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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 FRIDAY 17 SEPTEMBER 2010

AT 10.20AM

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 Stevenson.

MR STEVENSON: Before Mr Payne starts, can I just say this, that Sydney Water have embraced us with enthusiasm the suggestion that, well from you last night. We will do our very best to get something by Friday. We're hoping to do it before then, but if we have problems we'll liaise with Mr Payne.

10 THE COMMISSIONER: I'm grateful Mr Stevenson. I may say Friday is not a cut off date. It just seemed to me to be a convenient time and if you need to go a bit longer, that's perfectly acceptable.

MR STEVENSON: Well, we'll keep counsel assisting informed.

20 THE COMMISSIONER: It's just that I think there will come a time pretty soon after that when we will be fully occupied in writing our report. So we would really like to see what you have to say. And I know that Mr Payne will be fully occupied in preparing his written submissions. So what you, what Sydney Water has to say in this regard will, will have a key effect on what we do. So the sooner we get it the easier it is for us frankly.

MR STEVENSON: Understood.

THE COMMISSIONER: And I think the more influence it would have.

MR STEVENSON: Thank you, Commissioner.

MR PAYNE: Commissioner, I call Phillip Farrell.

30 THE COMMISSIONER: Mr Farrell. Why don't you take a seat.

MR FARRELL: Thank you.

THE COMMISSIONER: Mr Stevenson, do you appear for Mr Farrell?

MR STEVENSON: No, Commissioner.

40 THE COMMISSIONER: No. So Mr Farrell, do you have any legal representation?

MR FARRELL: No, I don't. No, I was only called last, late yesterday afternoon. I haven't had a chance - - -

THE COMMISSIONER: Mr Farrell, for many witnesses I make an order that any evidence they give can't be used against them in criminal or disciplinary proceedings. That is evidence in this inquiry. Do you understand that?

MR FARRELL: I do.

THE COMMISSIONER: Do you want me to make such an order for you?

MR FARRELL: If you don't mind. Thank you.

10 THE COMMISSIONER: Pursuant to Section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by Mr Farrell 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 Mr Farrell to make objection in respect of any particular answer given or document or thing produced.

20 **PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY MR FARRELL 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 MR FARRELL TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.**

THE COMMISSIONER: And that protects you to that extent.

30 As I, as is known to all witnesses who, for whose benefit such an order is given and order in that form means that nothing that you can say can be used against you in criminal or disciplinary proceedings except that it doesn't protect you should you give false evidence in this inquiry. Do you understand that?

MR FARRELL: Understood.

THE COMMISSIONER: Now do you wish to give your evidence under oath or do you wish to have your evidence affirmed?

40

MR FARRELL: Could you explain the difference to me?

THE COMMISSIONER: Yes. If you give evidence under oath you swear on the bible that the evidence that you are, will be true. If you affirm you merely make a solemn declaration without reference to the bible that the evidence you give will be true. And it's the one that's used for people who are not religious or don't wish to swear by the bible. And the other is

simply used by people who are content to swear by the bible. It's a personal belief.

MR FARRELL: (not transcribable) take the oath, sir. Thank you.

THE COMMISSIONER: So which do you prefer?

MR FARRELL: Take the oath.

10 THE COMMISSIONER: Take the oath.

THE COMMISSIONER: Mr Payne.

MR PAYNE: Mr Farrell, my name is Payne. I'm counsel assisting for the Commission. Can you tell the Commission your full name?---Phillip Anthony Farrell.

10 And your occupation?---I'm an engineering consultant.

You've made a statement in this matter?---I have. That's correct.

And I'll show you the document?---Ah hmm. Thank you.

That is the statement that you've made on 4 August, 2010?---Ah hmm.

20 Are there any corrections to that statement you wish to make, Mr Farrell?  
---No. But the occupation, I just mentioned, engineering consultant, I'm  
professionally an engineering surveyor, which is noted in the, which should  
be noted in there, I think.

Subject only to that matter - - -?---Yeah.

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

Commissioner, I tender the statement.

30 THE COMMISSIONER: Yes. The statement of Mr Farrell is Exhibit  
P118.

**#EXHIBIT P118 - STATEMENT OF MR FARRELL**

40 MR PAYNE: Mr Farrell, I want to ask you some questions to amplify or  
explain some of the matters in the statement so if I could just take you  
directly to paragraph 5. You talk there about the External Quality Council  
and you were one of the people responsible for instigating that council?  
---That's correct.

And you've been a member, is it called a Designer Representative on that  
council since its inception?---That's correct. And partly as a Water  
Servicing Coordinator Representative along the way.

Yes. So as a Water Servicing Coordinator at least of the function ordinarily  
is to design the, what ultimately becomes a connection to the sewer in the  
case of a major development?---No, the actual design is design the actual

work and the coordinators coordinate the work with Sydney Water and the developer and the constructor.

And have those functions ever joined so that the Water Services Coordinator and that firm has a design function as well?---That's correct. Quite often the Water Servicing Coordinator is an accredited designer.

And you were both at least for much of this period?---That's correct, yep.

- 10 The purpose of this meeting is to discuss issues of particularly relevance to the suppliers to Sydney Water, these important suppliers, designers, constructors, Water Servicing Coordinators?---Ah hmm.

You need to say - - -?---Understood, yep.

And so in your time so far as Sydney Water representatives on this committee were concerned typically the meeting would be chaired by either a Mr Purcell or a Mr Saxby who you understand were part of the Urban Growth area of Sydney Water?---That's correct.

20

Would other Sydney Water employees attend from time to time?---Yeah, Sydney Water was represented by several others in different areas and a Caroline Rae was the minute taker on most occasions.

And a Mr Price from Urban Growth would attend from time to time?  
---From time to time, that's correct.

And a Mr Hammond was often there?---That's right.

- 30 Can I take you over to paragraph 7 at the bottom of this page and over to the next page where you start dealing with the question of Sydney Water employee Mr Buckley. Now, as you understand it he was an employee of the Sydney Water with the Civil Delivery part of the organisation which is part of Maintenance rather than Urban Growth?---That's correct.

And he was involved as an inspector on site at various hold points throughout the process pre-commencement, commencement, post-connection of sewer connections in the inner west of Sydney?---That's right.

- 40 And you had had dealings with him on a number of occasions in your role as a Water Servicing Coordinator and/or a designer over the last ten years?  
---I did.

In paragraph 8 just in amplification if I can ask you, you say some years ago and you can't put a date on it you were made aware by more than one constructor that Mr Buckley was stalling the process and being very pedantic. You were told I take it by more than one constructor what you say in the next sentence that he would then on occasion ask for a gift or money?

---That's what I was told.

You mentioned both Mr Nasrallah and Mr Fares in this paragraph, are you able to recall whether any other constructors had that conversation with you that you've set out in paragraph 8 namely that in addition to being very pedantic that he would on occasion ask for a gift or money?---Could you just repeat that because I, I wasn't aware of the name Fares but I know him as Ibrahim Fares. I was just looking down my - - -

10 I'm sorry, my pronunciation, I apologise?---Yeah, well, it's probably my pronunciation as well but I, I stopped listening when I was trying to find his name.

I'm terribly sorry. Let's call him Mr Fares. You do mention Mr, you've called him Joseph Yousef Nasrallah and Mr Ibrahim Fares as being two constructors that you recollect having discussed this matter with?---Correct.

20 Do you remember during that period so going back the last decade whether you had that conversation with others and particularly the subject of gifts or money changing hands?---I did have conversations with some constructors but as I say going back ten years I couldn't remember names.

So you remember the topic but not the individual constructor?---That's correct, yeah.

I see. Now, and that's the other constructor that you talk about, the bike accident, you didn't when you made this statement recall his name and you don't recall his name as you sit here today?---Previous, other constructors?

30 Yeah, your last paragraph I'm drawing your attention to, the last sentence of, sorry, in paragraph 8, "There was another constructor that passed away in a bike accident," but you - - -?---Oh, that's correct, yeah.

- - - couldn't then recall his name?---No, I couldn't remember his name, no. It was a tragic accident just last year.

40 You go in paragraph 9 to discuss this issue about Mr Buckley stalling a project and asking for money and you say it was raised in conversations at the External Quality Council, you see that in paragraph 9 you don't believe it was noted on the agenda and it's not in the minutes and we've looked and that appears to be correct, but you say both Mr Saxby and Purcell were aware, is that because you had conversations about this topic that you recall with both Mr Saxby and Mr Purcell?---That's correct, it was, it was brought up at the meeting but not as an agenda item.

And both Mr Saxby and Purcell were senior officers within Urban Growth as you understood it?---That's right.

And can you tell the Commissioner why in your mind you were, you were bringing up this matter and talking with them? Did you hope that they would actually do something about what's a pretty serious matter?---Yeah, I wanted to bring it to their attention because constructors had mentioned it to me and were, for the sake of a better term, frightened to do work in that area and it came to the stage where we have referred tenderers who we know the quality of their work and we tender to four or five of those on, on sewer jobs and quite a lot of them they were complaining to me would not tender on the jobs in that area. They're quite happy to work for us in other areas but in  
10 the inner west, where they had problems with Mr Buckley, they would not tender on those jobs.

And those constructors, although you don't recollect their names, would tell you that they weren't prepared to tender?---Yeah.

Did they tell you that it was, it involved Mr Buckley?---That's correct.

And both how pedantic he would be and that he would ask for cash in relation to the jobs?---Mmm.  
20

They told you that as well?---That is correct.

And that's something that you recollect passing on to both Mr Saxby and Mr Purcell at this External Quality - - -?---I do believe so, yes.

You haven't put a time on it. Are you able to give a range of times for when you first started raising this? Is it four, five years ago?---Well, it could be, it could be even longer, it was an ongoing thing. It was also brought up with the WC Forum, that'll probably come up later I suppose.  
30

I want to ask you about that in just a moment but just before I do, just so that we can try and put a time on it, I'll just, I'll read you something that Mr Saxby has written and this is the time he puts on it, he says some years ago, probably between 2000 and 2002, he says two separate allegations were made about Buckley requesting money or payment from accredited constructors to pass inspection. He says that Mr Purcell was present at the meeting and he says that one of the representatives that raised the allegations was you. Does that assist you in recalling when it is you first raised it?---Well, that's very helpful, yes, I would agree with that.  
40

So as long ago as 2000 and 2002 you'd first brought this up at least at this External Quality Council meeting?---That would be correct if that's what Paul and Steve have said.

Well, that's Mr Saxby's recollection I'm putting to you?---Ah hmm.

And I take it from what you say in paragraph 9 you raised it on more than one occasion after you'd first raised it back then in 2000?---That's correct, yeah.

And you say in paragraph 9 at the end you remember being told by Mr Saxby that what you've raised, namely Mr Buckley's stalling the project and asking for money was being investigated and that Mr, and that Sydney Water Corporation was going through Mr Buckley's records, was that on the first occasion you'd raised it or was that in - - -?---No, that was more  
10 previous time, closer to now than ten years ago.

Are you able to put a time on that?---No, I couldn't. No.

And, but you have a clear recollection of being told by Mr Saxby that Sydney Water Corporation was going through Mr Buckley's records about the matters you'd raised?---That's correct.

Was that said in the general meeting or was it said to you - - -?---I don't  
20 recollect, sorry.

I see. You say then, we were eventually told the investigation had concluded and that Buckley had done nothing wrong. Was that in an External Quality Council meeting?---Not to my recollection. It was either at the External Quality Council meeting or the WSC forum.

I see. And that the matter was to be dropped?---That's correct. I believe it might've been at the Quality Council meeting at one of the ones in the city a couple of years ago.

30 Do you remember Mr Saxby saying anything to the effect that Mr Buckley had been investigated and he was found to be squeaky clean? Is that - - -? ---He was found to be doing a good job.

I see. I take it you weren't satisfied by that explanation because - - -?---I was disappointed because I knew what was happening and I'd have to go back then and tell the constructors that did complain to me.

40 You mentioned just a moment ago, and I did want to take up with you this topic of Mr Buckley and him soliciting the payment of money. It came up at water service coordinator forums as well. Can you just tell the Commissioner first of all what is the water service coordinator forum?---It's a forum that started quite some years ago. It was instigated by water servicing coordinators. And our first tender for contractors and water servicing coordinator would've been 10 years ago. Then as it progressed, it was a meeting of, of project managers at the time who wanted to be water servicing coordinators and disagreed with the, the erroneous contract that Sydney Water wanted us to tender on and sign. Then once we became water service coordinators after our tender was accepted and we signed our

contract, Sydney Water got involved with the forum. We were meeting at the Master Plumbers Association. Sydney Water wanted to be represented so they came along as well. And as years went by, Sydney Water took a stronger hold and then took control of the forum. And it's now Sydney Water WSC forum, which is run by Sydney Water.

