to them that you’d had a conversation with Mr Buckley Christmas 2009 did you?---No.

And you hadn’t forgotten that conversation had you?---No, I didn’t.

Nothing further, Commissioner.

THE COMMISSIONER: Mr Lee.

30

MR LEE: I have some questions, Commissioner. Mr Ghantous, I represent Mr Buckley. Do you understand that?---Yes.

You’ve been in your position as a field supervisor for the past nine months. Is that correct?---That’s correct.

Before that you were doing asset creation work at the Ryde depot for about two years?---Yeah, I’ve done asset creation before that but I was doing asset creation.

40

At the Ryde Depot?---At Ryde, yes.

And is asset creation the same type of inspection work that Mr Buckley was doing in the inner west area?---That’s correct, yeah.

Were you doing inspection work before doing your asset creation work at Ryde?---Do you mean before it became Sydney Water?

No. With Sydney Water but before being at the Ryde depot?---No.

I think in answer to a question that Mr McIlwaine asked you you said you came across Mr Aoun in 2005?---Yeah, I think it was around 2005, a long time ago.

At that time were you doing inspection work?---That was my, no, that was my first inspection but just before that probably three months I was being trained.

10 So is it fair to say that you've been doing inspection work since about roughly 2005?---Yes.

And in doing that inspection work you've come across a number of different constructors?---Yes.

Was that inspection work in relation to waste water?---(not transcribable), first time, yes.

Could I ask you to look at paragraph 10 of your statement please?---Yeah.

20 You see at the very bottom of the page there's a sentence which reads, "John wanted the work done perfect to the standard."?---Yes.

And it goes on over the page. And at the top of the next page there's a sentence which reads, "I have worked with these types of constructors and they can hold a grudge pretty quickly."?---Yes.

30 What did you mean by that sentence?---When I used to do the roll and I used to issue Corrective Actions myself they wouldn't like you, they'd hold a grudge towards you. At one instance I was with a big company and they actually called me and sort of abused me over the phone for issuing a Corrective Action.

Based upon your experience with constructors from about 2005 and also your statement that they can, or your opinion they can hold a grudge pretty quickly - - -?---Yes.

40 - - - do you think its possible that a constructor that was involved with Mr Buckley could exaggerate some things against Mr Buckley in order to get Mr Buckley in trouble?---Its possible but I didn't know Mr Buckley at all when I was at the Ryde depot.

I'm not asking you about your knowledge about Mr Buckley - - -?---Yes.

- - - I'm just asking you to base your answer upon your knowledge of constructors and your opinion that they can hold grudges pretty quickly? ---Yes.

Do you think its possible that they might exaggerate something, for example, against Mr Buckley in order to get Mr Buckley into trouble?---Its possible.

Do you think its possible that they would make up something against Mr Buckley - - -

10 THE COMMISSIONER: Mr Lin, Mr Lee, I beg your pardon, this is opinion evidence about the character of people who are not here. It's of very little value if any.

MR LEE: Thank you, Commissioner. I have nothing further.

MR McILWAINE: Commissioner, can I raise one matter?

THE COMMISSIONER: Yes.

20 MR McILWAINE: The document I was cross-examining the witness from is different as I understand it in the format to which its been tendered (not transcribable)

THE COMMISSIONER: Well, the document, the document that has been tendered contains paragraph 12 and 13 as originally typed but a line has been drawn through each so that the reader of the exhibit will see what was there but will also see that what was actually tendered was the document without that and there's been cross-examination on what is said in there so that will appear from the transcript.

30 MR McILWAINE: Thank you, Commissioner.

THE COMMISSIONER: Mr Stevenson.

MR STEVENSON: Mr Ghantous, Mr McIlwaine (not transcribable) for Mr Aoun to ask you some questions about whether or not you'd said something to the effect to Mr, sorry, I'll start again. Mr McIlwaine suggested to you that you said to Mr Aoun something like, "I don't know what you've done to Mr Buckley, he's after you," do you remember those questions?---Yes, I remember.

40 I think you were asked whether you remembered making those statements and no said no, my question is do you deny making those statements?---Yes, I do.

You're quite clear that you did not make them?---Definitely.

Just one other matter. Mr Payne asked you some questions about whether you'd received training in civil delivery and I think you said you had not, do you remember that?---Yes.

Just to refresh your memory about this morning, what was your course this morning?---This morning we had a (not transcribable) training but it was about the fraud, fraud and gifts and expression of interest.

And what?---Expression, expression of interest.

On the conflict of interest?---That was the heading.

10 Would be conflict of interest?---Sorry, conflict of interest, sorry, yes, you're right.

Did you have in mind that training programme when you told Mr Payne that you hadn't been to any training programmes?---No, I didn't.

