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INDEPENDENT COMMISSION AGAINST CORRUPTION

PATRICIA McDONALD SC
COMMISSIONER

PUBLIC HEARING

OPERATION DASHA

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON MONDAY 23 APRIL, 2018

AT 10.00AM

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.

MR BUCHANAN: Commissioner, this morning the witness program is to recall Mr Khouri and also to recall Mr Manoski.

THE COMMISSIONER: Ah hmm.

MR BUCHANAN: So I don't have any administrative matters to raise, other than perhaps one matter which might be convenient to do now without asking Mr Khouri to sit in the witness box while I do it. Could the Commissioner be provided with a copy of Exhibit 58, please.

10 Commissioner, you'll recall that this is a table prepared from metadata obtained by the Commission as to call charge records from various people's mobile phones. You'll recall that there's one aspect of it which was a little bit confusing and that was, for reasons known only to Vodafone, Mr Khouri's mobile telephone service provider, no adjustment had been made in their records for the fact that daylight saving had started in New South Wales before the first date recorded there on the first page, 25 October, 2014, and accordingly so far as the mobile calls were concerned, the telephone calls, the start times were out by one hour and we had to add one
20 hour to the start times to get an accurate time so far as Vodafone's records were concerned for the commencement of the calls made from Mr Khouri's phone. However, I can just interpolate the – if you could just excuse me a moment. I misspoke. The situation was that the SMSs, the short message service texts' start time had not been adjusted to daylight saving time, but the start times for the telephone calls had been adjusted for daylight saving. I apologise for that, Commissioner.

THE COMMISSIONER: Ah hmm.

30 MR BUCHANAN: And so for the SMSs to be read in sequence and as to when they were made, it was necessary to add an hour to get that actual time correct. Over the weekend the Commission has prepared another table in respect of exactly the same data but adjusting the times for SMSs made from Mr Khouri's mobile phone in the period covered by the data represented in the table. If I could tender that document and just explain how it should be read.

THE COMMISSIONER: Mr Buchanan, I don't know if it's possible to do this, but can it be Exhibit 58A or should it become the next number?

40 MR BUCHANAN: The preference I'm instructed is that it should be the next number.

THE COMMISSIONER: All right. All right. The schedule of charge call records for various phones between 25 October, 2014 to 20 November of that year with the adjustment that the Vodafone SMS texts have been put into chronological sequence shall be Exhibit 60.

**#EXH-060 – ADJUSTED CALL CHARGE RECORDS FOR
BECHARA KHOURI, GEORGE VASIL, JIM MONTAGUE,
MICHAEL HAWATT, PIERRE AZZI & SPIRO STAVIS FROM 25
OCTOBER 2014 TO 20 NOVEMBER 2014**

MR BUCHANAN: Thank you, Commissioner. I'll just wait until copies have been distributed. So, Commissioner, in Exhibit 60 the fourth column from the right headed Start Time contains the times which appear under that heading in that column in Exhibit 58. The new column is the third column from the right headed Start Time With Adjusted SMS Time for EDT (Vodafone only).

THE COMMISSIONER: Ah hmm.

MR BUCHANAN: And the data in the fourth column from the right has been made slightly more faint to indicate that it is not to be preferred over the data in the column to its right.

20 If it's convenient, Mr Khouri might be recalled.

THE COMMISSIONER: There was just one matter I wanted to raise.

MR BUCHANAN: Yes, Commissioner.

THE COMMISSIONER: And I understand that parties should have received an email with the updated witness list for this week from Ms Ellis from the Commission which also noted that the examinations of Mr Khouri and Mr Vasil next week will be limited to the topics to be considered in the first tranche, namely the engagement of Mr Stavis and development decisions in respect of 15-23 Homer Street, if the witnesses can give any relevant evidence about them, and also the development decisions in respect of 51 Penshurst Road, Roselands and 23 Willeroo Street, Lakemba, again if those two witnesses can give any relevant evidence about those development decisions.

MR BUCHANAN: That's evidence this week now?

THE COMMISSIONER: Yes.

40 MR BUCHANAN: The email being sent last week.

THE COMMISSIONER: Yes.

MR BUCHANAN: Thank you.

THE COMMISSIONER: Right. Mr Khouri. And I think we'll have Mr Khouri reaffirmed.

MR STANTON: Commissioner, for the record, I continue to seek leave to appear for Mr Khouri.

THE COMMISSIONER: Oh, yes, thank you, Mr Stanton.

MR BUCHANAN: Sir, your name is Bechara Khouri?---Yes.

10

And you last gave evidence on Wednesday, 18 April - - -?---I did.

- - - last week?---I did.

Mr Khouri, can I ask you about, a couple of questions about some evidence you gave last week?---Yes.

20

This is from transcript page 237 starting at about line 30. I had been asking you questions, sir, about your knowledge of Mr Hawatt and you told us about a number of projects of which you were aware in which Mr Hawatt had been involved and I asked you at this line 32, 'Yes, anything apart from those two, those two projects?' And your answer was, 'And his nephew apparently is marketing special paint to prevent heat.' I asked you, 'Three projects?' Answer, 'Three projects.' Question, 'What about development in the Canterbury Council area?' Your answer was, 'I never discussed development with Mr Hawatt.' And I just want to ask you something about that but before I do, I'd just like to take you to what occurred after that question was asked and answered. 'Did you ever discuss with Mr Hawatt the desirability of loosening development controls in Canterbury Council area?' Answer, 'I think Mr Hawatt has his own opinion about that.' The Commissioner asked you, 'No, did you ever discuss it with him?' Answer, 'Yes, I have, yes, yes, sorry, yeah.' And I asked you, 'And his views were what?' Answer, 'His views, he's pro-development, yeah, make no mistake.' The question and answer I'd like to take you back to is, 'What about development in the Canterbury Council area?' And your answer was, 'I never discussed development with Mr Hawatt.' Obviously from the questions and answers that were asked and answered just after that, you must have thought I was asking you about specific particular developments. Is that right? When you gave that answer?---Correct.

30

40

'I have never discussed development with Mr Hawatt', because you went on to explain that yes you had discussed development generally and your attitude and Mr Hawatt's attitude to it?---Correct.

Is that a correct understanding?---It is a correct understanding.

Now, also, I confined my question to development in the Canterbury Council area and you said, 'I never discussed development with Mr

Hawatt.' You meant, 'I never discussed development on particular sites in the Canterbury Council area with Mr Hawatt.' Is that correct?---Correct.

And do you maintain that evidence today?---I believe so, yes.

That's correct?---Yes.

10 Did you ever discuss development on particular land outside the Canterbury Council area with Councillor Hawatt?---I am aware that Mr Hawatt had an interest in something in Penrith, Penrith Council, but I honestly didn't know any details about that. I know he had a site he's trying to sell.

I'm sorry, he had?---He had a site he was trying to sell in Penrith.

Right?---And I didn't know the address or the specific information about it but he did mention that to me at some stage, yes.

20 Was there a site in which either you or he had an interest of any sort at all other than a site in Penrith, but still outside the Canterbury Council area?
---Absolutely not, no.

Why do you say, 'Absolutely not', sir?---Because I know I have never done development business with Michael Hawatt on any site.

But you have done development business with other people?---Yes.

Is that fair to say?---Fair to say.

30 And just generally speaking, what is the nature of that other development business?---As I said before in my statement, Mr Buchanan, that I buy or invest in an option with other people, an option to buy the site, so there's a group of us, we call it trust, we look for site and we take an option to buy the site, we don't buy the site, we take an option to buy the site, and we take it over a period of time, sometime one year, sometime two years. It depends on the size and how much work involved. And this job get given to a firm to do all the documents and paperwork to add value, add value to the site. So a site without a DA or a site with a DA, it's much more expensive than a site without a DA.

40 And when you say that you mean with a development consent?---Yes. So what the group does is delegate this to a firm, a big firm, and the firm does all the necessary work, consultants, lawyers, planners, the whole works and then lodge the application.

Did you use the same firm all the time?---No. I've got, for my own, for my own development or for, for my own investment?

Yes?---It is, yes, it is the same firm.

And what was that firm, sir?---the CD Architects, Chanine Design Architects. They're in, they're the city, Park Street.

THE COMMISSIONER: Mr Khouri, can I just ask when you said, 'For my own' - - - ?---If I had an investment.

And does that equate with your involvement with the group which established the trust?---That's right.

10

So that equates with your investment?---Absolutely.

Thank you.

MR BUCHANAN: And so has your trust, I'm just testing this if you don't mind?---Yes, go ahead please.

Hired a firm? I assume you mean a planning firm?---Architecture firm.

20

Other than that firm that you've just identified?---They are an architects and they use planners and lawyers to get the reports, urban designers, so this is all, the whole responsibility is on the firm to do all the documentation and paperwork, yes.

But is it the same firm all the time in terms of the work being done for the trust in which you're involved?---Yes, I believe so.

30

Did you have an interest at all, and I don't mean a financial interest necessarily, in any other properties other than those in which the trust in which you're involved had an interest?---No.

Could I ask you about a property at 557 Liverpool Road, Strathfield? Does that address ring a bell with you?---No.

I wonder if we could bring up on the screen, please, volume 3 page 216. Sir, on the screen you'll see what I'd ask you to assume, well you can see that it's page 216 of volume 3 starting at an item number 7, but I'll ask you to go down to item number 9, and what this is, sir, is a table which represents data extracted from Mr Hawatt's telephone?---Mmm.

40

And it shows incoming calls and it shows outgoing calls?---Mmm.

From and to Mr Hawatt's telephone. Now, you can see that there are a number of calls starting from obviously item 6 above which I'm not asking be shown on the, thank you. That's on the screen at the moment, and then going down to item 9, these are calls that are recorded as being sent or received on 17 November, 2014 in the afternoon, and item 9 is recorded as being a call from you, that's your telephone number. Is that right?---Yes.

At 5.51pm to Mr Hawatt asking by way of SMS, "Can you please give Gulian a call to inquire on the follow-up." And then at 8.09pm, item 10, it records a call being made by Councillor Hawatt to - - -?
Mmm.