And did you raise during those WSC forums any questions about Mr Buckley and cash payments so far as you recollect?---Not that I recollect, no. It was brought up by other people.

10 I see. Do you remember who that was?---I think a Bob Pascoe.

Is that what you're talking about, that's, that's more recently. That's - - -?  
---More recent times.

I see. And prior to the incident relating to Mr Pascoe, do you recollect the issue of Mr Buckley and taking money coming up in forums other than the External Quality Council which you've told us about?---Yeah, it was, was discussed with other coordinators on an open floor.

20 And who from Sydney Water was present there during those discussions?  
---Oh, difficult to say. The normal people who were there, Phil Hammond, Steve Purcell, Paul Saxby.

And are you able to put any sort of time on when those conversations at water servicing coordinator forums took place in relation to Mr Buckley?  
---No, I can't. No, I can't.

30 And do you recollect what if anything was the response from the Sydney Water employees to these discussions that Mr Buckley was involved in delaying projects and accepting cash payments?---They believed he was doing a good job and that the, what we were saying was unfounded and we could not get constructors to put it in writing. And they would only look at something in a formal manner if, if the constructors would come forward themselves. It was only hearsay by us, so, and we couldn't swear by anything. And we couldn't get constructors to come forward because they thought they would jeopardise their situation with Sydney Water's accreditation. They needed the work.

40 And did you raise that with the Sydney Water employees we've talked about, Mr Saxby and Mr Purcell et cetera, that these constructors have told you this, but they were worried about their accreditation?---I believe I did.

And they told you in response well, in effect, bad luck, put it in writing or we're not going to do anything?---That's correct. I wouldn't say bad luck I would say, ask them to put it in writing or come to, come to them formally.

But made it clear that nothing further would be done unless there was a written complaint by the constructor himself?---That's correct.

And you conveyed that to the constructors who have been talking to you?  
---That's correct. Mainly Joseph Nasrallah.

And your recollection is that they were concerned about their own position as accredited constructors and what might happen to their accreditation if they came forward and thus declined to put anything in writing?---That's correct.

- 10 The Commission has heard evidence that recently at least Sydney Water has established a confidential fraud hotline and I think you were present at a presentation by Sydney Water Internal Audit about that matter quite recently?---That's correct.

Can I ask you do you think that it's likely to improve the position in the future so far as constructors are concerned if conduct of the kind that has emerged Mr Buckley was engaged in over a decade were to re-emerge?  
---Personally I don't think it would but time will tell.

- 20 Can I just take that up with you. Your reservations, can you tell the Commission what they might be?---In regards to the hotline?

This fraud hotline, yes?---I don't know how it actually operates, every, every accredited person would know that now that it's available if they actually read the minutes of the meeting, of the WSC forum. I don't know what lines it goes down but it could, it could work, I don't know.

- 30 One of the things you mentioned about the reluctance of the constructors to come forward at all to Sydney Water was a fear about what might happen with their accreditation should they come forward. Do you understand the process of how accreditations might be dealt with in future by people who for example use the fraud hotline or made a complaint to Sydney Water, is there some assurance about their accreditation in the future so far as you are aware?---Not that I'm aware of, no.

- 40 And I take it that constructors that you spoke to at least at the time about Mr Buckley that their worry was that they had no assurance about their accreditation and they'd prefer not to get involved because of the risk that they perceived to their accreditation in future?---More so to their work than their accreditation.

To their work. Please explain?---Yeah, the difficulty in their work. They, these jobs that we have are only small jobs and they work on a very small profit margin so coming backwards and forwards to jobs and being held over would be costly to them. They're only small operators.

And thus didn't want to get involved in the inner west work as you've said?  
---That's correct.

When you went back to them after I think it was these External Quality Council forums when you were told that unless the constructors were willing to put the complaints in writing nothing would be done what did the constructors say to you?---Well, I can't remember their exact words but they weren't too happy but I think Joseph Nasrallah did say to me that he was trying to do other things but he didn't elaborate so maybe that was what was the ICAC inquiry part of it was up till then but he didn't elaborate on that at the time.

10

And that's a more recent conversation?---That's correct, yeah.

In relation to these constructors going way back to 2000 to 2002 when you first, you think you first may have raised this matter with the External Quality Council and I know you don't remember the identity of the constructors but can you tell us if you remember what the constructors said to you about whether they were willing to make written complaints to Sydney Water?---Not going back that far, no. I'd have trouble remembering what I told my wife ten years ago.

20

Can I ask you about paragraph 11. You say there that you were disappointed about this response you got from Mr Saxby that they were dropping the complaint you'd raised about Mr Buckley and accepting cash payments and you say Sydney Water Corporation is often referred to as a toothless tiger by people in the industry. You're referring there to Sydney Water's reputation in the industry so far as complaints of the kind you were making, delays, inaction, corruption or more generally?---Generally. More in line with us raising Corrective Actions on, on, on poor constructor's work and Sydney Water not following through on those.

30

So far as corruption complaints were concerned other than the ones you've identified here about Mr Buckley were you present at any of these forums that you've told the Commission about where complaints were made about any other officers?---No, no. I'm not aware of any other, any other officers, I was surprised to read in the transcripts of Mr Funovski and Mr Kane. I don't know if you want to discuss this here but I've, I've had a lot of dealings with Mr Funovski and Mr Kane and I had no inclination as to those allegations that were raised and I didn't, wasn't aware that they were accepting money or bribes. They've, they've been, Bryan Kane has been very good on jobs, he's very experienced and very helpful in his position as a civil maintenance inspector and I was very surprised to see their names raised.

40

And so far as you're concerned to the extent there is evidence before the inquiry about the acceptance of cash payments by those inspectors that's something you didn't know about until you read it in the papers concerning this inquiry?---That's correct.

Excuse me one minute, Mr Farrell. I have nothing further for Mr Farrell.

THE COMMISSIONER: Thank you. Does anyone wish to question Mr Farrell?

MR LEE: Yes, I do, Commissioner.

THE COMMISSIONER: Yes, Mr Lee.

10 MR LEE: Mr Farrell, I represent Mr Buckley. Do you understand that?---  
And your name is, sorry?

My name is Lee, I represent Mr Buckley. Can I get you to turn to paragraph 12 of your statement?---Ah hmm.

The last sentence there you talk about having belief that Mr Buckley continued to stall projects and ask for money. See that there?---Yep.

20 And then if you go back to paragraph 8 about four lines down in the sentence which you talk about being told that Mr Buckley asked for money on occasion. Do you see that sentence there?---That's correct, yes, I see that.

What I want to focus your attention on is this question of Mr Buckley asking for money and what I wanted to ask was was that something that you were told by constructors or was that an assumption that you made based upon talking to the constructors?---No, it wasn't an assumption it was just based on what I was told by constructors.

30 Do I take it that in your ten years of working on the job, on jobs with Mr Buckley you never had any personal experience with Mr Buckley asking for money from constructors?---No, I didn't.

Indeed is it the case that in your ten years of working on jobs with Mr Buckley that you found him to always do a very thorough job?---Extremely thorough.

Nothing further, Commissioner.

40 THE COMMISSIONER: Mr Stevenson, do you have questions?

MR STEVENSON: I do. I'm the barrister for Sydney Water?---Ah hmm.

Stevenson is my name. Mr Payne was asking you questions about the hotline. Do you recall that?---Ah hmm.

In the course of the explanation that you heard about the hotline was it made clear that calls to the hotline were to be kept confidential?---I don't recollect but I'd say it would be.

Well, do you agree with this that if the hotline operates so that a caller, a constructor or a Water Service Coordinator can make a complaint on a confidential basis that would in your view be a step in the right direction would it not?---That's correct, it would be.

- 10 And you'd agree that it would at least give you something to tell complainants to you that they could do it. In other words if a, Mr Nasrallah came to you again and said I've got a Mr Buckley demanding money from me one thing you could now say to Mr Nasrallah is get onto the hotline see what they can do for you?---That's correct, it would be very helpful.

As far as Mr Buckley's concerned can I just tell you about some evidence Mr Price is going to give and I just want to see whether it jogs your memory. You know Jim Price?---I do.

- 20 He's a Development Services rep at Sydney Water?---(NO AUDIBLE REPLY)

You'll need to say yes or not so the transcript can record what your evidence is?---Oh, yes.

Now, can I just suggest this to you. About three years ago did you not ring Jim Price about Mr Buckley? Do you recall doing that?---No, I don't. If you could elaborate it might jog my memory.

- 30 You know what Mr Price's recollection is, he recalls that you rang and said something like this, he doesn't say this the exact words, it's something like this?---That's fine.

He, Buckley, is at it again, the job is not progressing due to a certain fellow who is field inspecting.

THE COMMISSIONER: Sorry, I can't hear, Mr Stevenson.

- 40 MR STEVENSON: He said you said something like this, he is at it again, the job is not progressing due to a certain fellow who is field inspecting, do you recall, ringing - - -?---I don't that but if that's what Jim said its probably fairly - - -

And Mr Price's recollection is that the job that you were talking about was one concerning Joseph Plumbing and that's Mr Nasrallah who of course you've mentioned in your - - -?---Do you know, do you know what the job was to jog my memory?

No, I don't have - - -?---Well, unfortunately I do a lot of these jobs, I do hundreds and hundreds of them so it's very difficult for me to pin it down, if I knew the job it could come back to me, yeah.

Well, Mr Price - - -?---Do you know the area or street or - - -

Mr Price's memory and all I can put to you is that you said it was something, a job concerning Mr Joseph, Yousef Nasrallah?---Ah hmm.

10 And do you recall Mr Price said to you something like this, That's a serious allegation and you have a responsibility as a WSC to back up what you're saying. Would that ring any bells with you?---Possibly but its only hearsay, without proof I would not go any further with it.

Thank you. And that Mr Price then said to you it's no good just making it verbal as a verbal won't go anywhere, do you recall Mr Price saying that? ---No, I don't but he probably did.

All right?---Yeah.

20

But is your point that you could understand that response because you could see a difficulty with Sydney Water dealing with the complaint which was first of all second-hand and - - -?---Ah hmm.

- - - second of all was simply a complaint made orally by you on behalf of somebody else?---Yeah, I'll accept that, mmm.

30 Now do you remember that pretty soon after that call Mr Saxby rang you about the same matter (not transcribable)?---Well, if I didn't remember that call I doubt if I'd remember the one soon after it.

40 So see if you remember this one, that after Mr Saxby rang you, and I can't put to you what Mr Saxby said because I don't know, but after Mr Saxby rang you you rang back Mr Price and said in an ironic tone, Thanks very much for passing that onto management and just so the transcript can record the tone I'm suggesting that the tone you used was an ironic tone conveying your displeasure that Mr Price had passed what you'd said to Mr Saxby so what - - -?---Well, as again, if that's what Jim Price said I said I've got no recollection but I would, I would have been pleased that he passed it onto management but I probably wasn't pleased with the response I got from Mr Saxby and that would have been my reply to him.

So do you say that you weren't, you were not meaning to convey to Mr Price that you were unhappy that he'd passed on what you'd said - - -? ---No, no.

- - - to Mr Saxby?---I'd be quite happy that he passed it onto management, that it had gone somewhere and, and I don't know what Mr Saxby's reply to

me was because I can't remember and if that, if, if, if it was an unfavourable reply to me that could have been a time that he said we've investigated and found he's doing a good job. That might be why I said those words to Jim Price. I've got no recollection but - - -

Thank you, Mr Farrell.

10 MR PAYNE: Perhaps arising from that, just one last question for Mr Farrell and forgive me if I haven't made this clear before, I take it when you raised these complaints on behalf the constructors with Sydney Water you wanted them to do something about it didn't you?---I didn't.

And so far as you people that you knew and believed were telling you that a Sydney Water inspector was, was taking money in relation to jobs and you regarded that as disgraceful behaviour and you wanted Sydney Water to do something to stamp it out?---Correct, yeah.

I have nothing further, Commissioner.