But you've been to one at least this morning?---That's right, yes.

Thank you.

20 THE COMMISSIONER: Yes, thank you, Mr Ghantous. You can be excused?---Thank you.

**THE WITNESS EXCUSED**

**[3.53pm]**

THE COMMISSIONER: Do you want to continue?

30 MR PAYNE: We certainly won't finish, Commissioner, but I suppose I can start and tender the statement. I'm in the Commissioner's hands. I think we'll get through what we need to tomorrow.

THE COMMISSIONER: Yes. I think leave that, there's something I just want to ask Mr Stevenson.

MR PAYNE: No, no.

40 THE COMMISSIONER: Mr Stevenson, as you will appreciate the corruption prevention aspect of this inquiry is regarded as being of great importance by the Commission.

MR STEVENSON: Of course.

THE COMMISSIONER: I think the Commission accepts that Sydney Water is in the best possible position to decide what measures are reasonable practical to be taken to avoid the kind of situation occurring that's been described by some of the witnesses in this inquiry. Of course the Commission has its own experts on corruption procedure and is in a position to make recommendations in that respect. But it does seem to me to be

potentially more practicable and something which if it does occur could reduce the exchanges between the Commission and Sydney Water and in fact between Mr Payne and yourself if you provided to us by the end of next week a list of measures that you propose to be taken, corruption procedure measures in response to what's happened in this inquiry and I make, I, I am assuming that you, that some measures will be taken because both Ms Hiddlestone and Mr Purcell expressed or made statements to the effect that they intend to do some things.

- 10 If you are in a position to provide the Commission with a list of proposals by the end of next week then Mr Payne in his written submissions can state which of those are accepted by the Commission and which are not and the reasons why not. Then you will have an opportunity in reply to address those and through that kind of exchange I think that a more satisfactory result could be achieved by way of greater consensus. And I mean the, the Commission will in its report to parliament deal with the deficiencies, if any, that the Commission finds, have taken place with regard to the Commission's corruption procedures until recently. But if the Commission is satisfied that appropriate measures will be taken, the, it'll be more  
20 constructive for the Commission to focus on the future rather than the past. So, I am inquiring, and I'm not asking you to answer now, or I suppose, what I'm really doing is suggesting that you may think it to be in everybody's interests, and when I say you I mean Sydney Water, to provide us with a comprehensive list of proposals by the end of next week.

- MR STEVENSON: Commissioner, my clear instructions from Sydney Water are to work cooperatively with the Commission to address the matters which have been revealed by the Commission. And obviously I need to speak a little cautiously at this stage, but to the extent that what has (not  
30 transcribable) from witnesses before the Commission reveals that further changes are needed. Sydney Water is alive to that - - -

THE COMMISSIONER: Yes, I'm sure.

- MR STEVENSON: - - - that matter. So I expect that my client will embrace wholeheartedly the suggestion you've made. I expect that that will be able to progress that aspect of the matter that way, because the last thing we want to happen is that there is a debate in writing about what forms are needed.  
40

THE COMMISSIONER: Yes.

MR STEVENSON: And the last thing we want is to have a report which, and I use this expression with great respect, imposes upon Sydney Water a solution which is thought to be unworkable at our end.

THE COMMISSIONER: No, no.

MR STEVENSON: We don't want that. You don't want that. And we will (not transcribable) the Commission to avoid that result.

THE COMMISSIONER: I know. The Commission, even though I haven't, the Commission has been in this business for a long time.

MR STEVENSON: Of course.

10 THE COMMISSIONER: And those kind of considerations are unknown and it's those considerations that underline my proposal.

MR STEVENSON: Because we want this to be the only inquiry into Sydney Water. So, that's (not transcribable)

THE COMMISSIONER: Well, I can't guarantee that. And I'm sure that that's a most worthwhile aim.

MR STEVENSON: But I should get instructions, I expect - - -

20 THE COMMISSIONER: Yes. Anyway, you don't have to tell me until next Friday. But I would hope that, I mean, in everybody's interest by next Friday you'll, if you, if you, if Sydney Water does accept this proposal they will be in a position to provide us with a document.

MR STEVENSON: A document.

30 THE COMMISSIONER: And it may be helpful if any of the, if any of the suggestions that are made have not previously been raised to make a, to give a short explanation as to why they are proposed. And if any of the proposals that have come from the Commission or from myself are regarded as impractical and in a separate document, Sydney Water should state why they are impractical. And therefore will be given careful consideration.

MR STEVENSON: Yes. Thank you.

THE COMMISSIONER: Yes, very well. The Commission will now adjourn.

40 **AT 4.00PM THE MATTER WAS ADJOURNED ACCORDINGLY**  
**[4.00pm]**