- - - a number recorded in Councillor Hawatt's list of contacts as Councillor Julian Vaccari.---Mmm.

10 And I apologise if I mispronounce it.---Yes.

Do you know Councillor Vaccari?---Well, I met him once, yes.

And do I pronounce it correctly, is it a hard C?---No, no, it's correct, absolutely, Mr Vaccari.

Thank you. And he calls, sorry, he sends an SMS to Councillor Vaccari saying, "Hi, Gulian, what's the progress on DA for 549-557 Liverpool Road, Strathfield? Thanks. Regards, Michael Hawatt."---Mmm.

20

Then there's an exchange of SMSs by Councillor Hawatt and Councillor Vaccari commencing from Councillor Vaccari at 9.10pm, "Hey, Michael, how are you? It's at council tomorrow night."---Mmm.

We can assume that means Strathfield Council, can't we?---Yes.

Because Councillor Vaccari was the mayor of Strathfield at this time.---Yes.

30 Then Councillor Hawatt is recorded in item 12 as texting Councillor Vaccari at 9.44pm, "I am good and very busy. How are you? You must be working hard now that you are the mayor. Is the DA okay? Any issues? Thanks, Michael Hawatt." Now, without going further - - -?---Mmm.

- - - at this stage, has that prompted a recollection by you?---It has.

40 And what's the recollection it's prompted?---That is an inquiry by an architect who asked me for assistance. It's just an inquiry sir, and only an inquiry, and I remember from memory, I could be wrong, that belonged to, I mean the applicant was Dugald Mackenzie firm, if I'm right, I'm not sure, I think it was Dugald, and Dugald asked me to find out just an inquiry about the progress of this situation.

Why didn't, as far as you know, Mr Mackenzie contact Strathfield Council himself?---I'm not sure. I'm not sure.

Well, why didn't you tell Mr Mackenzie, have you looked at the website to check the business papers of council or its committees at Strathfield?

---I thought Mackenzie was a bit frustrated and he was getting nowhere in relation to that, to that particular site, from memory, sir.

And did you see it as your job to facilitate progressing the development application Mr Mackenzie contacted you about?---Yeah, I know Mr Mackenzie for a long time.

No, no, no, no, that's not the question I asked you.---Yes. Did I see it as my job?

10

To facilitate progressing the development application that Mr Mackenzie was asking you about.---You could say that, yes.

And was that a job that you did for various people at around this time, you facilitated progressing development applications at councils?---It's just in inquiry, sir, it is nothing about, because I only knew about it then and there so if I want to be involved in - - -

20

When you say then and there, what do you mean?---Must have been I was asked to find out what's happening to it, but if I want to be involved in facilitate, I get involved from the beginning, not from the end.

No one said that you weren't involved in the beginning. I want to take you back to item 9.---Mmm.

Your text did not identify the property or the DA at all. Your text number 9 - - -?---Yes.

30

- - - on page 216 of volume 3 assumed on the part of Councillor Hawatt that - - -?---Mmm.

- - - if you simply referred to the name Gulian, he would know what you were talking about, didn't it?---(No Audible Reply)

I'm not asking you to think of your answer to my next question.---No, no, no, no.

I'm asking you to - - -?---No.

40

- - - agree with me that you texted Councillor Hawatt in terms that assumed that he would know exactly what you were talking about if you used the given name Gulian.---Michael Hawatt and Gulian were members of the Liberal Party and they were close friends.

How would Councillor Hawatt know what property you were talking about simply by you using the word, 'Gulian'?---I must've told Hawatt previous to that. I must've inquired previous to that on this particular property. So what I'm saying, you don't have everything here.

No, we don't, which is why I'm asking you these questions?---Yes.

And I'm asking you now when did you first talk to Councillor Hawatt about the property 549 to 557 Liverpool Road, Strathfield?---It must've been around that time, sir, or a week before because that was only an inquiry.

10 Do you mean by that that you have no memory?---No. I only remember it when you put it on, I didn't even remember it because it was a quick inquiry, no more, no less.

But you must have had more contact than that with Councillor Hawatt about that property when you made this quick inquiry?---Possibly. Possibly, yes.

Well, not possibly?---Possibly.

20 By necessary inference from the terms of your SMS at 5.51pm on 17 November 2014?---I must've asked him, yes, he had to know because otherwise how would he know what I - - -

So what had happened between you and Councillor Hawatt to allow him to know what you were talking about at 5.51pm on 17 November? What had gone on before between you and Councillor Hawatt about that property?---I must've come to Hawatt and asked for this.

30 No, no, I'm not asking you to speculate. I'm asking you to tell us?---Yeah, I'm telling you that because of, I don't remember when and where, I'm telling you to my best ability. My ability and my best memory to say I must've talking to Hawatt about this previously, yes.

We know that?---Mmm.

Mr Khouri, we can work that out for ourselves by reading this?---Yes.

The information that we're seeking from you at this stage is what was the contact between you and Councillor Hawatt beforehand about this development application?---The contact is to seek information about this.

40 You understood, did you, on 17 November that Councillor Hawatt was at least friendly with Councillor Vaccari. Is that right?---Right.

How long back did their relationship go as you understood it at that time? ---I have no idea.

Is it possible that you enlisted Councillor Hawatt's assistance to progress or to facilitate progressing that particular development application at Strathfield Council?---I've asked him to assist me about the progress of the DA on 557 Liverpool and Strathfield, yes. Yes.

That's not an answer to my question. My question is before 17 November, did you talk to Councillor Hawatt with a view to Councillor Hawatt helping you progress that particular development application at Strathfield Council?---No, it's not about helping me progress, it's just find where is it up to sir, there is a big difference.

10 Did you have a client in respect of the efforts you were making to find out where that DA was up to?---If this was run by Dugald Mackenzie, no, it's not a client, it's just trying to help Dugald.

Why are you trying to help Dugald?---Dugald helped me a lot in the past, sir, I have referred cases to him, I've asked his opinion about things, I've asked him to draw plans for me on things, so it's a normal, it's a normal exchange. I mean he comes to me and asks for assistance, I go to him. This does not necessarily has to have a contract of financial interest, it doesn't at all. And I do it with a lot of people, by the way, it's not in his case. I've always tried to attempt to assist about inquiring about things, which is perfectly normal.

20

So if Mr Mackenzie's interest in this development application was facilitated or if it's progress was facilitated as a result of information you obtained for him from Councillor Hawatt using his contact with Councillor Vaccari, then Mr Mackenzie would owe you a favour. Is that right? Is that how it would work?---Not necessarily, sir.

Why not?---Because Mr Mackenzie's always been good to me. If he does a plan or a proposal or anything, he doesn't charge me for it.

30 Yeah. The implication from what you're saying is that you owed him a favour and that's why you were making these inquiries. So why wouldn't the reverse apply once you had paid off that favour and given him a benefit of knowledge that he didn't have before you obtained it for him?---Mr Buchanan, it's not all about money and favours and returning favours. There is a long-term relationship, people help and assist each other without money. The relationship is important. So really I mean this was a mere inquiry. It's very self-explanatory. What is the progress. It's clear that I am checking the progress of the application. I'm not asking any other question except what's happening to it. Obviously Mr Mackenzie was
40 having difficulties finding out what's happening to it, that's why he referred to me, he asked for my help, and in this case I do what I normally do, go to people I know that can get me an inquiry or find out without me dealing with council directly because I don't like to do that.

And is that the nature of the work that you did at this time, you did favours for people in relation to developments in which they had an interest, they did favours for you in relation to developments in which you had an interest,

whether it was for a client or your own personal financial interests, just generally?---No.

You were doing favours for people who were doing favours for you?---No, not - - -

Is that the nature of the work that you did?---No, it doesn't work this way, sir.

10 Why, why isn't that an accurate description of what you were doing?
---Well, it is not accurate because ah, it is not accurate because ah, people come and ask my help to inquire about something. Now, it depends on the circumstances where and when, there's a lot of incidents where I cannot assist people on that, on that level, so in this case if that was Dugald Mackenzie, and I can't, I can't be sure to be quite honest to you, it's a mere inquiry. I do not directly go to council, that's my principle in dealing with things, I ask people who have a relationship one way or another to do that inquiry on my behalf. Now - - -

20 And the inquiry elicited political information, didn't it? If you go down to the SMS to Councillor Vaccari at item 12, that's the question that Michael Hawatt texted to Gulian Vaccari, and then Vaccari's response, item 13, "Vocal residents and well organised, let's see how it goes." That's political information, isn't it?---Yes, that came from whoever.

And then you see that very soon after that, this is on the 18th, I apologise, that information was sent to you the next day at 7.36am, a minute later Councillor Hawatt relayed that information to you, didn't he? This is item 14.---Mr Buchanan, just - - -

30 Is that correct or not? He relayed that political information - - -?---Yes.

- - - that he'd obtained from Councillor Vaccari to you?---Yeah, this, this information didn't come from me. Now, now - - -

No, it came to you from - - -?---The applicant.

- - - Councillor Vaccari via Councillor Hawatt, didn't it?---No, it didn't come from Councillor Vaccari, it comes, now, I remember something very
40 important if you might allow me to say something, can I just - - -

Yes.---This had nothing to do with Dugald Mackenzie, I just remembered the address, Madam Commissioner. This I believe is a development was handled by the Chanines, CDC Architects, and I picked up that because I remembered vocal resident because I was told by the architect the problem was the resident up there trying to block it against the recommendation, the favourable recommendation of the application. Now I remember that was, that was a CDC application.

When you say CDC, you mean - - - ?---Chanine.

- - - Chanine Design?---Yeah. Yeah. Yeah. Yeah.

10 And was the architect, the principal of that firm, Ziad Chanine?---I believe so, yes. And I had a very long relationship with those people since they came back from Queensland. They had a big project that went broke, they came to Sydney and they did seek my help and assistance to establish himself, which I did. It's a very long relationship.

What was the help that you provided to Chanine Design, to Ziad Chanine?
---Just to find out what is the situation with this application.

Well that is something that Ziad Chanine could do by simply ringing the mayor himself, wasn't it?---Ziad doesn't ring mayors.