20 THE COMMISSIONER: Mr Farrell, I have some difficulty in understanding this obsession with putting it in writing. You seem to agree with Mr Stevenson that it was a reasonable attitude to take that because you called it hearsay, and I'm not sure what you meant by hearsay, it was, it was a good reason for management to do nothing. Is that what you intended to convey?---No, no, I don't understand what you're saying, Commissioner.

30 There was some reference to your, the reports that you've conveyed to Mr Price and others as being hearsay, do you remember that?---Hearsay as, as been told to me second-hand.

Yes. And as I understood your evidence, and please correct me if I'm wrong, the hearsay aspect would be removed if the report was put in writing?

---That's correct.

40 And then I understood your response to Mr Stevenson's questions to be such that you seem to regard it as a reasonable response for management to do nothing once the report was only made orally. Is my understanding right there or not?---No, I don't, I don't, I don't believe so.

No?---I don't, I don't think that's right at all.

Did you expect them to do something about it even though you hadn't put it in writing?---I would, yes.

Was there any discussion between you and whoever you made reports to about the issue of these reports being in writing or not?---Yeah, I believe there was, they wanted it in writing before they go further with it.

So that they - - -?----I would, sorry, Commissioner, I would have expected that if I mentioned it to Jim Price that he would go back and ask the constructor. I'm only giving it to him second-hand, I would have, I would have given that advice that the constructor has told me this situation and I would expect Sydney Water's auditors to go and have a talk to the constructor.

10 Well, you see, I don't understand the, the rationale of it having to be in writing. Do you?---No, I don't. This is what Sydney Water's auditor have told us, it has to be in writing before they'll take it any further. Are you intimating that I want it in writing?

No, I'm intimating that I thought from your responses that you thought that their attitude was entirely reasonable?---Sydney Water's attitude?

Yes, that they wanted it in writing but I mean I now gather from what you say that you didn't think that it was reasonable?---No, I, I - - -

20 But I'm not sure what you're saying so I'd like to know - - -?---I'm confused myself now. No, I - - -

Well, look, let me put to you from the point of view of this Commission?  
---Ah hmm.

30 This Commission receives something like 50 or 60 complaints a week, most of them are oral. Some of them are anonymous. Everyone is treated with respect and carefully. I can't understand people who don't, who don't treat oral respect, complaints in the same light when they deal with corruption and serious matters in the context where people might be reluctant to put in written complaints. So when I heard what I thought was a response from you that seemed to agree that until something was put in writing nothing, no investigations needed to take place, I wanted to ask you about that and ask you why you thought that so - - -?---No.

But I understand that I might have been mistaken about your attitude and that you didn't think that they had to be in writing so I'm just asking you to clarify that?---No, I didn't think they had to be in writing. I wanted, Sydney Water wanted it to be in writing.

40 All right. I think that's all, no further questions for Mr Farrell?

MR PAYNE: No, Commissioner.

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

**THE WITNESS EXCUSED**

**[10.49am]**

MR PAYNE: Commissioner, I call Warren Knowles and just for the benefit of those present, Commissioner, I undertook that I'd call somebody who understood these WAM records about Mr Funovski and New College, this is the gentleman.

THE COMMISSIONER: Yes.

10 MR STEVENSON: I seek leave to appear for Mr Knowles.

THE COMMISSIONER: And I take it you don't want a section 38 order?

MR STEVENSON: That is so.

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

MR KNOWLES: I'd like to affirm the truth.  
20

MR PAYNE: Mr Knowles, your full name is Warren Knowles?---Warren Murray Knowles.

And you've made a statement to the Commission investigators yesterday?  
---Correct.

10 Can I show you a document? Is that the statement that you made yesterday?---Yes, it is.

And do you tell the Commissioner that it is true and correct to the best of your knowledge and belief?---Yes, it is.

All right. I tender the statement, Commissioner.

THE COMMISSIONER: Yes. The Knowles' statement is Exhibit P119.

20

**#EXHIBIT P119 - STATEMENT OF MR KNOWLES**

MR PAYNE: And can I just ask you a few questions about it, Mr Knowles. You're an IT specialist with Sydney Water?---That's correct.

Sydney Water runs what's called a Works And Asset Management computer system, colloquially known as WAMS?---Correct.

30 And as I understand it, that's a system that records by reference to specific job numbers. The Sydney Water employee who has performed the job at a particular site, at a particular time and a brief description of that work?  
---Correct.

You have had cause to examine the WAMS system in relation to the Day Avenue site, which is New College at the University of New South Wales at Kensington?---That's right.

40 And the WAMS system records that Mr Robert Funovski attended the site on three occasions. Once on 5 November, 2008 and twice on 13 November, 2008?---That's correct.

And you've annexed the WAMS records to your statement which show that. Can I just ask you about those? Can you go to page 3 of 10 of the statement, Exhibit P119.

THE COMMISSIONER: It's the annexure to the statement.

MR PAYNE: The annexure to the statement, yes. Thank you, Commissioner. Do you have that in front of you?---I do.

Just so I understand it, this is a, a work order detailed print. So as I understand it with the WAMS system the information is capable of being extracted in a number of ways. You can do it a number of different reports are capable of being printed from WAMS. And this is a detailed print in relation to a job which we can tell is at Lot 10, 10 Day Avenue, Kensington, namely the New College site?---Correct.

10

Do you see that on the top left hand corner?---Ah hmm.

Service provider, City East. That's the City East depot of Sydney Water? ---Of civil maintenance, that's correct.

Of the maintenance branch of Sydney Water?---Of the civil maintenance.

Civil maintenance. Thank you. The product is waste water. You're nodding. You need to say yes or no?---Oh, sorry. Yes. That's correct. It's one of the number of products that Sydney Water is responsible for.

20

And if it was a fire or water connection rather than a sewer connection, it would say that rather than waste water?---It would say water.

I see. So, so for a connection involving a connection with the Sydney Water, a water network for fire or, or fresh water purposes generally, that would say water would it?---That's correct.

We'll come back to that in just a moment. It says reported by Paul Davies on 5 November. Who to your knowledge is Paul Davies?---That's, this type of work order is populated by an action in the e-Developer system.

30

Yes?---So that would've been the person within e-Developer who caused this work order to be generated in WAMS.

I see?---So he would be either a developing, development services rep or a WSC.

I see. So they're the person who, who puts the order in and e-Developer is a separate but linked computer system within Sydney Water?---Correct.

40

That's the person who's caused the work to be generated. Just going down to the next, under the scheduling information. The scheduled date, 5 November, 2008 to 12 November, so that's, the person who'd asked the work to be done asked for it to be done between those dates. Is that what that means?---It's generally defaulted from the priority of the work based on, on the priority assigned to it. It will then give a timeframe in which it's to be performed.

I see. But actual dates will be a subsequent entry made after the work is done into the WAMS computer system - - -?---Correct.

- - - about what's actually been done?---That's right.

So, so between those hours, 7.45 to 9.00am on 5 November, 2008 is the date of the actual work and over on the right the crew leader is Mr Robert Funovski?---That's correct.

10

You said in your statement that you can think, if I understand it, that on each of those occasions Mr Funovski attended the site as a one man crew, i.e. there are no other Sydney employees there with him so far as Sydney Water's records are concerned?---That's correct.

How do you tell that from this record?---If you turn over to page 4 of 10.

I see?---Yep. You'll see the actual labour details.

20

Yes?---And there is a single entry for Mr Robert Funovski.

I see. So that if he'd gone out there with a crew, you know, a two man truck to do some work on that day, those people would, as a matter of invariable, Sydney Water practice be recorded there because you need to capture their time?---Correct. If you turn to page 8 of 10, you'll see an example of that.

Yes, Mr Funovski is there with a Mr McBlane and Mr Miller and (not transcribable) - - -?---And you'll notice, sorry, that Mr Funovski is there on 13 November.

30

Yes, I see?---But Mr McBlane and Miller turn up on 5 December.

I see?---Both with the same times. So my expectation there would be that it was a two man crew - - -

Doing something - - -?--- - - - on 5 December and a one man crew on 13 November.

40

Just staying with page 8 of 10 for a moment. So on 5 December when Mr McBlane and Mr Miller do something there, that's the same job number as Mr Funovski being there about on the 13<sup>th</sup>, at least one of those two occasions?---Correct.

Going back to the 7<sup>th</sup>, so it's the job we're talking about again. A product there involved is waste water.

THE COMMISSIONER: Sorry, so you're going back to the 7<sup>th</sup>?

MR PAYNE: 7 of 10, I'm sorry, Commissioner. Just to make this link. So page 8 of 10 is referring to the work set out on page 7 of 10?---Yes.

And page 7 of 10, the product that this job number relates to again is waste water. Do you see that on the left hand side at about point 2 on the page?

---Correct.

10 And that tells you that this job and what these two people went out to do was a waste water job not a water job for a fire hydrant or fresh water in any way?---That's correct.

Because that would say water should that have been the (not transcribable)? ---You'll also see the description on the first line is to audit the construction whereas earlier on it was to do asset creation and costing. Whilst it was the same, the same job, there were different activities to be performed.

Yes. And we pick it up on job details do we under the third paragraph down, it says failure class waste water failures.

20 THE COMMISSIONER: Yes. What page is that?

MR PAYNE: Page 7 of 10, Commissioner.

THE COMMISSIONER: Yes.

MR PAYNE: At about point 5 on the page, waste water failures is the failure class?---In this type of work that's not particularly relevant. This is a generic report for all work types.

30 I see?---Failure class normally relates to reactive work not to planned work.

THE COMMISSIONER: And this planned work or reactive work?---This is planned work.

How do you know that, Mr Knowles?---There should be work type, yes, on the right hand side under job details, there's a work type of AC, which Asset Creation is one of the types of planned work.

40 And that's not reactive?---Reactive would be a BM, a breakdown maintenance.

Right. And these pages, do they all relate to the work, if we start at the beginning, page 1, what is page 1? What does that intended to reflect? ---There are five jobs recorded in the WAMS system for Lot 10 Day Avenue, Kensington. And these 10 pages are, are the prints of the five works orders performed.

In what period?---They range from September, 2008 til December, I believe.

Right. And so if you look at the first page the, this is another Asset Creation job and what is the job?---The description of the job is to do asset creation costing.

Asset creation costing?---Ah hmm.

What's that mean?---That's a stage in the e-Developer process where a case is created and it requires civil maintenance to provide some, some input.

10

Some costing?---Costing details to, to perform a connection and such type work.

And when it says, "Reported by Derek Cunningham" what does that mean? ---That means that he was the person within the e-Developer system that - - -

Gave the information on page 1?---That hit the button in e-Developer that sent a transaction through to WAMS to create this work order.

20

On page 1? Is that page 1?---On that particular case, yes. And you'll see that on page 3 it was someone different.

So page 2 is the person who goes out to do the work, is that Adam Miller? ---At page 2 is the continuation of, of page 1.

That says actual labour, does that mean, does that show the person who actually did the work?---Correct.

30

And then if you go to page 3 - - -?---This is a new work order.

That's a brand new work order but on the same job?---For the same e-Developer case, correct.

And that's reported by Paul Davies?---That's right.

And if one sees Mr Funovski's name there as crew leader I think you've said that means that he was the leader of the crew who did this particular work?---That's right.

40

And the work itself was asset creation audits. Is that right?---That's correct.

And what are asset creation audits?---That's a type of work within civil maintenance and I'm not aware of the details of the work involved. You may need to refer that to someone within the business.

And, but that, the work is actually carried out at Lot 10 Day Avenue, Kensington?---That's right.

So that means that according to this record Mr Funovski was at Lot 10 Day Avenue, Kensington being involved in asset creation audits on the actual, on 5 November from 7.45 to 9.00am?---That's the information that has been provided in the system, correct.

And the information is provided by Paul Davies is it?---Not that part, no.

10 Who provides that part?---That would've been fed back from our FRM, our Field Resource Management System which the field crews use to, to send information back to the WAM system.

Does that mean Mr Funovski himself would've been responsible for that?  
---It would be my expectation, yes.

That's the norm?---Yes.

20 And then if you, and if you turn over the page to page 4 of 10 you see Mr Funovski's name there again and that's, he actually started at 7.45 and finished at 9.00am and who's the source of this information?---That has come from our FRM system which means it was, it was keyed into a mobile device being used to do the work.

Probably by Mr Funovski?---Probably, yes.