20 I'm sorry?---Ziad doesn't ring the mayor or any council, that's not something he does.

Right. Is that the sort of thing that really only a person like you could do with your contacts around the various councils?---Me and others, yes.

And the others including Councillor Hawatt?---Yes.

Because he had a lot of contacts around the various councils. Is that right?
---No.

30 Particularly Liberal Party inclined councils.

Not necessarily. Any particular person can make an appointment and go and see the mayor about a particular matter.

So why did you bother talking to Councillor Hawatt about something occurring in another municipality?---Because he had asked me to help. It wasn't Ziad, actually, it was Marwan who was running this business.

Why didn't you tell Marwan to contact the mayor himself?---I believe I did.

40 Nevertheless you made this contact with Councillor Hawatt?---Let me come back to you sir, I believe that I have asked Marwan, and I believe Marwan could have made an appointment to see the mayor.

THE COMMISSIONER: You say believe, are you just speculating or?
---Well, I am, it's a memory issue, madam Commissioner. Really, I mean, it's a, it's a, I mean, my memory is a competition between memory and questions as you can notice. I only remember that's Chanine Design because Mr Buchanan talked to me about the resident organised against it,

then I worked it out that that was the issue to do with that particular site, and that's why the Chanine asked me to find out what's going on.

10 But what we're trying to find out, Mr Khouri, is what is the nature of the work that you did? What was your job, what was your occupation, what was the benefits you were conferring upon the people to whom you supplied information or were able to obtain information or were able to obtain information?---Would you give me the time to explain? Thank you. I said my previous, what I was doing at some stage, you had come to me and said
10 Bechara, or Mr Khouri, I've got a block of land in this particular area. Could you kindly drive it for me, find out what I'm entitled to, what can I do with it, the process, the costing, I would engage architects and planners to do the basic work, introduce the client to them, facilitate and follow up on all the reports, make appointment between the planners and the architects and the applicant, organise meeting with the relevant council - - -

You use inverted commas around those two words?---Yeah.

20 Why?---'Relevant', because it's the relevant councils, not any council. If I could. If it's needed, when I said relevant council we talk about staff, we don't talk about necessarily councillors, unless there is a problem like this whereby there is obviously a political problem as you said and we would want to know the follow up on it, what's happening. I did not, I only, I only dealt with right at the end, as you noticed, because Marwan come to me, he said look, can you – sorry, again, sorry, I think Marwan said this article has been to see the mayor, I just remembered now. They have been to see the mayor, Mr Vaccari, and discuss the matter with him. I just come to my, my, and they wanted a follow up, obviously they were not getting the flow of information, they wanted a follow up. I worked it out that Mr Hawatt
30 knows Mr Vaccari very well, they're both in the same - - -

Party---? - - - party, and the same branch maybe, I'm not sure. And I ask, because I don't go and speak to councillors about any matter, I've asked Mr Hawatt assistance just to find out what's happening like he asked my assistance on other issue, business, trading and other stuff. I took the initiative to ask him if he can find out what's happening to this one on behalf of the Chanine's.

40 Now for the work that you've just described, you must have been paid a fee?---Absolutely no. You find it difficult, I know.

It is very hard to accept, Mr Khouri, that you would do all of that work for people who are themselves making money if the development application receives consent, and you get no remuneration?---Chanine an exception, sir. The Chanine had been an exception. I worked with them very closely over the years.

And you've never made a brass razoo out of the work that you've - - - ?
---No.

- - - done for them. Is that what you tell us?---No. No, I'm not telling you that, I'm not telling you that, I'm talking about this particular one.

Well tell us about your relationship with Chanine design?---When, when Chanine design came in they bought a site in Canterbury on behalf of someone, in Canterbury as in the suburb Canterbury.

10

Yes?---And they've done the work on it and I found them a client to buy it and I made \$50,000 as a commission as a result. So there was transaction, yes. Did I make money when I delivered?---Yes. But for a normal inquiry like this, it is not because the relationship was much stronger than charge them for an inquiry or charge them for putting them to, someone to help them either a private planner or a lawyer or this sort of things are not worth even discussing, as far as - - -

20 But you have spent time, haven't you, Mr Khouri, for example organising meetings with the amalgamated Canterbury Bankstown Council for the Chanines?---I have, yes.

And sat in on meetings?---Not - - -

Not sat in on meetings?---Not sat in, I normally don't but that could be, could be an occasion or two where I did sat in on a meeting.

30 Don't you remember sitting on a meeting between the Chanines and Mr Stewart at the amalgamated council?---Yes, I have, but I did not say a word. I sat down as an organiser of the meeting.

And you say to us, do you, that you received nothing for organising that meeting?---No.

It wasn't part and parcel of a whole lot of work that you were doing for the Chanines on the development the subject of that particular meeting?---No, it had to do with a site, another site, sir, which I had interest in an option as well and that site was rejected in court.

40 What was the address of that site, sir?---It's, we call it, it's on Canterbury Road, Campsie, which we have acquired in 2017. Not acquired.

Yes?---Took - - -

What is its address?---I don't, I can't remember the address, I can get it for you any time you want, and that site was again fully driven by the Chanine on behalf of the investors. There was about seven investors involved in that in the option of it.

Excuse me. Yes, I interrupted you?---Sorry, can I continue?

Yes, you can?---Yeah. So that site was bought in 2017, I think early 2017. An application was lodged, it was rejected and then it went to court as normal as the process allows it. The court again rejected our proposal with some changes. The changes have been made and it has been re-lodged again and I have organised that meeting before the application I re-lodged again on that particular site, that's exactly right. Yes.

10

Thinking back to your communication, communications with Councillor Hawatt on 17 and 18 November 2014 by text about the property in Strathfield, you would have expected, wouldn't you, that Councillor Hawatt would think that you owed him a favour for the effort he went to, to obtain that information for you, wouldn't you?---Well I've, maybe, yes. Yes.

20

Can I suggest to you that the relationship you had with Councillor Hawatt, in 2014-15 was one of you helping him and him helping you from time to time in relation to developments, whether they were in the Canterbury area not?---This is the first time I have asked Councillor Hawatt to do anything for me from memory. Of course, Councillor Hawatt asked me for other favours.

Such as what?---Oh this, this issue with, I mentioned before, his nephew had special paint.

30

Which is not related to the subject matter that this hearing is inquiring into. ---No, but it was, it was favours I have tried to help him with. He had people from China to market aluminium. I had a few meetings accordingly. I went to Dubai physically to follow up on this issue with his brother, so - - -

Dubai?---Dubai. Yes.

The country?---Yes, yes. I was there for a different reason but I have took the time to meet with his brother to discuss the issue of aluminium because I have worked in aluminium for a while before and I had a lot of expertise in the field. Yes, I have worked with Mr Hawatt on these sort of issues.

40

Now, can I take you back, please, to the communications that we saw in the table, Exhibit 58, that you had with Mr Spiro Stavis in the period October-November 2014. There is a fresh version of that table which we can provide you with. This is Exhibit 60 that I'm showing to you now. And just for your information, Mr Khouri, it's got the same data in it as the table that we showed you last Wednesday, except that, you will see, if you can look at the columns, the third column and the fourth column from the right, the third, the fourth column from the right has got slightly faded information as to start time minutes.--It's the third column, yes, ah, fourth column, you're right.

Yes. Fourth column from the right. That is the information as to start time that we showed you last week. There's a new column, the third column from the right and that has the start time for SMSs adjusted for daylight saving. It's only in respect of telephones where the service provider was Vodafone and that is only in respect of your phone. Do you understand what it is that you're looking at?---The SMSs because the phones are still the same.

10 Yes. And then messages are still the same, it's just that the start time has been adjusted to bring them forward one hour for all the SMSs from your phone, where you initiated or send a text.---But, so but you have removed the column where it says if it's an SMS or a, or a phone call. That has been removed.

No.

THE COMMISSIONER: No. It's there under duration.---Oh, yes. Sorry, it is under duration. My apology. I didn't see that. Yes. Yes, yes.

20

MR BUCHANAN: So that's the second column from the right.---Yes.

So do, do you understand how to read that column?---Yes.

I was asking you last week, page 270, commencing line 30, about contact between you and Mr Stavis on 17 November which is recorded on page 6 of Exhibit 60.---Yes. I can see.

30 And if you just look at the start date column, the fifth column from the right, and go down to the middle of the page, you come to the commencement of string of SMSs and telephone calls recorded as having been started on 17 November, 2014.---Ah hmm.

Do you see that?---Ah hmm.

Now, you remember I asked you to assume last week that the date of Mr Stavis's interview panel for the job of director of city planning for which he was applying at Canterbury Council was 17 November, a date which you said you were before that unaware of?---That's correct.

40

Is it still the case that you have no recollection of knowing that on the day that you were having contact with Mr Stavis indicated here by highlighting and by the date 17/11/2014, that you had no understanding that it was the day on which Mr Stavis was a candidate for the, before the interview panel at Canterbury Council for the job of director of city planning?---(not transcribable) I mean he would have probably told me at that particular time that that is the case but I can't recall to be quite honest to you. He would probably have told me that. The problem I have, sir, I try to think very,

very, very carefully about those conversation and to be quite honest to you I just can't pinpoint or remember the details and the reason he was calling me and the reason why I was answering his call. I really have big difficulties and that is the truth and nothing but the truth. I tried very hard over the weekend to establish at least an idea, the only thing I could come up with is that Mr Stavis was trying to ask me to support him or help him or find out information, something of that effect, but I cannot specifically, or find information through me, but I cannot specifically pinpoint the, the, the reason and the contents of those conversation or those phone calls. I'll give you an example. When you showed me that Liverpool things because I managed to read and worked out the things I could remember exactly that, that was a Chanine and that was what happened because I saw what's in them, so at least I could come up and tell you exactly what it is, although with some difficulties, but in this case unless there is contents of those SMSs I cannot, I really cannot tell you exactly. Look, the problem is I had scattered information right, left and centre, I wasn't sort of day-to-day up to what's happening on a daily basis when, to do with all this fiasco.