Who else could it have been?---Anyone with access to a device but it would not be normal for people to log in as someone else.

30 And then page 5 of 10 is this a different job?---It's the same, same job, it's a new work order and this is a notification that work has commenced.

I see. And the start day time is 7.45 and so here at 7.40, so it's more or less the same and the finish day time is 8.30 whereas on the first one it's, the finish time is 9.00?---Correct.

Why is there this discrepancy?---It's a different job, it's a different day. The first one was 5 November, this one's 13 November.

40 I see. I see. I beg your pardon. So that's a different job. And that's the second job on 13 November?---No, that's this first - - -

The first job on 13 November but second job on the site in November?  
---That's correct.

And the nature of the job is again asset creation audit page 5 of 10?---That's right.

I understand that. And then you get to the (not transcribable) which is another job on 13 November. This is the second job on 13 November is it?  
---That's right, this is to audit the construction work.

The description of the job on page 5 is the same as the description of the job on page 7 except that on page 7, yes, well, that's right, no, there's no exception, it's the same job, the description is the same rather?---The description is different between 5 and 7 but - - -

10 Why is that?---The task code is the same. But the description on page 5 is commencement notice up the top of the page.

Description commencement notice?---And on page 7 is audit construction.

And description is audit construction. So are they two different jobs?  
---They're two different tasks.

Are they carried out at the same time?---Again I'd prefer that was answered by the business, my expertise is in IT systems.  
20

Charged separately for each?---Recorded separately, there's a separate cost involved in each one, yes.

And why on page 8 does one see three different names for the same job?  
---That means that there were a number of different people attended that job. Mr Funovski on 13 November and then later Mr McBlane and Mr Miller returned for some other reason.

And on page 9?---Page 9 is the last step of the process, this is when the work is complete and a connection report is done.  
30

And the date of that?---And that was done on 8 December by Mr Heyward and Mr Miller.

And Mr Funovski's not involved in that?---Not recorded on that, that job.

Now, if, and Desfontaines and Mr Nobrega had been out working on this job in November would their names appear on one of these work, on a like document?---Yes, they, if they were recorded against the job they would appear under actual labour.  
40

And they don't appear in November on a job in Lot 10 Day Avenue, Kensington?---That's correct.

Yes, thank you.

MR PAYNE: Just to clear that up. These pages 1 to 10 that's everything in the WAMS system relating to the New College development at 10 Day Avenue, Kensington. Correct?---At Lot 10 Day Avenue, correct.

So just to clear up the Commissioner's question Mr Desfontaines and Mr Nobrega if they went there they weren't entered into the books of Sydney Water in the WAMS system?---That's correct.

10 THE COMMISSIONER: I do not understand the work described in the documents attached to your statement as being the work involving the connection of a pipe to a sewer main. Have I got that right? What is the right description?---That's definitely no, Commissioner.

If you could help me, Mr Payne?

MR PAYNE: Yes. If you were to assume that what Mr Nobrega and Mr Desfontaines were doing was connecting for fire purposes to the Sydney Water water system not the sewer system that there is no mention of any connection to the water system here in the WAMS system is there?---No, 20 these work orders only relate to, to that e-Developer case which, which in this case is waste water only.

So all sewer connections, I just want to go through each of them just so we're clear so page 1 of 10, the first thing that somebody or Mr Cunningham has asked to do is to cost a sewer connection and you can tell that because it says waste water with the product?---That's correct.

And just to be 100 per cent clear, if he was asked to cost a fresh water connection for fire or any other reason it would say water?---That's correct. 30

And when you closed down the Sydney Water mains, that the Sydney Water water system not the sewerage system?---That's correct.

Page 3 of 10, again, product is waste water so what Mr Funovski did on 5 November, 2008, so far as he told the WAM system, was related to waste water, namely sewerage and not fresh water?---That's correct.

40 Page 5 of 10, what Mr Funovski did on the morning of the 13<sup>th</sup>, and we'll come back to that in a moment about sewer connections but what he did was the first part of a sewer connection audit and you can tell that because it says waste water, it had nothing to do with the Sydney Water water system? ---That's correct.

Page 7 of 10 later that morning what Mr Funovski did again was related to Sydney Water sewer system and you can tell that because it says waste water on page 7 of 10?---That's correct.

Nothing to do with Sydney Water's water system?---That's correct.

And finally page 9 of 10, the final work done by Messrs Heyward and Miller on 8 December, 2008 on 8 December, 2008 again related to a sewer connection?---That's correct.

10 Now, I understand that you're not a sewer man, you're an IT man if I can put it that way, but can I have you shown Exhibit P90 and we'll try and put together these electronic records with the hard copy records which were already in evidence before the Commission, if you can just have a look at the first page of that, that's a sewer main connection report with, in fairness to Mr Funovski, not signatures but in handwriting Robert Funovski in two places and Mr Heyward at the bottom. Do you see that?---Yeah, I do.

So just going through, going, if you can put side by side pages 1 to 10 and Exhibit P90, at least the first page and we'll just work through it together, now pages 1 and 2 of 10, that's the costing for a sewer connection that somebody has set up and the work done was for half a hour by Mr Miller on 29 September, 2008?---That's correct.

20 So we won't find that reflected in P90 but that's an essential precondition to what we see at P90, namely the report that Sydney Water actually works out what it's going to cost, correct?---Yes.

Can we look then at page 3 of 10 and this is one where Mr Funovski if we look at, over the page at page 4 of 10, on the 5<sup>th</sup> it appears that he's gone out between 7.45 and 9.00am in relation to waste water, again the sewer connection, an asset creation job at Day Avenue, New College. Now, we don't see that in that document but, we don't see that in that document so that, there's no pre-connection work. If you turn over, but we do know it's related to the sewer because of the waste water reference on page 3, do you agree?---Yeah.

30 Page 5, now in the morning there are two jobs on the, on the 13<sup>th</sup> to which you draw attention, page 5 of 10 is the first of them if you go over to page 6 of 10, so 7.40 in the morning to 8.30 on the 13<sup>th</sup> something happens for an hour in total with Mr Funovski and you'll see if you look at Exhibit P90 in the, under pre-connection and under connection Mr Funovski's name appears for both so it appears that what he was involved in on 13 November, 2008, putting these two records together, are two different audit functions for Sydney Water, one a pre-connection report and one a connection report and so far as P90 is concerned that happens on the one day?---Correct.

40 And so far as your statement is concerned page 5 of 10 deals with one sewer connection job reference and page 7 of 10 deals with another sewer connection reference on the same day, namely 13 November, 2008, being the date on Exhibit P90?---Correct. My expectation would be that page 5 relates to the pre-connection and page 7 relates to the connection of part 2.

Yes. And so far then as post-connection is concerned, if we can just pick that up, page 9 of 10 or 9, 9 and 10 which travel together, you'll see Mr Heyward's signature at the bottom of the page doing the post-connection work and on page 10 of 10 David Heyward, 8 November - - -?---December.

Of December, I'm terribly sorry, thank you, and it appears he's the first person there and Mr Miller who started the whole thing off, is involved in some way in signing the job off on that day as well?---Yes, there must have been some reason for Mr Miller to attend later that afternoon again.

10

Well, is that necessarily attending the site or might Mr Miller be working out whether the costing that he did right at the beginning on page 2 of 10 turned out to be right in billing the client?---No, that's, that's valid, he is recording time against the job, it didn't necessarily require him to be on site.

20

So we do know about Mr Miller, he was the one who costed it at least and he's the, there's some time right at the end and maybe he went to the site and maybe he didn't but that's on the 8<sup>th</sup>, the day that we can see from Exhibit P90 that Mr Heyward signs off on the job and just to then complete the picture, if you go to the last document in Exhibit P90 that I've shown you, there's a compliance certificate under section 73 of the Sydney Water Act issued on 23 December, 2008 in relation to the, to this job but there's nothing in the WAM system about that because that's not a job on the - - -? ---That's outside the area of the WAM system.

30

Yes, thank you. And just so that we're 100 per cent clear, you've searched and there is nothing in the WAM system for a fresh water job in relation to the New College site, 10 Day Avenue, Kensington at any time?---That's correct.

I have nothing further, Commissioner.

THE COMMISSIONER: Yes, thank you. Ms White?

MS WHITE: Yes, Commissioner. I assume I still have leave to appear for Mr Funovski?

THE COMMISSIONER: Yes.

40

MS WHITE: Now, Mr Knowles, my name is Ms White and I'm appearing for Mr Funovski so I just want to ask you a few questions? ---Certainly.

So you're an IT system specialist?---That's correct.

And do you feel qualified to be able to interpret the documentation that's attached to your statement?---I do.

Thank you. Can you tell us a little bit about the FRM system when it was introduced and what it is?---The FRM system is our mobile computing system. It was introduced late 2007, progressively through 2008 till about the middle of 2008. It involves portable computers, wireless connection. Work is scheduled and dispatched through the system to field crews and data is fed back in real time.

10 And alongside that system there's still the job card system as well?---That, the job cards have largely been replaced by that system so we're now effectively using electronic job cards but the data from that system is still fed back into our, our WAM system where the majority of reporting is performed.

All right. Thank you. So the whole purpose of the FRM system was to do away with paperwork, is that right?---It wasn't the whole purpose but it is something that it achieved.

One of, one of the reasons?---Yes.

20 Okay. So the entries are made through what's called a Toughbook, you talk about that in paragraph 6?---That's correct.

And if the entry is made through a Toughbook then there will be no job card, is that correct?---That's correct.

THE COMMISSIONER: But there will be a job number I take it?  
---Certainly the job number will still exist and there'll be an electronic record.

30 And you can't have a job without a job number?---No, it must exist.

MS WHITE: So just turning to the annexures on, to your, to your statement, if you could turn to page 4 of 10. That's the record that you say says that Mr Robert Funovski did some work on 5 November, 2008?---That's correct.

On the site, Lot 10 Day Street. I suggest to you that under failure remarks, it says site assessment for approved developer works. Can you see that?---I see it. Yes. That's correct.

40 Do you know what that means?---It would be a comment entered by the operator on the Toughbook and is fed back for storage in the system.

So if I suggest to you that that actual, those actual words, site assessment did not necessarily mean that Mr Funovski attended the site, would you be able to comment on that?---The fact that there was travel recorded in the actual labour would normally indicate that a site visit was involved.

But if the operator was just trying to account for their time, are you familiar with just allocating certain periods of time to travel and certain periods of time to other activities or - - -

THE COMMISSIONER: I'm not sure I understand that. Are you suggesting allocate time to travel when there was no travel?

MS WHITE: Yes, Commissioner.

10 THE COMMISSIONER: If there was a practice of doing that?

MS WHITE: Yes, Commissioner.

THE COMMISSIONER: Do you know of such a practice?---I'm not aware of the practice, no.

Are you saying, you are putting to the witness that there was such a practice?

20 MS WHITE: I am. But the witness says he can't comment on that?---I'm not aware of business processes.

THE COMMISSIONER: He says he's not aware of it.

MS WHITE: He's not aware of it. And are you aware of a system called the Do and Charge System?---No, I'm not aware of that.

That's where the cost of the project gets done at the end. You haven't heard of anything like that?---It's not in my area of knowledge.

30

All right. Now if you turn over to page 6 of 10 under value remarks. It says prepare paperwork for major works audit?---That's correct.

So if I suggest to you that Mr Funovski did not attend the site on that occasion to do with that piece of paper either, what would you say about that?---Again, it's a similar situation to the previous one. Travel time is recorded. I wouldn't, I wouldn't have an opinion on that.

Right.

40

THE COMMISSIONER: Well, your opinion on that is the same as what you've given before?---Correct.

MS WHITE: And if you turn over to page 8 of 10. That shows Mr Robert Funovski on 13/11/2008?---That's correct.

And I suggest to you that that was the only time that Mr Funovski attended the site, Lot 10 Day Avenue. Do you have any comment about that?---The failure remarks indicate an onsite meeting.

Right?---So I'll expect the same as before, there was travel time involved, he spent time on site. So I would expect him to be there.

So the words, the initials there in failure remarks, WSC stand for water servicing coordinator. Is that right?---That's correct.

10

So is that person part of Sydney Water as well?---No. A water servicing coordinator is an external party.

An external. And then it says, and constructor, and in this case I put it to you that would've been someone from Planet Plumbing. Do you have any comment about that?---That would be my assumption too.

All right. So in relation to waste water jobs you don't have to shut down the main do you?---That's correct.

20

The connection is done live?---From my understanding, yes. But I'm not an expert in that area.

All right. So if you could, if I could just take you to Exhibit P90 that you were taken to earlier. On the top there there's a work order number 1-1-5-7-4-0-5-3?---That's correct.

And if you turn to page 9 of 10 of your statement that's the same work order number. Is that right?---Correct.

30

So would that, would you have any comment to make about who might've prepared this document, P90, having regard to the work order number being the same, that I've just taken you to?---My, my expectation is it would be Mr Heyward.

Right. So Mr Funovski would've had nothing to do with preparing this document?---He may not have, no. I'm not aware of the process within the business as to whether that form is filled out progressively or whether it's filled out at the end of the process when that final work order is generated.

40

Yes. And correct me if I'm wrong, I think in one of your answers to counsel assisting, you said something about information being outside the area of the WAMS system? Did you say anything like that? Is there information that's outside of the area of the WAMS system?---WAMS has a number of interfaces. It's fed by the e-Developer system. It also passes information to FRM and receives information back from FRM. So I'm not sure what information you're referring to.

Well, what I'm trying to find out is is there any information that would be outside the area of the WAMS system that is not reproduced in your statement?

THE COMMISSIONER: No, that's too wide. What information are you talking about? I mean you could be talking about something in the newspaper.

10 MS WHITE: Information, I'm sorry, Commissioner, I'll rephrase the question. Would there be any information relating to Mr Funovski attending 10 Day Avenue, which is outside of the WAMS system?

THE COMMISSIONER: So during the period, are you talking about during the period November, 2008?

MS WHITE: Well, yes, during the period November, 2008?---Certainly the intention is for, for civil maintenance employees to record all activities in the WAMS system.

20 THE COMMISSIONER: You say the intention, is that a direction?---Yes.

MS WHITE: But it's possible that if a job card was created that it did not reach the system, the WAMS system. Is that correct?---Certainly possible, yes.

Yes. All right. I don't have anything further.

30 THE COMMISSIONER: And where would that be then?---The process is for that job card to be handed into the depot and be manually keyed into the system.

Who would hand it in?---The crew who performed the work.

The head of the crew I take it?---The team leader normally.

The team leader?---Yes.

40 And there's no record of that having been done I take it?---There's no record in the system, that's correct.

There's no, so what may happen is that there may be a job card and the team leader doesn't key it in?---There wasn't a job card because I've searched the system for jobs at that location. So even if it was done on a piece of paper, there's no record in the system of that job being requested.

In which system?---In the WAMS system.

I understood your answer to Ms White to be that it's possible, there could be a job card that's not recorded in the WAMS system?---Yes, I probably should, should correct that. Reactive work can be done and recorded later, especially if we have system outages where the WAMS system is unavailable, the work still needs to be done. It'll be written down on paper and entered later. But for planned work it would generally come through the system.

Generally?---Not 100 per cent guarantee, but very high.

10

What is planned work?---Not reactive. So any asset creation work, customer requested work.

And how could it slip through the system?---The job itself would be, would appear in the system, but it would have no actual information if for some reason the job card did not come back and be keyed in. But there would be  
- - -

20

So what would appear in the system?---There would be a record, there would be a work order in the system but it would have no actual information against it. So it would be a request for work and it would not say that the work has been performed.

But the request for work would be showing in the system?---Correct.

As I understand it, there would be no request for work of the kind that Mr Payne described?---That's correct.

30

Would that have to be, if such a request had been made, would that have to be in the system or could that slip through as well?---The normal process is to, for requests to be entered into the WAM system, so I wouldn't expect it not to appear there.

If a job needs materials, in other words, if to do the job one has to draw materials from Sydney Water stores- -?---Yes.

- - -can that be done without a job number?---I believe so, but that's a business process that I'm not aware- - -

40

But how is it done?---It's something you'd need to- - -

So you don't know?---I don't know.

Does the WAM system record materials?---If the crew leader or team leader enters the materials on their job it's recorded in the system and you would see not only actual labour, but actual materials on that, on each, on each work order report.

And is it a requirement of Sydney Water that the team leader enter the materials used in the WAM system?---Yes, it is.

And as I understand your evidence, no materials that would have been used on the kind of work that Mr Payne described to you is recorded in the WAM system for those, for the month of November, 2008?---That's correct.

10 But you're unable to explain how it is possible for a Sydney Water crew to get hold of materials without that being recorded in the WAM system and without a job number?---I can only comment on the IT system.

Yes. Very good.

MS WHITE: Commissioner, I just have one or two more questions?

THE COMMISSIONER: Yes.

20 MS WHITE: You just gave an answer to the Commissioner in relation to request for works being done, that it would not slip through the system, something like that?---It would be extremely unlikely.

Yes. I'm just trying to take you back there. If you have a look at the third page of Exhibit P90, under the heading of Request for Pre-connection Inspection there is no information filled out there. Is that correct?---That's correct.

30 So in the case of that document, there would not be able to be anything entered into the WAM system about the request for pre-connection inspection. Is that correct?---I'm not familiar with this form. It's not part of the WAM system.

THE COMMISSIONER: I'm not sure if that's correct. If you look at page 1 there are a number of boxes ticked in relation to pre-connection, and as I understand the third document, it's all part of the work that's described in the first two pages. But you're not able to comment on it you say because you don't know this, what this is?---I'm not aware of these forms, no. These are e-Developer process forms, not, not WAMs.

40 MS WHITE: Well, Commissioner, the witness was taken to this document and taken through it so I didn't, his answers were given at the time, he didn't indicate he couldn't comment on it at that time.

THE COMMISSIONER: He can't comment on the particular question, Ms White. He's explained that.

MS WHITE: Yes, Commissioner.

THE COMMISSIONER: It doesn't mean to say that he couldn't comment on what he commented on.

MS WHITE: Well, do you agree, just looking at the document, that there is no information in Request for Pre-connection Inspection?---Yes, I can see that, yes.

10 And do you agree that if that information had to be entered into the WAM system there would be nothing that you would be able to enter?---The data is not manually entered into the WAM system in, in these, in this type of work, it is fed through an interface from the e-Developer system and the e-Developer system has generated the five work orders in my statement.

All right. Thank you. And just finally, in relation to the paper job cards, do you know that when they are taken back to the depot they are entered manually by an administrative lady?---That's correct.

20 And so that, she may or may not do that correctly. Is that quite right?  
---That's correct.

Yes. Thanks. Nothing further.

THE COMMISSIONER: When is the, by November 2008, were there still paper job cards?---The system was fully rolled out to civil maintenance in mid-2008.

Well, what's the answer to my question?---It was the preferred method of operating, however job cards are still used on occasion.

30 Where does, who actually or how is the process of using job cards commenced?---A job card will be printed from the, from the WAM system and, and given to the team leader.

So is there no other way?---Ah- - -

I'm talking about the manual process that you've been asked about?---Either a job card would be printed from the system and- - -

40 Yes.---?- - -and handed out, or the information could be captured on paper and transferred to a job card for entry later on.

Where does the job card come from that is used when the information is transferred to it?---It would generally be a pre-printed job card, sorry, it would be a form that is used.

So does Sydney Water still have pre-printed, well, in November 2008, did Sydney Water still have pre-printed job cards?---Yes.

Where were they?---Ah, they were used on, on, on rare occasions.

Well, where were they kept?---They're, they're maintained within the depot.

And who would draw or who would draw them if they wanted to use one of those?---I'm not 100 per cent sure on how that operated within the depot.

10 And why would somebody use a pre-printed job card and not use the WAM system?---Ah, that's the business continuity process for when the system is, is unavailable.

So you use the printed form when there's some problem with WAM?  
---Correct.

No other time?---I believe it may happen at other times, I'm not aware of, of the conditions under which it happens.

20 Is there general instruction one should use WAMs, the WAM system wherever possible and not the manual job card?---Yes.

And if the manual job card is used, who uses it?---(NO AUDIBLE REPLY)

What is the level of employee who is responsible for drawing or getting it physically into his possession and then filling it out and then submitting it so that it can be entered into the WAM system?---Ah, it would be the team leader.

30 MR PAYNE: Just two more questions just to, just to tie this up. I want to ask you about a new water connection. So just so we're clear, all the WAMs information that exists about the Dacey Avenue job is about sewer connections, not about water connections?---Okay.

I want to ask you on the hypothesis that there was a new water connection for fire purposes where, assume these facts, two Sydney Water employees travelled from a depot, did the connection at the direction of a Sydney Water employee, but that whether or not there was a printed job card, there was never a job number. So they're the assumptions that I'm asking you to make?---That's correct.

40 I want you to just focus on the job number and the importance of the job number. The answers that you were giving the Commissioner before if there was requested by a developer or a water services coordinator a new fresh water, if I can call it that way, not a sewer a new water connection if that request were made of Sydney Water there must be as I understand it whatever else was manual or computer or anything else when the work was carried out there must be a job number for that job within Sydney Water's system. Is that correct?---There should be.

There are circumstances where a new water connection could be ordered and there's no job number is there?---If, if a new water connection was ordered it would come through either from e-Developer system or Quick Check and both of those systems have interfaces into WAMS to create the appropriate work orders for the work to be done.

10 And they get printed off and you have a printed copy or someone would fill it in manually on this pre-printed form but there'd be a job number for a new connection that Sydney Water was asked to do if it were a legitimate request?---Correct.

Thank you.

THE COMMISSIONER: Mr Stevenson.

20 MR STEVENSON: As you know I'm the barrister for Sydney Water, Mr Knowles. Ms White suggested to you do you recall that there existed a practice to record as travel time in the WAMS system time that was not actually travel? Do you recall she said that to you?---Yeah.

I don't know whether you know the answer to this. Are Sydney Water staff not instructed that the only entries that they are to make into the WAMS system whether through their Toughbook or otherwise are to be entries which reflect the facts?---That's correct.

30 So if there is a practice by Mr Funovski or anyone else to record entries in the WAMS system for travel time that don't reflect the true position that would be contrary to Sydney Water's usual and proper practice would it not?---That's correct.

Thank you.

THE COMMISSIONER: I take it that the purpose of WAMS is to reflect the truth?---Certainly, it's to collect information to, to do analysis and improve practices and improve operations.

40 So would any practice involving putting in travel time when there was no travel time be countenanced?---Again outside my area, that's a business responsibility.

I can't believe that you know, you don't know that?---I would expect it would happen, yes.

What would happen?---That it would be countenance.

That it would not be countenance?---Sorry, it would not be countenanced.

Because that would mean putting in facts that weren't true?---That's correct.

MS WHITE: Commissioner, I just have one question arising from that matter.

THE COMMISSIONER: Yes.

MS WHITE: As you said you're familiar with the IT area and entering data. That's correct?---Correct.

10 Are you aware that when you enter information if you don't put travel time it comes back as an error?---No, I'm not aware of that.

Thank you.

THE COMMISSIONER: Yes, Mr Knowles, thank you for your evidence, you may be excused?---Thank you.

**THE WITNESS EXCUSED**

**[11.44am]**

20

MR PAYNE: Commissioner, I call Mr Vasilevski.

MS WHITE: Commissioner, I think I could be excused?

THE COMMISSIONER: Yes, certainly.

MS WHITE: Thank you.

30 MR STEVENSON: And I seek leave to appear for Mr Vasilevski.

THE COMMISSIONER: Yes. And does Mr Vasilevski need a section 38?

MR STEVENSON: He does not.

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

40 MR VASILEVSKI: Under oath, your Honour.

THE COMMISSIONER: Mr Payne.

MR PAYNE: Mr Vasilevski, what's your full name?---Saso Vasilevski.

You made a statement in this matter?---Yes.

10 Can I show you a document?---Certainly.

Is that a statement you have made?---Yes, it is.

Do you wish to make any corrections to 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?---Yes, I do.

Commissioner, I tender the statement.

20

THE COMMISSIONER: Yes. Mr Vasilevski's statement will be Exhibit 120.

**#EXHIBIT P120 - STATEMENT OF MR VASILEVSKI**

MR PAYNE: Mr Vasilevski, you are at present a field supervisor within Sydney Water?---Yes.

30

And you've worked your way up within Sydney Water, you started as a maintenance employee?---That's correct.

And it was in June 2007 you became a field supervisor?---Approximately about then, yes.