What do you mean by that, sorry?---I would have a piece of information there, depends who tells me what ah - - -

THE COMMISSIONER: You used the word fiasco.---Yeah.

You said you had scattered information about this fiasco.---Yes, the fight which took place.

MR BUCHANAN: We're not talking about the fight.---Yeah, well - - -

THE COMMISSIONER: This is - - -?---This one is not a fiasco but whatever it is. Maybe, because I made it very clear to Mr Stavis, and I repeat that I could never guarantee or promise anything to do with this affair. I am only being utilised at some stage as a, as a facilitator, put it this way, that's the right word, facilitator between different members of the council.

And who engaged you to facilitate in that way?---Well, well, I was asked by Montague at the beginning to find information about Mr Stavis.

Ah hmm.---And I said that in my statement, madam.

Yes. And you did that?---And I did that, and I think because of that Mr Stavis must have thought that I am the door to the job or I will help him with getting the job, you have to ask him of course, but that was never the case. That was never the case at all. I played, what I've asked to do, I did what I was asked to do to assist and that was my intention and that was what exactly I wanted.

MR BUCHANAN: Did Mr Montague ask you to obtain for him information about any other candidate for the job?---No.

Did you find out for him information about any other candidate for the job?
---No.

Did you have dealings with any other candidate for the job?---No.

10 Only Mr Stavis?---Well I didn't have dealing with Mr Stavis, I met him but I never had dealing with him. I never knew him from before, I said that in my statement, sir. I never knew Mr Stavis until I met him at Mr Vasil's office, it's very clear.

Mr Khouri, I could be wrong, maths is not my strong point but on my counting of the number of telephone calls between you and Mr Stavis, there were three before 17 November and one you made to him on 17 November, and then before 17 November there were 19 texts between the two of you. Nineteen. And then there were seven texts between the two of you on 17
20 November, the date of the interview. Can you explain that?---To be blunt I just can't remember the contents of those correspondence or those phone conversations, but to my best ability I believe Spiro was calling me to find out information to maybe have support, to inquire about something, that could be, any of those three but I do not remember the details of those conversation.

Can I ask you this? If you look at page 6 of Exhibit 60, about 12 lines from the bottom, 12 rows from the bottom, you initiated a call at, sorry, you initiated a text to Mr Stavis at 5.51pm on 17?---Mmm.

30 Now on information that the Commission already has, we know that that was around the time, or shortly after, the interview of Mr Stavis had concluded and the panel had finished?---Mmm.

Why did you call him? I withdraw that, why did you text him?---(No audible reply)

So we've paused now for probably about 20 seconds, do you agree, and you haven't given an answer. Is that right?---I'm trying to remember, sir, I can't recall. I really can't recall.

40 The pattern of your communication with Mr Stavis is consistent with you being a sponsor and guide to Mr Stavis to help him get the job, isn't it?
---I couldn't guarantee Mr Stavis a job.

That's not what I'm asking?---And I - - -

Of course you couldn't, you weren't on council, but you knew the councillors and another member who were on the interview panel, didn't you?---I did find out at a later stage.

A later stage?---Yes, of course.

I just want to be quite clear - - - ?---Sorry, sorry - - -

I just want to be quite clear about that?---Yeah. Yeah. Yeah.

10

Are you saying that it wasn't until after 17 November that you found out that Councillor Hawatt and Mr Montague had been part of the interview panel?
---I was trying to correct to, to, to, I was trying to correct what I said.

Yes.---And I definitely knew that Mr Hawatt and Mr Azzi were on the panel beforehand, yes.

20

And Mr Montague?---Of course Mr Montague's general manager, that's ah, yeah. The only issue I had was the date. I wasn't sure of the date, as I said to you before, but I did, correction, I did know that there was two councillors on the interview panel because I have answered, I've asked the question to Mr Montague when I found out, I said, "Why those people, why two councillors are on the panel in the first place?"

And so Councillor Hawatt would have told you when the interview panel was convening, wouldn't he?---(No Audible Reply)

30

You knew from Councillor Hawatt when the interview panel was going to interview Mr Stavis, didn't you?---I can't recall, sir. I can't recall.

Have you seen how many times you have communicated with Councillor Hawatt on this table? You've had a long time now to go over the previous version of it, Exhibit 58. There's a lot of communication between the two of you, isn't there?---Ah, there is, yeah, direct communication, yes, absolutely.

40

And do you mean that Councillor Hawatt never discussed with you the convening of the interview panel and what would happen so far as Mr Stavis's candidature was concerned?---(No Audible Reply)

He must have done that, Mr Khouri, mustn't he?---Well, he must have done something but I don't know exactly what he's done.

Isn't it highly likely that you knew well before the 17th that there was going to be an interview panel being held on Monday, 17 November, on which Councillors Hawatt and Azzi would be members as well as Mr Montague, and that would be when Spiro Stavis had to participate in his interview?
---(No Audible Reply)

You knew that all before 17 November, didn't you?---I probably did but I just can't recall. I probably did.

Can I take you to something else. Can you go back to the first page - - -?
---Yes.

- - - of this table.---Yes.

10 The top of the table.---Yes.

Can you see – I just want to draw your attention to the rows at the top of that table on page 1 for 25 October, 2014, and I'll just take a step to one side. Do you remember that I asked you to assume that 25 October, 2014 was the date on Mr Stavis's application to council to be appointed as director of city planning? So keeping that information in your head - - -?
---So what you just said that that was a date that Stavis was - - -

20 He applied.---He applied or appointed?

Applied.---Applied, sorry, yes.

Do you understand?---Yes, yes.

Now, do you see that there's a couple of calls between Councillor Hawatt and Mr Vasil in the first two rows in the late morning of 25 October---Yes.

30 And then there's a very short call, if it can be described as that, at 12.24 by Mr Stavis to Mr Vasil?---Yes.

And we can assume that either the call wasn't successful or that he perhaps got Mr Vasil's voicemail or something else like that. But then I just want to take you to the next call.---Ah hmm.

Which is recorded as being initiated at 12.25pm on 25 October, and it's from Mr Stavis to Mr Vasil and it lasted what's recorded as 19 seconds. Do you see that?---Yes.

40 And then do you see that within a couple of minutes Mr Vasil initiated a call to you?---Yes.

And that that telephone call lasted for five minutes and nine seconds?
---Mmm hmm.

Do you remember the first time you heard of Mr Stavis?---The first time I heard of him is when Jim asked me to find out information about him.

What I want to suggest to you is that the records I've drawn your attention to - - - ?---Yes.

- - - suggest that although perhaps Mr Montague asked you to find out information about Mr Stavis - - - ?---Yeah.

- - - that you found out about Mr Stavis from George Vasil?---I saw him there in the office, I made that - - -

10 No, no, no. This is a telephone conversation lasting in excess of five minutes very shortly after Mr Stavis contacted Mr Vasil?---What are you saying, that - - -

What I'm asking you is what happened in that telephone conversation with Mr Vasil?---I can't recall but if you're asking me to say that it was about Mr Stavis, it is possible, yes.

Is it possible that Mr Vasil and you talked about Mr Stavis for about five minutes on that occasion?---Possible, yes.

20

And is it possible that the two of you agreed or at least discussed the desirability of assisting Mr Stavis in his candidature for the job of director of city planning for Canterbury?---Possibly, yes.

Is it possible that you and Mr Vasil decided that on Mr Vasil's, in Mr Vasil's view, at least, Mr Stavis could be a very useful person if he was appointed director of city planning and owed you and Mr Vasil and anyone else who helped him a favour, a big favour, namely the appointment of director of city planning at Canterbury?---No, that was not, never the, from memory.

30

Was there any implication in what you and Mr Vasil discussed, that Mr Stavis could be useful as director of city planning and it would be worth putting effort into ensuring he was, in fact, appointed?---Mr Vasil, sorry, Mr Vasil always showed interest in having a good director of planning and he thought very highly of Mr Stavis, yeah, that's not a secret. Mr Vasil thought that Mr Stavis has the qualification and the ability to manage that particular job and to fill it and do it properly, yes, but not to, not to do things for other people or help me or anyone else for that matter, or help him. That was never mentioned.

40

You told us last week that Mr Stavis' problem before he was appointed was that as a candidate for the job as director of city planning he had no backer. Remember telling us that?---And I elaborated on that.

No, no, no. Do you remember telling us that?---Yeah, I did.

And you did elaborate upon it?---Yes.

But isn't what occurred having regard to the pattern of communication, Stavis contacts Vasil, Vasil immediately has a long discussion with you highly likely to have been about Stavis, you appreciated that Stavis had no backer, you then put a lot of effort if this call charge records are to be anything to go by, into getting Mr Stavis up to speed so, with a view to ensuring that he was the successful candidate at the interview for the director of city planning whenever it occurred?---Well that could be the case if I, I know I can deliver this. I couldn't possibly deliver this, Mr Stavis.

10

But you and Councillor Hawatt and Councillor Azzi could deliver it, couldn't you?---I think Councillor Hawatt and Councillor Azzi were very much interested, from what I understood later on, in Mr Stavis.

That is not a seriously honest answer, is it?---Why are you saying, why are you saying that? Mr Buchanan, it was very clear later on to me and from the beginning that those two councillors just mentioned were not, did not make Mr Stavis their first choice, so why would they, why would they, you know, do what you're suggesting they've done in relation to this matter? I just, there's no, there is no logical link between what's being proposed and what has happened on the ground, clearly. Now to tell me that I did like Mr Stavis, yes, did he ask me to support him, yes, did he call me to find out what's happening, yes, did he call me for information, yes, but that is in no shape or form constitute some type of conspiracy to, to implement Mr Stavis on the council or push Mr Stavis or push anyone else to support him to take the job, there's no shape or form or no evidence of that, to be quite honest with you.

20

And you, I want to suggest, along with Mr Vasil and Councillor Hawatt at least, agreed amongst yourselves to become Mr Stavis' backer?---I said to you again, I repeat, I thought Mr Stavis is, is a decent guy, he's got the knowledge and information - - -

30

I'm not asking - - - ?---I'm getting there, I'm getting there, I'm taking you there.

You decided to become his backer along with Mr Vasil and Councillor Hawatt, you agreed amongst yourselves to become Mr Stavis' backer, didn't you?---There was no agreement as such, no. There was no - - -

40

But that's what in fact occurred, isn't it? The three of you and you know Councillor Azzi as well, became Mr Stavis' backer. That's what occurred, isn't it?---Mr, Mr Azzi, sorry, Councillor Azzi or Hawatt never expressed in front of me their intention to back Mr Stavis.

That's still not the answer to my question that I'm seeking, sir. The question I'm seeking an answer to is the three of you and Councillor Azzi became Mr Stavis' backer, didn't you?---No. Not necessarily.

I want to suggest that the reason you became Mr Stavis' backer is that you, with the assistance of Mr Vasil and Councillor Hawatt, saw that Mr Stavis was vulnerable and needed this job and a good candidate to be influenced, were he to get the job, and be of assistance to you and developers who might be your client or friends of Mr Vasil and Councillor Hawatt?---I agree on one and two.

10 THE COMMISSIONER: What, that he was vulnerable and needed the job?---Yes. I agreed on that, but number three, definitely not. Why it's not, I'll tell you in a moment and I keep repeating that point. Mr Buchanan, when I have something I have an interest to, in, I, my history since I started doing this whole things is always relied on the professional and firm. I kept an arm length and, of course, the evidence are there, especially if you're referring to Canterbury, I kept an arm length from talking to councillors and even staff about my interest. I've always relied on those people to do the job although the cost was very high.

20 MR BUCHANAN: Sorry, but look at the situation on 17 November at page 6 of the call charge records. You can't let that go unchallenged. You can see where you initiated an SMS to Mr Stavis on 17, the first entry for 17 at 3.37pm. Do you see that?---On 17, what time?

Can you see the data for 17 about the middle of the page? This is on the screen in front of you if it's any easier?---Yes, yes, yes, yes.

MR STANTON: Well, I object to the initiation, it's in response to Mr Stavis's - - -

30 MR BUCHANAN: I apologise, I apologise.

MR STANTON: - - - SMS, yes.

MR BUCHANAN: I'm using the wrong exhibit, that's my fault. I withdraw the question.

MR STANTON: Thank you, Mr Buchanan.

40 MR BUCHANAN: But can I just ask you, I'll just go to the – can you go to the texts that Mr Stanton pointed out were initiated by Mr Stavis on the 17th, commencing at 4.33.---4.33, yes.

After that you made a text to Mr Hawatt, recording as being at 5.44. Do you see that?---(No Audible Reply)

What was that about?---That's 5.44, yeah, that's not marked, yeah, I can see it now.

If you take into account – I just need to record that you didn't answer the question. If you take into account that the interview's finished - - -?---I'm sorry?

- - - around 5.30 - - -?---I didn't (not transcribable) answer the question, I just couldn't recall the question.

THE COMMISSIONER: Well, you didn't say anything, Mr Khouri.
---No, but I was thinking about, got to give me a chance to think, it's a
10 question I guess my memory you know we're talking about.

MR BUCHANAN: If you assume that the interview's finished about 5.30
were you asking Councillor Hawatt how did it go?---Can't recall, Mr
Buchanan.

Councillor Hawatt is recorded as texting you back a minute later. Do you
see that?---Yeah.

You then return the text within the minute to Councillor Hawatt. Do you
20 see that?---(No Audible Reply)

Two texts within the minute.---Is that at 4.33?

Three texts. No, I'm looking at 17.44 and following.---Oh, 17, yeah, and
they were made to Mr Hawatt, is it?

What are these texts about that you're sending to Councillor Hawatt shortly
after the interview panel has finished?---Those texts were between me and
Spiro, not Hawatt, sorry.
30

THE COMMISSIONER: No, they're between you and Mr Hawatt.
---Where's that?

Look in the third column from the right.---Yeah.

And it commences at 17.44.42 where you send a text to Michael Hawatt.
---They're not marked in yellow, is it?

That's correct.---Yes, yes, yes.
40

Do you see it now? And then if you follow down, as Mr Buchanan has
indicated - - -?---Yes.

- - - there are a series or exchanges of texts - - -?---Mmm.

- - - between you and Mr Hawatt.---Can't recall, Commissioner, honestly
can't. That's five years ago.

MR BUCHANAN: And then indeed in the same minute, 17.51, as the last text in that brace of texts between you and Councillor Hawatt, you send a text to Mr Stavis and he texts you back three minutes later. Do you see that?---Yeah.

You text him again a couple of minutes later and then he texts you back a minute later.---Mr Buchanan, can we get the context [sic] of those SMSs so at least I can, I can remember what this is all about?

- 10 Yes. The context is, this is after his interview with the interview panel has finished and he was the last candidate. So the panel had finished its interviews of candidates. That's the context.---I didn't know if he was the last candidate or the first candidate.

These people you have been communicating with have both been in the same room, one assisting the conduct of interviews and the other being interviewed, and you're talking to the two of them after that process is over. ---Mmm.

- 20 Why are you talking to the two of them after that process is over, if it isn't to find out how it went?---Possibly. Possibly, yes.

You had a clear interest, didn't you, in Mr Stavis being a successful candidate through that interview panel process?---No.

Well you were interested, weren't you?---Yeah.

- 30 You wouldn't bother following it up if you were bored by Mr Stavis would you?---I'm not sure if that, those SMS were to follow up on his appointment or to ask a question or to get information, it could be anything, Mr Buchanan, so to say only that I am talking to him here just to follow up or just to push an agenda, it is not necessary the case. It is not necessarily the case.

Commissioner, I'm reminded that the evidence from Mr Robson was that the interviews finished at 4.15pm, 4.30 at the latest, that's transcript page 301.

THE COMMISSIONER: And did that also involve the post interview?

- 40 MR BUCHANAN: No. Mr Robson indicated there was about 15 minutes - - -

THE COMMISSIONER: Discussion between panel members.

MR BUCHANAN: They were out of the room by 4.15, I'm reminded, according to Mr Robson at that page.

THE COMMISSIONER: Thank you.

MR BUCHANAN: Now, in fairness to you, Mr Khouri, if we could see again volume 3 page 216?---Yes.

We've looked at this before because it had texts between you and Councillor Hawatt on 17, that's the day of the interviews?---Mmm.

10 After the interview panel had finished about the DA at 549 to 557 Liverpool Road, Strathfield, but if we go to about the middle of the page, item 6 - - - ? ---Mmm hmm.

- - - can you see – I'm sorry, I withdraw that. Can I just take you first of all to item 4?---Mmm.

And do you see that this is, remembering that's Mr Hawatt's mobile from which these SMS had been extracted, a text from you to Councillor Hawatt on 17 November at 5.44pm asking him, 'Where are you?' Do you see that? You have to say something, sir?---Yes, yes.

20 You can see it?---I said yes, Mr Buchanan.

Thank you. Item 5 is a text from Councillor Hawatt to you saying, 'Oatley', item 6 is a text from you to Councillor Hawatt saying, as recorded, 'How did you ho', H-o, and then immediately afterwards within the same minute, 'I meant go'?---Mmm.

Now just stopping there, you didn't in those texts items 6 and 7 at 5.45pm, indicate to Councillor Hawatt what you were talking about, did you?---No.

30 So you assumed when you sent that, that Councillor Hawatt would know what you were talking about, didn't you?---I assume so.

You're asking about how the interview panel process went, weren't you? ---Maybe.

What else do you suggest it could have been?---It could have been in relation to what come next, Mr Buchanan, because I said, I said - - -

40 You asked, 'How did you go?' before you even asked, 'Can you please give Gulian a call to inquire.'?---Yeah, but we have established that we have discussed the issue of Strathfield previously.

Yes?---And therefore that could be very much related to me following up and then I had to, I had to ask him to give him a call to find out what's happening.

That doesn't make any sense, does it Mr Khouri? Because why would you have the question, 'Can you please give Gulian a call to inquire on the

follow up' after asking him, 'How did you go?' You see, what I suggest to you is you're talking about two different subjects in item 6 and item 9? ---Not necessarily, Mr Buchanan, because you, and I said and you asked me the question that did I discuss that matter with him previously, the Strathfield matter, and I said yes. So I can assume that I have called him and asked him how did you go, that was the only matter I've asked his help with and therefore I could've very well asked him how did you go and when he didn't elaborate properly I had to say then can you please give Gulian a call to, to inquire on the follow up. It says, 'the follow up', so there was a follow up.

Follow up to what?---To the, to the Strathfield matter.

I'm sorry, to the?---Strathfield issue. The, the, the development on, on, on Liverpool Road.

That doesn't make any sense, Mr Khouri, not when it's after the question, simply, 'How did you go?'

20 THE COMMISSIONER: Where he answers, 'Good'. That seems to indicate a finalisation of whatever, of the topic that you were discussing then and then you initiate the reference to Gulian and a call to inquire on the follow up. My reading of that, is that it's two quite discreet topics that you are discussing in that exchange. Do you agree with that?---I'm, I'm trying to, I'm trying to think that is it discreet and different than the following or it is a follow up to the following down the bottom, and that's something you probably can see it, Commissioner, in your way and you could be very right but again, there was, was a conversation in relation to the Liverpool Road matter previously, and I assume - - -

30 MR BUCHANAN: Liverpool Road?---Sorry?

Liverpool Road matter?---Yes. And I agreed with Mr Buchanan that, yes, I have discussed with him this matter previously, and I assume that he did follow up and then when he said, 'good', it was very unclear to me so that could be that, can you please call Gulian and find out what the follow up, what's happening. Now, the word 'good' - - -

40 If it was unclear to you, sir - - - ?---Yeah.

- - - you would have said, 'What do you mean, good?' Or words to that effect, wouldn't you?---No. I understood it as it's halfway solution and I've asked him to get the right information, that's what I understood it to be.

That doesn't make any sense either, does it?---Knowing Michael it does, mate, believe me.

How does the word 'good' imply a halfway situation?---It does because that's, that's Michael's style, you know what I mean? He says good but he doesn't give you information, you know, I want to know what good means.