And from that time until he was moved to other duties you were the field supervisor for Mr John Buckley. Is that right?---That's correct.

40 And that was all at the Potts Hill offices of Sydney Water?---Potts Hill, two sites, we recently moved.

I see. So throughout that period 2007 there were two Potts Hill sites and Mr Buckley worked to you and you were his field supervisor at both of those sites?---That's correct.

You before becoming his field supervisor were you or did you perform inspection works on behalf of Sydney Water for sewerage connections created by accredited constructors of Sydney Water?---No, I didn't.

Have you ever done that?---No.

So whilst you were Mr Buckley's field supervisor a principal part of his role was wasn't it conducting inspections on behalf of Sydney Water in Sydney Water's inner west area in relation to sewer connections?---Yes.

10

And that was something you'd never done before?---No.

Were you then or are you now trained to do that work?---No, but I am familiar, I've, I've familiarised myself with the process.

But you've received no formal training in relation to that inspection work?---No.

20

And you've received no on the job training I take it in relation to that work have you?---Not that I can recall.

When you say you familiarised yourself did you ask Mr Buckley how to do it?---Just, no. I might've, I might've. I might've partially I suppose.

30

How did you familiarise yourself with what it was that Mr Buckley was doing so far as inspections of sewer work for Sydney Water was concerned?---Basically through my time at the, as a supervisor I communicate with the various developers within the business and, and follow the process and put it, put it, put it, put it straight in my hand the correct procedure.

When you say developers you don't mean property developers external to Sydney Water do you?---No, I mean e-Developers.

And you regarded Mr Buckley as an e-Developer?---Yes, I did.

40

Who else did you have available to consult about e-Development work so far as sewerage was concerned other than Mr Buckley?---Mr Louie Krystanovski.

He did e-Development work did he?---Yes, he did.

Can I take you to paragraph 6 of your statement that you mention Mr Krystanoski and you say that he would fill in for John when he was on holidays?---Yes.

So other than the periods when he was on holidays Mr Krystanoski didn't actually do any inspection work did he?---I might've shared the load at

some point when there was a bit much but I do agree that John predominantly looked after that work.

Yes. And that was a predominant part of his work and he predominantly looked after it in the inner west area?---Yes, that's definite.

And when you became his field supervisor in 2007 he'd been doing that work for how long to your knowledge?---I don't know. Quite some time I believe.

10

Yes. And if I can just ask you about the inspection work that he did. In the time that you were his field supervisor, I want to suggest to you that you weren't really in a position to provide any supervision of his inspection work for Sydney Water were you?---No. John was, he realised that was a position of trust and it was a position that we, only a senior well managed person who would, and demonstrate all the, all the right behaviours, all the right attitudes and so we want (not transcribable) that was a way that (not transcribable) minimal supervision.

20

Just to explore that answer with you a little bit. You, you thought it was a position of trust and you did trust him, kindly enough?---Up until recent times, yes, I think, yes.

In past tense. All right?---Yes.

I understand. And you said a well managed person, what you're saying to me with this, the trust involved is that so far as you were concerned there was to be no management of Mr Buckley because it was a trust position, you trusted him, you let him run his own race with these inspections, which he'd been doing for years before you came on the scene?---Yes, that's true.

30

And to your observation in the depot, in the hierarchy there, that was the attitude of everyone concerned, Mr Buckley was not supervised in any sense that one would understand the word, so far as his inspection was concerned, because he'd been doing it forever and didn't brook comments or criticisms from others lightly. Do you agree?---Yes. He was a very, yes, a very headstrong person.

40

And to your observation - - -

THE COMMISSIONER: Mr Vasilevski, excuse me Mr Payne, Mr Vasilevski, do you mind just sitting a little bit back there?---Oh, sorry.

The microphone blurs the sound?---Sorry.

Thank you.

MR PAYNE: I was just asking you about your observations of, of the hierarchy, if I can put it that way, within civil delivery in relation to Mr Buckley. To your observation there was no supervision by anyone of Mr Buckley in relation to this inspector role because as you've put it, you understood it to be a position of trust and Mr Buckley had been doing it forever and that was the way things would be. Do you agree?---I agree. That's correct. He had, he had not given me any reason not to, not to trust him. And he showed me all right key behaviours and, and managed himself extremely well.

10

But to your observation, when you say managed himself, I see, so to your observation, certainly you didn't manage him in any sense of the word or supervised him and neither did anybody else so far as you were aware? ---That's correct. Yes.

Can I ask you then does the evidence you've just given me, that's in your supervisor role. Did you actually work alongside Mr Buckley from 2001 when you first came to Sydney Water?---No.

20

So, so when you took the field supervisor role over that was your first connection, if I can put it that way, with Mr Buckley was it?---My first physical connection with John was at, I just recalled after, it was at a training course a couple of weeks prior to me getting this position.

I see. And when you came into the field supervisor role and you've explained very frankly the position of trust in which you regarded Mr Buckley to occupy, who was your supervisor in the hierarchy?---At that time?

30

Yes?---My manager was Peter Dejanovic.

I see. And did Mr Dejanovic lead you to believe that so far as inspections were concerned, Mr Buckley was basically to run his own race because he was in a position of trust and you didn't need to worry about him?---No. He didn't lead me to believe anything really.

So you were given no instructions by your manager about how to handle Mr Buckley and what to do or not to do in relation to his inspection work? ---Not that I can recall, no.

40

Was there ever a conversation you had with either Mr Dejanovic or any other manager within the Sydney Water hierarchy about how you were to approach the field supervision which at least nominally you had over Mr Buckley?---I'm trying to think back now. But I don't think, I don't think I can recall any such conversations.

So you tell the Commission that in effect you came into the job and to your observation Mr Buckley had been doing a particular role for longer then

anyone could remember and that you took the view that it was a position of trust and that although you were nominally a field supervisor, there was no supervisory role for you really so far as Mr Buckley's inspection work was concerned?---Yeah. That's correct. I was kind of of the impression that he had a stronger tie to the work plan coordinator.

I see. Who was that?---The work plan coordinator.

10 Yes. Who was, what's the name of that person?---At the time it would've been Andrew Duncan.

So when you say a stronger tie, did you think that the work plan coordinator was supervising M Buckley's inspections did you?---No, not (not transcribable) not in that regard. In regards to that specific role, the support officer role, it was in my eyes, a role that was designed and developed to assist the work plan coordinator with his duties.

20 Did you have that, have the conversation with the work place coordinator about whether any supervision was desirable or required in respect of Mr Buckley's inspection duties?---I don't think we ever discussed it.

I see. And again you tell the Commission that's because you formed the view from the circumstances that were presented to you that a) Mr Buckley was in a position of trust and b) he wasn't going to put with you supervising him about inspections in any event?---Yes.

30 Were you ever, was it ever drawn to your attention, let me start again. This inspection role within civil deliveries you understand as you understand it is an adjunct to, so far as sewerage is concerned, to a development process which is largely managed by the urban growth section of Sydney Water? ---Could you just repeat that again, Mr Payne? I'm just trying to understand.

We'll just talk about sewerage connections for a moment for new developments?---Yes. Yes.

40 Do you understand within Sydney Water that the principal responsibility, the legal responsibility if you like for issuing a certificate that Sydney Water says it's okay, there's sewerage and water at this new development, that that rests within Sydney Water within the urban growth department?---Yes. They issue the Section 73. But the inspections, they need confirmation that the work is, is good and meets with the standards. (not transcribable) and, and so on is done by the developer, e-Developer.

Who sits within civil delivery, which is part of maintenance, a quite separate department?---That is correct.

Yes. So just we're on the same page. Were you aware that from time to time senior officers of the urban growth department raised matters of either complaint or concern about Mr Buckley's work and were told in effect by Mr Buckley, you do your job, I'll do mine. Is that something that you'd heard about?---No.

Had you heard of any request or inquiry from urban growth about Mr Buckley's work during the time that you were his field supervisor?---From urban growth a request or an inquiry?

10

Yes?---No. Just maybe occasionally there was communications about jobs being held up. That might have been escalated to the manager at the time.

Yes. And in relation to jobs being held up, do you remember urban growth making an inquiry about a job at Sherwood Street at Revesby and Mr Buckley's involvement in that job?---(not transcribable) the inquiries never come to me.

20

I see. So even though you were his field supervisor, that just, because of the relationship you've described to me earlier and the position of trust that you regarded Mr Buckley, you were just left out all together from any of that interaction between Mr Buckley on the one hand and urban growth on the other were you?---It might be, it might be that these (not transcribable) process bypassed me totally and into the next, next in line manager.

30

I see, and so you weren't involved. Can I ask you about paragraphs 9 and 10 of your statement. You say in paragraph 10 that Mr Buckley was a senior guy who would manage himself and only required minimal supervision. I take it from what we've discussed so far that so far as you were concerned that that equally, so far as inspections were concerned that that equally no supervision because you just weren't in a position to supervise him in relation to those?---I agree.

40

In relation to paragraph 9 when you made this statement, in fairness to you, you'd heard recent rumours so that's recent after August 2009, that Mr Buckley, that he was in trouble with management and the external authorities but you do say this, you remember Mr Buckley showing you some of the work he'd done from time to time and you thought his assessment was pretty fair. Given what you've told me about your background, experience and training were you really in a position to comment one way or the other about whether what he'd done in the inspection was fair do you think?---Yes, I believe I was.

And what, what training, background and experience did you have in order to express those views?---Internal from within Sydney Water itself, of the level of progression through the, through the Civil Delivery business.

But I thought you'd told me that one of the things you hadn't been trained in was doing the inspection work and whether or not, just bear with me, whether or not it was appropriate or not to issue a Corrective Action Request in relation to a particular matter, that's something you had no real guidance from within Sydney Water about what the appropriate steps were, wasn't it?---I thought you were referring to the e-Developer process itself. As far as something, he would show me photos of, of defective works such as manhole constructions and just something to the average civil, civil delivery employee would, would see as defective and it would be quite common, yes.

As a maintenance problem. So you did have some background training and experience in what the Sewerage Code required so that if, if he showed you a manhole cover which was liable to collapse, for example, you could tell that looking at the code and looking at the photograph that that wasn't acceptable but so far as whether the particular item warranted a CAR or Corrective Action Request or not, that's not something you had any training or experience in, is it?---I'm aware of the, the standards and obviously interpretation of the standards, depending on each site are different and each individual are different.

And would you agree with me that in order to be in a position to hand out these Corrective Action Requests that you'd expect to at least have received some on the job training about what Sydney Water required before you'd be in a position to say one way or the other whether, given the non-conformance, the CAR was acceptable or not?---(NO AUDIBLE REPLY)

You're nodding, you agree with me?---Oh, yeah, I, I would, I would have preferred to have some kind of training, yeah.

And as I think we've agreed you didn't have any. Can I ask you about paragraph 14 and just to round off this aspect of what I want to ask you about, Mr Buckley was a very experienced employee, well, that was plain to you on, when you came as a field supervisor as I think you told me he'd been doing this job for longer than you could even estimate?---Yes.

And you say he was more than capable of carrying out his duties with minimal supervision, what you tell the Commission really is you trusted that was correct, you weren't actually involved in going out with him to sites or supervising his inspection work in any sense?---That's right. He, he, he did, he basically, in my eyes he definitely showed, showed that he was a very competent individual. He, he definitely, he'd raise outside of the e-Developer process he would raise issues with vehicles, if I may say so, in regards to their roadworthiness.

Sydney Water vehicles?---That's correct.

I see?---So he was quite pedantic in that respect?---So a lot of your interactions with him were things that he'd be picking up and raising about problems he perceived with, with Sydney Water vehicles and other things around the office environment, is that what you're saying?---Yes. He was, he was, in my eyes he was painting a very, a very solid picture that he was Sydney Water through and through.

10 I see. Can I turn and ask you some questions about training. Just have a look at paragraph 16 of your statement, Mr Vasilevski. You remember in late 2007 some training around a programme called It's Okay to Make Waves, you say that? Just have a look at paragraph 16 for a moment? ---Yes, yes, I do recall that. There was some other training that I, I forgot to mention at the time of the statement.

I see. And what was that?---There was key behaviours training, I did roughly about, I think it might have been about October, November-ish last year.

20 I see?---That was the training that was conducted by, by our manager at the time at the old depot prior to moving across to the new depot.

Can I ask you, I ask that the witness be shown Exhibit P31.