So why did you ask him, 'What is your information?'?---Well I did, well I did, can you please give Gulian a call?

10 No. What you did was you asked him to do something, you didn't ask him for the information or any information, you asked him to do something in item number 9. Didn't you?---Mr Buchanan, I cannot confirm or not confirm if those two – this conversation, it is linked or not linked, but I have been asking Michael to find out what's happening previously on this one and I wasn't getting a clear answer. And therefore that could very well be a follow up or it couldn't, I don't know.

20 I want to suggest to you, Mr Khouri, that the texts between you and Councillor Hawatt at items 6, 7 and 8 on 17 November 2014 indicate that you and Councillor Hawatt knew that each other had an interest in the outcome of the interview panel process and that interest was ensuring that Mr Stavis got the job. Isn't that the case?---No, it is not, Mr Buchanan.

I note the time, Commissioner.

THE COMMISSIONER: Thank you. We'll have a morning tea adjournment for about 15 to 20 minutes.

SHORT ADJOURNMENT

[11.35am]

30

MR BUCHANAN: Thank you, Commissioner.

Mr Khouri, can I ask you to go to volume 3, page 247 of the documents in Exhibit 52. We might be able to call it up on the screen for you and if we can make it a big bigger at the top and then we'll move down. Thank you. You see there, Mr Khouri, a table setting out again extracts from, sorry, SMSs extracted from Mr Hawatt's mobile telephone - - -?---Mmm.

40

- - - this time on 2 December, 2014?---Mmm.

That is to say when these text messages were sent and received. And the first one, item 1, is at 1.26pm from you and it says, "Michael, are aware if a new director has been appointed yet?" Do you see that?---I do.

Now, you were asked questions about this in your interview by the Commission investigators. Do you recall that?---Vaguely, yes.

I'll take you to it. I don't ask you to remember it - - -?---Yeah.

- - - off the top of your head, but if you have a look at the bottom of that page, page 247, item 14, you can see an answer I suggest to you - - -?---Yes.

- - - from Mr Hawatt to you at 6.05pm, the words, "Not yet."---That's the last, yeah.

The last item on that page.---Yes.

10 And I appreciate it's separated by some 12 other SMSs, but what I want to suggest to you is that those 12 other SMSs are about something else and so the first SMS on that page and the last one are both about the appointment of a new director. And you understand that?---I do.

And a new director is a reference to director of city planning at Canterbury Council, isn't it?---Yes.

20 Now, just to assist, but please tell me if you don't remember this or don't accept it, you were asked in your interview by Commission investigators about the matters in items 2 to 13 and going off item 2 in the first instance, that is to say a text from you to Councillor Hawatt at 5.19pm, quote, "They delayed Dyldam," D-y-l-d-a-m, "until 12 February meeting." And you explained to the Commission's investigators that Dyldam was a development project in which you had an interest. Is that right?---I did not have an interest.

Can you tell us what your - - - ?---Sorry, sorry.

30 - - - concern was?---Well, I, I was doing some work for Dyldam at that particular time, yes.

And who was Dyldam?---Dyldam is a large, a large development company.

And were you being paid by Dyldam for the work you were doing?---I was, but I'm not sure if I was being paid that particular date or before, but I was following up this issue from their request. I can get those information to you whenever - - -

40 No, no. There's no need?---Yeah.

Now, was the development concerned in the Canterbury local government area?---Yes.

And from your text to Councillor Hawatt, were the words, '12 February meeting' a reference to the meeting at the City Development Committee, perhaps, or to council at that stage? This is on 2 December 2014?
---Possibly. But it wasn't a DA, Mr Buchanan.

Yes. If you could just quickly tell us?---That wasn't a DA.

Yes?---That was a proposal which went to the Department of Planning which has written back to council and asked for urban design and some open space and changes.

Yes?---So although the applicant was supposed to talk to council about it but that is in response to what the Department of Planning wanted.

10 I understand. So you're talking now, are you, about a planning proposal which had been sent to the department by council after council received a submission on behalf of Dyldam saying that the LEP should be changed in respect of the land in which Dyldam had an interest?---Yes.

Now you went on to explain to Councillor Hawatt, this is item 3 at 5.19pm, 'They are not happy, very impressed, I think they will lose their option.'? ---Yes. Would you like me to elaborate on that?

20 No. I assume this is an option that Dyldam had in respect of property, the subject of their submission to council to change the development controls for that land?---Absolutely, correct.

To that text, however, Councillor Hawatt said to you, 'Nothing much we can do.' Do you see that?---Mmm hmm.

30 Who did you understand the word 'we' to refer to in that text?---I assumed the council. Council obviously couldn't, doesn't know when a director is going to be appointed so a meeting can be organised, so that's what I understood it to mean.

You understood Councillor Hawatt to be informing you of the situation that council was in in respect of that planning proposal?---No. Informing me in relation to when a new director is going to be appointed. Councillor Hawatt did not know much about the actual proposal or what does involve, or what I was asking is when it is possible to have a meeting to discuss the matter and when, and when a director is going to be appointment so the matter can be brought to his attention before those people loses their option.

40 Your text to Councillor Hawatt at item 5 at 5.56pm indicates, doesn't it, particularly in the context of item 2, that it was a meeting of a council committee or of council itself so that the response, perhaps, of council to the department's request could be considered?---Possibly, yes.

Yes. It's not a reference to a meeting between the general manager and the developer or council officers and the developer, is it?---I believe so, yes.

Then at item 6 Councillor Hawatt texted to you at 5.58pm, "I'm sick of the games being played." You responded, item 7 at 5.58pm, "Who is playing?"

Item 8 at 5.59pm, Councillor Hawatt says, "Your friend." Did you understand who Councillor Hawatt was referring to when he used the words, "Your friend?"---I assume it must be Mr Montague.

And did you have any understanding of what Councillor Hawatt meant by the games being played of which he was sick?---I did not sir, that's why I asked him who is playing.

10 But you then at item 9 sent a text in response to Councillor Hawatt's text saying, "Your friend," you texted, "There is only one solution," didn't you? ---Yes, that's clear here.

So you didn't say to him which friend or who do you mean, you at that time had the identity of someone in your head as being the friend that Councillor Hawatt was talking to you about.---I assume so, yes, sir.

20 Do you tell us that you, as you sit here, don't recall who you thought Councillor Hawatt was talking about?---I said I have assumed that it's Mr Montague.

And what are the games being played that you thought that Councillor Hawatt was talking about, was he talking about the appointment of a new director or was he talking about the progressing of the planning proposal in respect of the Dyldam property?---No, no, he had, he had nothing to do with the proposal for the Dyldam property. My question was very clear, when was going to be someone there so that I can make an appointment and come and see the director to discuss it under request from the Department of Planning so - - -

30 Sorry, go on. And so you are saying, are you, that you understand those texts by Councillor Hawatt - - -?---Mmm.

- - - to be about games that Councillor Hawatt thought that Mr Montague was playing in respect of the appointment of a new director of city planning?---I do think that, yes, sir.

Thank you. What did you mean by, at item 9, "There is only one solution?" ---I can't recall. I can't honestly recall.

40 That's - - -?---I looked at it, I just couldn't work out - - -

The language is dramatic, isn't it?---A lot of drama, yes.

Well, can I just remind you, Mr Khouri, that in your interview with the Commission investigators you put this exchange down to as being a reference to the controversy that erupted between Councillors Hawatt and Mr Azzi, Councillors Hawatt and Azzi on the one hand and Mr Montague on the other hand about whether Mr Stavis should be appointed as director

of city planning after Mr Montague had withdrawn the offer of employment to Mr Stavis. That's what you told the Commission's investigators, didn't you?---Ah, I said yeah, I did tell them that, but I'm not sure, Mr Buchanan, that that was the date before or after things erupted.

Exactly.---Yes, yes.

So what you told the Commission investigators there - - -?---Yes.

10 - - - cannot be correct, can it?---No, because that does not fit, all depends when, what time and what date. Yes, you're right, sir.

So if you assume that the offer of employment to Mr Stavis was made by Mr Montague in writing on 8 December, 2014, accepted in writing by Mr Stavis on 9 December and it was some time after that that Mr Montague changed his mind and withdrew the offer - - -?---Correct

20 - - - then the subject matter of these texts between you and Councillor Hawatt must be something else, mustn't they, even though they're still in respect of Mr Montague. Do you see my point?---Yeah, I do. I do, sir, I'm just trying to remember.

And is it still your view that you understood and you understand when you read these texts now, that Councillor Hawatt was saying he was essentially sick of the delay in the appointment of a new director of city planning by Mr Montague. Correct?---Mmm hmm.

You accept that?---I accept that, yes.

30 But the question that I'm asking is what is the only one solution that you had in mind which, which sounds like a nuclear option, doesn't it? A little bit, don't you think?---No, no, nothing nuclear about it. I think, sir, I was referring to an option whereby, I'm not sure if I elaborated well, that I think they should readvertise the job if there's delays in stuff, that's, from memory, don't, I'm not sure. I think that's what that only solution means.

40 Are you just making that up in the witness box?---No, no, it's not, it's not, it's not. That's what I thought it, that was one of the things I have said previously, that if you people can't agree just readvertise the position.

The lack of agreement was something that occurred in the middle of December, not at the beginning of December?---Actually, the lack of agreement was from day one as far as the interview is concerned.

So are you talking about the disagreement between Councillor Hawatt and Azzi on the one hand and Mr Montague on the other and perhaps, as well, Councillor Robson, as to who should be appointed director of city planning? Is that what you're referring to?---That's what I'm referring to, yes.

And what did you understand to be going on as at 2 December 2014 in that regard?---Well I thought there was a conflict, I thought the two mentioned councillors were supporting Simon Manoski. I was, I did have this information, and, and Mr Montague for some reason, although the recommendation they said to me that it was Simon Manoski first, Stavis to, in the third, third candidate, third, this is, was where the first disagreement looked like getting, it's simmering. So there was an issue from, from that time, yes, in relation to who, who has been recommended, yes.

10

Are you saying to us that as at 2 December 2014, you had no understanding that Councillors Hawatt and Azzi were pressuring Mr Montague to appoint Mr Stavis?---I am sure, and I repeat this, that Councillor Hawatt and Councillor Azzi had Mr Simon Manoski as their first recommendation or preference.

How do you know?---They told me.

When?---I can't remember when, sir.

20

In what circumstances?---Probably in a social gathering or something.

Do you have a recollection of how you found that out?---I was aware that they have told me that their preference is Mr Simon Manoski.

And were you told that on a separate occasion by each councillor or were you told both in each other's presence?---I think they were both, both there.

30 Were you at Councillor Azzi's house at the time?---Yes, possibly. Yes, sir. Possibly yes. It was very, made very clear and from the onset that this is, was their position.

Did you find out that that situation changed at any stage? That is to say that Councillor Azzi and Hawatt's position as to their preferred candidate, changed from the position that you've described being told?---Well it has not changed this way, obviously there was a list of recommended applicants. From what I understood there was one, two and three. They've chosen Manoski as one, that's what it says.

40 That's not the question I asked you?---Sorry, Mr Buchanan.

My question is did you find out that that changed at some stage and that Mr Manoski was not - - -?---Oh, yeah.

- - - a preferred candidate?---Oh, yeah, I did find out that, he was not appointed of course.

Can you remember that occasion when you found that out?---No, I can't remember, sir.

It must have been a shock to you, mustn't it?---Why would it be a shock?

Well, why would they change their mind?---From the recommendation?

Well, you've told us that they told you they preferred and indicated a preference for Simon Manoski.---Correct.

10

And then you say that they changed their mind.---I never said they changed their mind, sir.

I see.---Did I say?

THE COMMISSIONER: Mr Buchanan asked you - - -?---Yeah.

- - - when did you find out that Councillor Hawatt and Azzi's position changed.---I replied by saying they had a list of preferences.

20

Yes.---Number 1 was Manoski, number 2 recommended by them and they said that was Spiro Stavis.

Right. And then Mr Buchanan then said to you, when did you become aware that their position changed.---Because Mr Manoski wasn't appointed for the job, that's how I worked it out. It's not difficult.

MR BUCHANAN: Is that the first time that you learned or understood that Mr Stavis had become the first preference of Councillors Azzi and Hawatt? ---I think I found out from Mr Montague. I think I had a call from Mr Montague and I understand that he was telling me that he, Mr Stavis has been appointed. There was a call between me and Mr Montague in relation to that matter.

30

So you had no discussion at all with Councillors Azzi and Hawatt before Mr Montague told you that Stavis had been appointed, is that right, about the fact that Azzi and Hawatt preferred Stavis rather than Manoski?---Hawatt and Azzi had Mr Simon Manoski as their first preference, Mr - - -

40

Can I ask you this.---Yes.

Did you ever find out that Councillor Hawatt and Councillor Azzi pushed for the appointment of Mr Stavis?---They did not push. I mean what they were saying is that if number 1 didn't get in, the logic is they recommended number 2 should be appointed for a job. That was their position, yes, yes.

How do you know that?---They told me that.

When did they tell you that?---Some, some other gathering around the place.

When – sorry, I need to make it clear to you, Mr Khouri, that the evidence that you’ve given of your understanding of Councillor Hawatt and Councillor Azzi’s views as to who should be appointed is simply unacceptable and not true.---Why are you saying that, sir?

10 When you say that Councillor Azzi and Councillor Hawatt said that their first preference had been Simon Manoski, did you react in some way to that?---Why would I react?

Because you’d been pushing Mr Stavis, you’d become his backer.---That’s, that’s an assumption, Mr - - -

Did you indicate to Councillor Azzi and Hawatt you were disappointed that all this work you’d put into Mr Stavis had gone to waste?---No. I just couldn’t care less who is the director of planning, sir.

20 That’s not true, is it, Mr Khouri.---It is true.

How could it conceivably be true, given the effort that the records show you put in to trying to get Mr Stavis up as director of city planning.---Well, I’ll tell you how if you’d like to know. If you go and collect the metadata or all the phone records between me and Mr Stavis after his appointment you will find there is very, very little communication and contact, and I’m happy to go and do this for you, if it’s going to cost me money. It’s hands-off, my friend. When Spiro Stavis was appointed I did not come near him or talk to him for months and months.

30 You didn’t need to, Mr Khouri, because you knew that he was in the safe hands of Councillors Azzi and Hawatt?---No, because I have a conscious of an arm length dealing with the director of planning and therefore, and that’s why, it cost me \$410,000. Not me, the group, spent on an application in Canterbury because we have used every expertise around Sydney from legal advice - - -

Mr Khouri, I’m going to interrupt you, I’m sorry, but I don’t want to change the subject at this stage if you don’t mind?---No, no, I’m just trying to - - -

40 We’re trying to find out why it should be that with all the records show that you had put into ensuring that Mr Stavis was a successful candidate for the position of director of city planning, when you say you were told by Azzi and Hawatt that they preferred Manoski, you didn’t express some surprise or disappointment?---You want to know why? Because I heard, and I know off Mr Manoski and I know he used to work for the Department of Planning and I heard about his experience in dealing with a lot of people in the department, and he is as good as you can, you can expect from a director of planning. So that’s, if you want the exact detail, sir, Mr Manoski is a good

director of planning, and I've heard this from a lot of people who dealt with him.

THE COMMISSIONER: Can I just ask, you said that you were told by Councillors Hawatt and Azzi that they preferred Mr Manoski but Mr Montague and Mr Robson preferred Mr Stavis?---I never said that.

10 I thought you said that there was a conflict between the two councillors who supported Mr Manoski and Mr Montague and Mr Robson who supported Mr Stavis?---What I said, madam Commissioner - - -

Do you agree?---No, I don't.

You didn't?---No.

20 So who was Mr Montague and Mr Robson supporting at that stage?---The four of them, I understand, agreed on a list of recommendation, recommended candidates. Number one was Mr Manoski, two was Mr Stavis and three, another applicant, I don't know who that is. So that was - - -

All right. So your position is, and you were told that by the two councillors?---Yes.

That the interview panel had agreed on a ranking of the candidates in that fashion?---Yes.

All right?---And - - -

30 MR BUCHANAN: You didn't hear of the name Karen Jones as being in the mix as a preferred candidate?---I did very recently.

THE COMMISSIONER: Sorry, you did?---I did hear her name at a later stage.

MR BUCHANAN: But not at that time?---No.

At all?---No. I didn't know who was her.

40 No one suggested to you that Karen Jones might be a preferred candidate?---No.

Did Councillors Azzi or Hawatt express any opinion in your presence about Karen Jones?---I, I, I can remember once saying that there was a female applicant, a female applicant, who they thought she was a bit of a greenie, and worked at local council previously, and they had a lot of, they were very sceptical about her ability. That's what I heard, yes.

When you say you heard, from whom, sir?---From the two councillors. I think it's about the same time this was mentioned, that was another mention, yes. You're testing my memory now.

So did you at all, I just have to come back to it, I'm afraid?---Please.

Ask why did Councillor Hawatt and Azzi not indicate a first preference for Mr Stavis?---No, never asked that question.

10 You didn't ask them what was wrong with Stavis, why didn't you put him as number one?---Why should I?

Can I take you back to volume 3, page 247, the text messages that you're exchanging with Councillor Hawatt on 2 December 2014? I have asked you about item 9. You're suggesting there is only one solution?---Mmm.

And then, if I can just ask you to put into context the response to that from, I'm sorry, my mistake. Item 10 is from you to Councillor Hawatt saying, "No longer." Do you see that?---Yes.

20

So that's a reference to the one, only one solution no longer being available. That would be a reasonable reading of those two texts together, wouldn't it? ---Possibly. Yes, sir.

Does that assist you in recalling what that only one solution was that was no longer available by 2 December?---I would assume that it referred to Simon Manoski. That's the only explanation I can provide.

30 And why was Simon Manoski no longer available?---Because he wasn't, he wasn't, he wasn't selected to be the director by, by - - -

And is that something that you're reconstructing in retrospect or is it something you knew at the time?---I knew and I said I knew that Mr Manoski wasn't selected as first preference. Yes, I did know.

40 Because you had received a call from Mr Montague indicating that Mr Stavis was preferred. Is that right?---No. No. I have asked Mr Montague, from memory, about why Mr Manoski, since he was recommended, why wasn't he selected? That's the question I remember very well asking Mr Montague.

And was this in a telephone call or face to face?---Face to face, face to face.

Where were you at the time?---I think we were having a coffee to lunch or something.

Was anyone else there?---No.

What was the venue?---I think it was on Concord from memory. If I, if I, my memory serves me right. Yes. We caught up in Concord for a coffee or a, a pizza or something.

At a place where you had caught up before? That you, it was a regular or semi-regular meeting place?---Semi. Not, not, semi-regular.

10 What was that, sir? What was the venue?---It ah, it was on Majors Bay Road. It's a pizza place. It's shut down now. I can't remember. It's got an Italian name.

And was it lunch or dinner?---It was lunch.

And you've said no one else was present.---No.

Why were you meeting with Mr Montague?---I always catch up with Montague for quarantine area bite or lunch when he is free. He would call me.

20 So you tell us, do you, that you believe or you recall that your reference to only one solution that was no longer available was Mr Manoski?---Yes.

And not something that could be deployed by way of pressure on Mr Montague to appoint Mr Stavis?---I have never pressured Mr Montague in any shape or form to appoint anyone.

30 But was this consideration of something that might be used to pressure Mr Montague to appoint Mr Stavis?---I do not, I did not and I will not and never did pressure Mr Montague to do anything.

What about influencing Mr Montague? You must have influenced him over the time of your lengthy friendship with him?---I don't think any, many people can influence Mr Montague. He's a man with a long, long experience in local government and it takes 10 people like me to influence him on anything.

And you say, do you, that you've never influenced Mr Montague on anything?---Absolutely. And that's the, that's my experience.