THE COMMISSIONER: We don't have somebody here to do it.

MR PAYNE: I'm sorry, your Honour?---Thank you.

That's a document you recognise Mr Vasilevski?---Yes, it is.

30 I'll just ask you firstly about the comments at the bottom, you say John manages the inner west waste water e-Developer system and process so that accurately reflects your view at the time and the view that you've shared with me today, namely that although you were his field supervisor, so far as the e-Developer waste water system was concerned he was without a manager, he was just trusted by Sydney Water to do it?---Yes.

Looking back Mr Vasilevski and knowing what you do now about what Mr Buckley was up to?---Yes.

40 Would you agree with me that perhaps it would have been better had Mr Buckley been reporting up the line to the people within Urban Growth who were actually responsible for issuing these section 73 compliance certificates and who could, who were in a position to actually supervise his work, do you agree with that?---I agree that, could you just repeat that, I just lost you halfway through, sorry.

Well, looking back, knowing what you do now about what Mr Buckley was doing and the cash payments received over ten years - - -?---Yes.

- - - from accredited constructors, do you agree with me that it would have been preferable in everyone's interests, Sydney Water's in particular, yours as well, that Mr Buckley was supervised by somebody within Urban Growth with a legal responsibility for - - -

THE COMMISSIONER: Sorry, I didn't hear that, Mr Payne. With a what sort of responsibility?

10 MR PAYNE: Somebody within Urban Growth with an actual responsibility for the issue of the section 73 certificate and a real ability to supervise him in relation to these inspections, would you agree with that?---In hindsight, yes.

In hindsight, absolutely?---Yes.

I'm not suggesting you knew at the time Mr Vasilevski, just so we're clear and as you've said very frankly, you were his field supervisor but inspections wasn't something that you supervised him about and as far as  
20 you were aware nobody was supervising him about that?---As far as I'm aware, yes, that's correct.

THE COMMISSIONER: Is that something unusual?---In what regards, Commissioner?

That no one was supervising him in practice?---I would supervise John on a reactive basis, on like a maintenance basis.

Yes?---But in that, in that role itself as an e-Developer individual, as I said  
30 before he showed himself to be a very self-motivated, self-managed person and, and required minimal supervision from my, from my part.

I understand. But what I'm asking, is that fairly common with other inspectors as well?---Yeah, there could be a tendency, yes.

Yes, Mr Payne?

MR PAYNE: And is that, Mr Vasilevski, to your observation is that in part, is part of the explanation that like Mr Buckley, a number of the inspectors  
40 doing this work have carved out a niche for themselves and they've been doing it for years so that when younger employees like you are promoted up through the chain to field supervision, the reaction is a bit like Mr Buckley's, namely, thanks very much for being my field supervisor, but I look after myself, thank you?

MR STEVENSON: Commissioner, I respectfully suggest that's an unfair question to ask of this witness, unless it can be established that he knows and had experience of other situations.

MR PAYNE: Well, you told me about a couple of others who did this e-Developer work and they were doing it when you arrived as a field supervisor in the inner west. Do you have any other experience of inspectors, other than the two gentlemen that we've talked about?---Yes. Within the, within the Ryde depot and also within this current depot.

And you tell me, but like Mr Buckley, had they been doing the job for some time when you arrived on the scene?---Yes.

10

And just in terms of your observations about supervision of those people, as well as Mr Buckley, was it that the e-Developers effectively ran their own race because it was a position of trust?---You could say that.

Would you say that?---I suppose in my mind, yes.

Yes. Thank you.

THE COMMISSIONER: Can I just ask you something about the supervision role. My impression, from what you've said, Mr Vasilevski, is that supervision really relates to technical matters?---Technical matters?

20

Yes. I mean, you don't go and investigate, you don't go and investigate whether there's possible corruption there?---No, I don't go and investigate whether there's possible corruption. The primary supervisory duties are safety-focused.

That's what I mean by technical?---Okay. Sorry. It's- - -

I mean, when I say technical, I mean to see that he's doing his technical job properly?---That's correct.

30

Now, have you read the transcript relating to Mr Buckley's evidence?---I did read it when it first came out, yes.

Do you think that anything, you're aware of what's been said about him and how he accepted bribes and he admitted that he did anyway, but there is other evidence of accepting more than he admitted. I'm not saying that that's true or not, but there is evidence. You understand that?---I do understand it, yeah.

40

And you understand the system that was generally used by the contractors to bribe him. You understand that too, don't you? You know how they would go up to him and give him an envelope or money wrapped in a piece of paper and try and do it in a way that no one could see? You read all that? ---Yeah, I read all that and it was very intriguing.

What could be done to stop that?---There are, there are steps afoot at the moment to, to combat that.

Well, I know that there are steps afoot, but I'm really talking about in the field. How would you, I mean, is there any way in which the supervision task could be developed so that at least some of it concentrated on picking up whether there was any corrupt conduct going on in secret?---Possibly you could do something. I don't know specifically what, what you would do, but I'm sure there's a way of improving it. I'm sure there's a way of making it as corruption-proof as possible.

Do you ever speak to the contractors and ask them whether they're satisfied with the inspector?---No, I don't, but that would be a better good potential improvement, if there was a, if there was an avenue there for me to do that.

But do you accept that an inspector that delays, sorry, issuing CARs and failing to give approval causes delays on the job?---(NO AUDIBLE REPLY)

20 I'm not saying that, doing this may be perfectly legitimate, I'm not criticising that, but the effect of it might cause delays?---Yes.

And if you get an inspector who becomes pretty well-known for being very strict and issuing more CARs than other inspectors, then do you accept that there is greater incentive for the contractors to try and keep him sweet?  
---After reading the transcripts I'd have to say yes.

30 So if you were, I mean, as a matter of routine, don't you think it would be a good idea to keep a really close eye on those inspectors who seem to be issuing an extraordinary number of CARs?---Keep a closer eye on them.  
Um- - -

From a corruption point of view?---Yes. Well- - -

40 Because the temptation to, not because there's necessarily anything wrong with the inspector, he might genuinely be doing his job to the best of his ability with complete integrity, but by doing that he would create an incentive and the need for people perhaps to offer him bribes to be less strict?---Ah hmm. Well, I don't understand the question, Commissioner.

Well, in those circumstances would you accept that there should be some system to, just to check discreetly from the contractors that this is not creating a problem that they're trying to resolve by paying him money?  
---Well, that would be favourable, yes.

Right.

MR PAYNE: Can I just put a number of other matters to you just for your consideration, along the lines that the Commissioner was asking you. One of the things we talked about is in hindsight, whether it might be better that the supervision would come from urban growth who have got a role at the beginning and the end of the inspection developer process and might be in a better position to provide supervision that civil delivery are of inspectors like Mr Buckley. We agreed about that I think earlier?---Yes, yes, we did.

10 What about, I don't know, have you had anything to do with the PIAS or P and D inspectors at all in your time at Sydney Water?---No.

Some evidence before the inquiry is that in response to not dissimilar issues but with smaller work, some of the things that have happened, and I was exploring with you earlier just about how long some of these supervisors have been, sorry, some of these inspectors have been doing the job- - ?  
---Ah hmm.

20 - - -moving them around between areas might be a good idea?---Possibly, yes.

Perhaps random audits of the inspection work itself might be a good idea when they don't know that somebody's coming, just to make sure that nothing untoward is happening?---Yes. We conduct random audits at the moment.

THE COMMISSIONER: Do you ever let them know that you're coming?  
---Sometimes I may give them a call.

30 Why?---I don't know. Sometimes job specifics are different.

I mean, if you give them a call beforehand you're warning them, aren't you?  
---Yes, Your Honour, yes. I agree. Not very often though, not very often I would do that.

40 Yes, I understand that but I presume, I don't know whether you can answer this but I presume that you're not alone amongst supervisors who do that?  
---I can only make an assumption. Sometimes we, we conduct a shift every nine weeks, we, in the shift we cover a huge geographical area and sometimes for me to drive 100 kilometres to go and see a crew that time that it takes me to drive that distance I may find by the time I get there they're not there.

I understand?---So a phone call - - -

I understand the practical reasons but it's something that needs to be thought about, that's all?---Definitely.

MR PAYNE: And just taking you up on that, Mr Vasilevski, the random audits that you're talking about are audits of the Sydney Water teams who are out there themselves in the field digging trenches and connecting sewer or water connections, you're talking about that aren't you?---Yes, I am.

You don't conduct random audits of the inspectors with their inspector work do you?---No, I did do one once.

10 When was that?--- I don't know exactly when, it was, it was on a, on a Louie Krystanoski or might've been on a printout or a, or a e-Developer job and I saw minimal, minimal reasoning for myself to be there, there was no worksite as such.

You were principally checking for the safety aspects you were telling the Commissioner about before?---I'm checking for the safety aspects and adherence to Sydney Water policies and standards of our, of my production employees.

20 And just following up that about inspections would you agree with me that if you're going to be the person tasked with performing these random audits we've been talking about of inspectors it would be a sensible and desirable thing for you first to be trained by Sydney Water in all the things that inspectors are expected to do and the degree of discretion and so on in issuing CARs? You'd agree with that wouldn't you?---Yes.

30 And so that at least as you sit here today you haven't had that training and it would be not, perhaps not as effective as it might otherwise be having you be the person to conduct random audits at least until you'd had that training? ---Yes.

40 Can I just ask you just a final question about Exhibit 31 which I hope you've still got in front of you, it's the performance and development discussion record. There's a box for honesty, I've asked you about the comments at the bottom but there's a box for honesty. Does it follow from what you said to me about Mr Buckley's inspection work and the position of trust that you regarded him in that when you wrote "operates within set policies and procedures" et cetera and gave him a B that wasn't based on anything other than your observation but that no complaints had been brought to your attention about his work and that he'd been doing it for a long time, seemed very confident and it was a position of trust?---That's correct.

Okay. And nothing more, you didn't ask him any questions before filling in this box did you?---(not transcribable) we spent about, I know we spent about half an hour that morning with my, with my production employees, sometimes over an hour, I try to go through these, these (not transcribable) criteria as, as, as well as I possibly can and I'm sure that we would've had some discussion but I just can't recall.

Just in terms of the honesty box if I can call it that - - -?---Okay.

- - - you don't recall a specific conversation with Mr Buckley plainly enough about this but what's your practice in dealing with people who you supervise in dealing with these honesty questions? Do you take them through documents or ask them a series of questions, what's the process?  
---The process is we, we run through the PDP itself and the definition itself.

- 10 The PDP is this form is it?---Yes, is called Personal Development Discussion Record.

Right?---And we went through the definition itself and I gauged his understanding and awareness of what I've just said in regards to that definition and we discuss, we discuss whether or not there's been reason for, for me to, to rate him differently to what, what he has rated himself. There might've been times, something I might've diarised during the previous year that I might use as a reference material.

- 20 Do you take your staff through the ethics guide for example, Sydney Water Ethics Guide? Is that something that you discuss with them?---No, I can't say I have.

Just in terms of this honesty part, the training that you're doing, were doing at that time with Mr Buckley have you yourself received any guidance from Internal Audit or anywhere else within Sydney Water about how you should conduct these reviews with your staff?---There has been a training session, a bonding session I should call it.

- 30 Yes. When was that?---I don't recall specifically when, it might've been, would've been a year or so after I started.

Is that the Okay To Make Waves session that you're talking about?---No, that would've been specifically relating to this Performance Development Discussion Record.

- 40 To your knowledge you said there are a number of things that were in train now that the evidence that we all know about Mr Buckley has come forward, are there any plans so far as you know for further training of you and your staff in relation to corruption prevention issues that you're aware of?---Recently we had a forward, forward conflict of interest and gifts, gifts policy and register and a briefing session by Internal Audit. David McClure.

And did Mr McClure, this is for field supervisors or was it more general?  
---This was for the whole depot.

I see. And is there specific training about how you ought to conduct the training that you conduct, if I can put it that way, about fraud issues, is that planned or don't you know?---I don't know.

Just excuse me one moment. I have no further questions for Mr Vasilevski.

THE COMMISSIONER: Mr Lee, do you - - -

MR LEE: I have no questions, Commissioner.

10

THE COMMISSIONER: Mr Stevenson.

MR STEVENSON: Mr Vasilevski, as you know I'm Sydney Water's barrister. Looking at Exhibit 31 which is the Performance and Development Discussion Record?---Yes.

See if I understand the process. On the right-hand side there are two columns under the heading Weighting?---That's correct.

20

And one is Self and one is Agreed. Is this how it works that the staff member in this case Mr Buckley marks himself, gives himself his own ratings first?---That is correct.

And does that happen during this 30, 60 minute discussion you've referred to or does he do that earlier?---Beforehand I'd issue the, I'd issue the sheet to him and as a, as a productivity exercise I'd request that he rates himself. If it's one of the non-English speaking or English is second language production employees I'd go through it with them and spend a bit more time with them.

30

Well, the one thing Mr Buckley can do is speak English, all right. So you would discuss with him would you the assessments he had given himself in relation to each of the categories on the page?---Yes.

And under the heading Agreed I think we see your assessments compared to his in relation to each matter?---Yes.

And you seem to have marked him down on almost every item?---Yes.

40

By which I mean you've given him a mark a little less that he gave himself?---That's correct.

And is it the procedure that you let him know at the time category by category what you've marked him or does that happen later?---I'll do it in front of him.

Right?---I'll do it in front of him, go through the definition and talk about his self-rating and then I would rate him.

So you might say look, John, you've given yourself an A but I'm giving you a B for this particular matter?---Yes.

And you explain why?---Yes, I do.

You regarded this as a serious process of course?---I did, I did and I've been known to be quite, quite pedantic.

10 So far as you're concerned it's a serious opportunity for you to convey your assessment of a staff member face to face to that staff member?  
---Definitely.

Now have you read Mr Buckley's evidence that he regarded this process as a bit of a joke?---I did. Yes.

And that's not a view you share obviously?---No.

20 And did Mr Buckley do or say anything in your presence which conveyed to you that he thought it was a joke?---Just gestures.

What do you mean by that?---Just as far as I recall just maybe gestures, he might've, it's very hard to recall all the way back then.

Are you telling the Commissioner that you had the impression he didn't take the process as seriously as you did?---Definitely. Yeah.

30 And did that matter find, you reflect, would that matter reflected in the assessments you gave of Mr Buckley in relation to any of these categories?  
---I didn't think it would've affected my reflection at the time.

Well, do you recall you said to him, John, this is a serious matter. You should be taking this more seriously or anything to that affect? Or did you remonstrate with him about these gestures he was giving you or not giving you?---I kind of just went straight, straight to the point I think. And I think I didn't want to waste my time on something that I wasn't going to win on with John.

40 When you say you went straight to the point, do you mean, what do you mean?---Straight to the, straight to the exercise of completing the (not transcribable).

Yes, thank you Mr Vasilevski.

THE COMMISSIONER: You may be excused. Thank you Mr Vasilevski?---Thank you.

**THE WITNESS EXCUSED**

**[12.31pm]**

MR PAYNE: Commissioner, I call Mr Bjazevich.

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

THE COMMISSIONER: Yes.

MR STEVENSON: Mr Bjazevich does not require the Section 38 order.

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

MR BJAZEVICH: Under oath, please.

MR PAYNE: Mr Bjazevich, what's your full name?---Dushko Bjazevich.

Do you have a middle name, Paul?---Sorry, Paul.

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

10 Can I show you a document? Is that the statement that you've made in this matter?---That is correct.

And do you tell the Commission that it's true and correct so far as you are aware?---It is.

I tender the statement, Commissioner.

THE COMMISSIONER: The statement of Mr Bjazevich is Exhibit P121.

20

**#EXHIBIT P121 - STATEMENT OF MR BJAZEVICH**

MR PAYNE: Mr Bjazevich, on 3 August, last year you commenced work at the inner west civil delivery maintenance depot where Mr Buckley was working?---That is correct.

30 And what role did you have in the hierarchy? Can you just explain to me, we've just heard from Mr Vasilevski, who was the field supervisor. Where did you fit into the hierarchy in the - - -?---Mr Vasilevski reports to me. I'm the team manager of that area.

Right. So you came in there at that time. Had you met Mr Buckley before?---I've met him on a number of occasions.

But I think as you say in paragraph 7, you hadn't worked closely with him before. Is that right?---I've never worked with John before, no.

40 You'd met him at Sydney Water events or functions did you?---We were doing training or, or meetings of some nature.

Can I ask you about paragraph 8 and paragraph 9 of your statement. You understood that Mr Buckley's role, you called it an e-Developer role because of its' relationship to the computer system where the jobs came from?---That is correct. Yes.

And he was, so far as the inner west was concerned with Sydney Water

within civil delivery, he was the inspector on behalf of civil delivery of sewer jobs?---That is correct.

And when you came into the role in August, 2009, to your observation, Mr Buckley's principal job was to do those inspections in relation to new sewer connections?---That is correct.

10 And I take it that you formed the view at that time as a very experienced Sydney Water operative, that he was someone who didn't require supervision in relation to that inspection role?---That is correct.

And I think you were here in court, in the Commission, when Mr Vasilevski described the position as one of, as one of trust. Is that the view you took as well?---I believe it's a very highly skilled job and John's character led to believe that he could do the job without any (not transcribable) whatsoever.

20 And I take it that like Mr Vasilevski, you knew that he'd been doing the job for some years?---That's is correct. Yes.

He was fairly forceful in projecting his thoughts and opinions about that job so far as anyone else was concerned, including people who were nominally his managers?---I believe so, yes.

And that not to put too finer a point on it, until you learnt through the evidence in this inquiry the matters that Mr Buckley's admitted, you trusted him and so far as inspections were concerned, although you were a manager, you weren't managing him?---Yes, that's correct.

30 I want to just ask you and I hope I can be brief. This relates to your statement and the communication you had from Mr Saxby about a job at 40-42 Sherwood Street, Revesby. To save time I've put a bundle of documents together. I'm not going to show you them all, but Commissioner, I tender a bundle of documents concerning 40-42 Sherwood Street, Revesby. And I note for the record, I've put a yellow sticker on one of those documents because it's already P9 before this inquiry.

THE COMMISSIONER: How do I describe these documents?

40 MR PAYNE: Bundle of documents, Sydney Water documents concerning 40-42 Sherwood Street, Revesby.

THE COMMISSIONER: Yes. Did you say you were tendering those Mr Payne?

MR PAYNE: Yes, I tender that.

THE COMMISSIONER: Yes. The bundle of Sydney Water documents concerning 40-42 Sherwood Street, Revesby is Exhibit P122.

**#EXHIBIT P122 - BUNDLE OF SYDNEY WATER DOCUMENTS CONCERNING 40-42 SHERWOOD ST, REVESBY**

10 MR PAYNE: And if I could just quickly take you through them. Please have a look at it. I'll just take you through it and, and just to orient you and I'll ask you some questions then by reference to the email you received that you refer to in paragraph 10. That appears to show that in August, 2008 there was an application to Sydney Water for a Section 73 certificate. Are you familiar with such documents?---Not totally, no.

You understand however, that they are the responsibility of the urban growth department within Sydney Water rather than civil delivery and maintenance where you sit?---I understand all that. Yes.

20 If you can turn through the document to, there are page numbers at the top right hand corner, you will see if you look at page 109. That's an e-Developer record of a Correction Action Request raised in relation to this job?---I can see that, yes.

That's something that Mr Buckley did as part of his inspection duties from time to time. Correct?---That is correct.

30 And I think having regarded the evidence you gave me before, that wasn't something that you supervised or managed him doing. It was something you trusted him to do and let him run his own race so far as CARs was concerned?---That is correct.

Again, 110 there's another CAR raised in relation to this job and your answers are the same, you didn't supervise or otherwise direct him in relation to the CARs he issues as part of his inspection work while you were his manager?---That is correct.

40 Looking over then if you can at P9, which is 112 in the top right hand corner. That's a sewer main construction audit report. Now you're familiar with this of paperwork aren't you?---I have seen it before, yes.

But again, because the inspectors and the role they perform within civil delivery, again this isn't something that you got involved with so far as Mr Buckley was concerned?---That is correct.

Have you had supervisory jobs before in Sydney Water where part of the structure reporting to you were inspectors performing the same sort of work as Mr Buckley?---I have, yes.

And again is it the case that you regarded that as a highly-skilled and specialised area where although you were nominally managing the persons, at least so far as the inspections were concerned, you didn't supervise them?---That is correct.

10 And for how long have you been performing those managerial roles where that's been the position that you've just described to me, when did you first become a manager with the e-Developers like Mr Buckley, broadly speaking, in your team?---June 2009.

That's the first time you ever supervised an e-Developer, is it?---Prior to that I was acting in the role and I was supervising those people, yes.

I see. And you were acting for how long?---Two years.

I see. So about back to the middle of 2007 then we're talking about?---That's correct, yes.

20 So what you've described to the Commission as being your practice so far as the inspectors were concerned, namely that their inspection work was their and theirs along and you weren't going to manage them, that was the position from when you took over as an acting manager in 2007?---That is correct.

30 And did you have any training when you came into that role that led you to take that view or was it just obvious from the personalities involved and the type of work involved that that's the approach you should take?---I had no training but I've had no concerns, I haven't had any customer complaints, I haven't had developers come to me, WSCs come to me or no one from urban growth to say that there was a need for me to take it any further.

And given the longevity, if I could put it that way, of the inspectors that were involved and the absence of complaints, putting those things together with your view that it was a position of trust, as I think you've told me, that then you didn't see the need to exercise any supervision and you didn't?---That's correct.

40 Okay. Can I take you then to your paragraph 10. You knew who Mr Paul Saxby was in August 2009, didn't you?---I do, yes.

And you did then?---I'm sorry, I did.

And he was a manager of asset integrity services in urban growth, so a reasonably senior gentleman within urban growth?---That is correct.

And you'd regard a call from him making an inquiry about something happening within your team as a matter that was to be taken seriously?

---I received that email from Paul Saxby.

Well, if the manager asset integrity services urban growth had taken time to send you an email you regarded that as a serious communication, I take it?

---I certainly do.

10 And there was a complaint being apparent in action in relation to the job at Sherwood Street, Revesby, and that's the bundle of documents that I've just shown you. You hadn't heard anything about the matter before and in fairness to you, that's unsurprising because as you told the Commission, Mr Buckley was running his own race as far as inspections were concerned because you trusted him?---I was at the depot only two weeks before I received that email.

Yes, yes?---And I didn't know of any history on that property. The email I believe was that Mr Buckley was delaying the project.

Yes?---I did investigate those allegations.

20 Yes?---I wrote back to Mr Saxby and he thanked me for that.

Can I just take you up about that. Paragraphs 12 to 14 of your statement, can we just spend a moment on those. You did raise it, as you say, with Mr Buckley and he provided you an explanation and you did report back to Mr Saxby about that matter?---That is correct.

30 You then say in paragraph 14 you didn't follow it up, and you give a reason, which is you thought Mr Buckley was very thorough and was of good behaviour and apparent good character?---That is correct.

The apparent good character view that you formed in paragraph 14, that's on the basis of this two weeks you'd been there or was there something in the earlier interactions that you'd had that made you think that it must be okay?---From that two weeks, but prior to my understanding of the gentleman and prior to what other people had spoken about Mr Buckley.

Just looking back at that bundle of documents, do you still have it in front of you, that I've given you?---Yes.

40 The last documents in the piece is the Section 73 certificate that's ultimately issued. And that wasn't issued until 22 April, 2010, so some months after this inquiry or complaint was received in relation to Mr Saxby. In all of that time after you'd had that initial conversation with Mr Buckley and reported back to Mr Saxby, did you have cause to look again at what was happening in relation to the Revesby job and whether the complaint had been resolved? ---No, I haven't, but I didn't hear any more about that, that job or project.

Do you accept, Mr Bjazevich, that knowing what you do now about Mr Buckley in hindsight that, knowing what you do now, that it may have been better if you'd actually followed up a little more firmly in relation to the Reevesby job about what was happening?---I certainly do.

10 And you were here I think when Mr Vasilevski gave his evidence. If I can just put some potential matters to you to try and avoid, so far as Sydney Water's concerned, this happening again, for your consideration and whether you think that the suggestion I'm making is a sensible one or not, and if so why not. In terms of, actually I see the time, Commissioner, I won't be much longer but if we could- - -

THE COMMISSIONER: We can adjourn till 2.15.

MR PAYNE: Thank you, Commissioner.

**LUNCHEON ADJOURNMENT**

**[12.46pm]**