40 Then can I just direct your attention to item 11. The next text that you send to Councillor Hawatt read, "I think he putting pressure on me because I turned my back on him." This is a reference, is it, to Mr Montague?---Yes. I think so.

And what was it that you had done that you described as turning your back on him as at 2 December, 2014?---Because, because I was really getting confused about the, the, the nature of the, the situation whereby, I've asked Mr Montague why, if, if, if Mr Manoski was preferred by everyone, why

wasn't he appointed? I mean, it's a logical question to ask, isn't it? And I never got a straight answer. I just don't know.

Well, at that stage when Mr Montague told you that, did you say, well, who is your preferred candidate? If it's not going to be Manoski, who is it going to be?---No, because I knew there was a list of three people recommended and I knew if Manoski doesn't get a job, they have to go to number two, legally speaking.

10 You're just making this up, aren't you, Mr Khouri?---No, no, no, no, no. No, I'm not making this up.

So when you say, 'I think he putting pressure on me', you're saying that in that context, Mr Montague was putting pressure on you?---Why would Mr Montague putting pressure on me?

Well that's what the question I want to ask you, sir, because you're the one who wrote the text?---What I meant, what, what I mean, there was a, a period of time where I really kept away, kept away from the whole thing
20 because I stopped understanding what's going on, it was very confusing and I honestly and sincerely had to draw the line to how much I get involved in this process. It was draining, it was vague and, and I kept my distance at this stage and that's why Jim was not happy that I no longer call in for a bite and doesn't turn up for a coffee. That has, I think with, apart from (not transcribable) maybe, we've disconnected for a while. I really want to keep, keep an arm length from this process.

Mr Khouri, that doesn't make sense in the context of all of these texts, because you've explained to us that it was in your interests that your client,
30 sorry, it was in the interests of your client, Dyldam, that a new director of city planning be appointed?---Yes, absolutely.

And yet you're saying to us that essentially you were distancing yourself from the whole issue and question?---Yes.

That doesn't make sense, does it?---Well, I mean, I don't care what Dyldam wants, the reality is, it's there, I mean, I've asked the question and I, and I asked has a director been appointed, and the question was no.

40 You were obviously concerned about what Dyldam wanted because of the text at item 3, 'They', being Dyldam, 'are not happy, very impressed, I think they will lose their option.'?---Yes, I was - - -

That's not good for your client, is it?---I can do as much as I can, Mr Buchanan, I cannot create miracles.

No, that's not the situation. You knew you could do more, you could talk to Councillor Hawatt as you did in these texts. That's the effort that you went

to, to try and progress your client's interests if not, in fact, the appointment of Mr Stavis?---No, I didn't do that. I asked a question and got the answer. Besides, it's not up to Mr Hawatt to appoint the director, I mean, gees, there's a few other people there.

10 So the text at item 12, 'You lovebirds need to sort out your problems together' by Councillor Hawatt, is a reference to you and Mr Montague who Councillor Hawatt seems to think have fallen out?---I have to definitely tell you that could be one thing and the other thing could be that Councillor Hawatt saw me around that time in Homebush having a coffee with a lady friend and I've invited him to come and have a coffee and he said no, and then after he left he sent me that message, so that could be, that could be, that is referring to. I mean, I know it sounds like a silly story but that's what happened. I just, I - - -

You're making this evidence up as you go, aren't you Mr Khouri?---No, I'm not, I'm not, I can give you the name of the lady and - - -

20 That's not the point. The point is your explanation for these texts doesn't make sense, does it?---Well that's as much as I remember to the, to the most of my ability, sir.

Text number 13 - - - ?---Yes.

- - - from you to Councillor Hawatt at 6.03pm, 'Fuck him, you people made a mistake yesterday by accepting his choice.' Now, 'him' is Jim Montague, correct?---Yes.

30 'You people' is who? Councillor Hawatt and who?---Well I have to take you one step back.

Yes.---I'm not sure that is referred to Mr Montague.

Right. Who does it refer to?---It could refer to - - -

No, no, no, no, no. You're the one who sent the text. I'm asking you, when you sent that text, when you used the word, "him" to whom were you referring?---Could be, could be Montague, could be Brian, I don't know.

40 That's not the question I'm asking you. I'm asking you who were you referring to?---I can't recollect that. I don't know. I can't remember, sir. That was five years ago, jeez.

When you say, is that the sort of language that you use generally in respect of people?---No.

No.---No.

It would be unusual and - - -?---No.

Very unusual?---That's what I'm saying.

Is that fair to say?---Well, that's what I'm saying.

Well, why can't you remember it then?---(No Audible Reply)

10 I suggest to you that you can remember it and you are concealing from the
Commission - - -?---No, it must - - -

- - - your true - - -?---No.

- - - understanding of what these texts were about.---That's a very unfair
conclusion, Mr Buchanan.

Who was "you people" a reference to?---I can't recall, Mr Buchanan.

20 What was the mistake to which you were referring?---No, I can't recall I'm
sorry.

What was "his choice," the two last words in the text, what are they a
reference to?---I can't recall, sir.

30 But this is a transaction. You're talking to Councillor Hawatt about a
transaction that occurred the day before, on 1 December when Councillor
Hawatt and at least one other person accepted Mr Montague's choice.
That's at least open as a reasonable construction of what is here in this
context, isn't it?---(not transcribable) it was Mr Montague choice.

We've agreed that these texts are about Mr Montague and "people playing
games," Mr Montague, "your friend," Mr Montague, "I think he putting
pressure on me because I turned my back on him," Mr Montague, "you
lovebirds," that's you and Mr Montague because you have a longstanding
friendship - - -?---(not transcribable)

40 - - - and then Councillor, I'm sorry, Mr Khouri, you are the one who
expresses disdain, using that language, for Mr Montague and talk about
what Councillor Hawatt and someone else, at least one other person, had
done the previous day by accepting a choice that Mr Montague had
expressed. That's what this is all about, isn't it, at the very least?
---Mr Buchanan, if that what you interpret it that could be very, but to, to,
I'm not going to lie and tell you a fib. I honestly do not get the, the, the
series of the logical why and conversation here and in relation to what. It's
really very hard for me. This, this is five years ago, it's virtually
impossible.

That might be plausible if I was just asking you a question without putting your texts in front of you, but with your texts in front of you that is not a plausible answer, that is not a believable answer, Mr Khouri.---You may be right, just the memory, it's not about plausible or not plausible. I can't make up stories.

Now, at some stage you found out that Mr Montague had offered the job of director of city planning to Mr Stavis, didn't you?---Yes, I did.

10 When was that?---Can't recall.

And how did you find out?---Mr Montague told me.

And was it at this restaurant meeting?---No.

Pizza shop meeting?---I'm not sure.

20 Well, you said, "no," "I'm not sure." Do you mean you found out on the phone?---Possibly.

Well, did you or didn't you, how did you learn? Just think back, if you wouldn't mind. What were the circumstances in which you learned that Mr Montague was going to offer the job or had offered the job to Mr Stavis? ---Mr Buchanan, are you serious that I can remember how I did get a piece of information by phone or an interview? I mean this is really very high expectation from a – I'm sorry, I shouldn't (not transcribable)

30 It's not a very high expectation, I suggest to you, Mr Khouri - - -?
---Impossible.

- - - in the circumstances that you had spent a lot of time over a number of days supporting, prepping Mr Stavis to become the successful candidate for this job.---Absolutely not. And, Mr, Mr Buchanan - - -

THE COMMISSIONER: No, no?---Sorry.

You've answered the question?---Sorry, sorry, my apology, I apologise.

40 But can you remember how you were told by Mr Montague that Mr Stavis had been offered the job?---No, I don't remember. Maybe, maybe through the phone, maybe, I don't know but I can't remember.

MR BUCHANAN: And when you found that out from Mr Montague, what did you do with that information?---I believe Mr Montague have asked me to ring Mr Stavis and pass this information to him.

When you say, 'I believe', is that what you recall happening?---I recall, yes, that's what I recall.

And was this on the same occasion that Mr Montague had provided you with the information that he was offering the job to Mr Stavis?---The same day, you mean?

Well I'm asking you?---Yeah, yes, I think so.

Was it the same day?---I think so.

10 The same occasion?---(No audible reply)

What, you're nodding?---Yeah, yeah, the same occasion. You mean the same meeting or the same - - -

Yes---? - - - conversation? Yes, yes.

And what was it that Mr Montague asked you to do in respect of Mr Stavis?---To call him and let him know that he got the job.

20 Now did it come to you as a surprise that Mr Montague asked you to do that?---It did.

And did you say anything to Mr Montague as a result?---I thought that he should call him and give him this news, but - - -

Did you say that to Mr Montague?---I believe I did.

When you say, 'I believe I did' - - - ?---I recall I did.

30 Thank you. And what did Mr Montague say in response?---He didn't say anything.

So what was the outcome of that exchange between you and Mr Montague? ---I believe Mr Montague, I recall Mr Montague would've called him because I've told him that he should call him and not leave it to me. And I called him as well afterward to find out - - -

Why?---Because Jim asked me to call him, that's why.

40 Can I ask you this, Mr Khouri, you were asked questions on this subject by the Commission investigator in your record of interview, weren't you? ---Yes. Yes.

This is part of Exhibit 53.

THE COMMISSIONER: Sorry, can I just confirm, your evidence here is that Mr Montague contacted you and said can you ring Mr Stavis and tell him he's got the job?---That's what I recall, yes.

You then said to Mr Montague, 'No, you should do that.' And then you did ring Mr Stavis and discussed with him that he got the job?---Not discussed, informed him that he got the job. Yes.

Okay. Sorry, Mr Buchanan.

MR BUCHANAN: Yes. Mr Khouri, could the witness please be shown a copy of his record of interview conducted on 5 February 2017 with
10 Commission investigators, part of Exhibit 53? 15 February, 2017?---Page?

Thirty, please. Now obviously February 2017 was at a time much closer to the events that we're talking about now than today, wasn't it? And so theoretically your memory should have been better then than it is today?
---Hopefully, hopefully.

I'm sorry?---Hopefully.

Yes. Do you see at line 14 the investigator, Mr Berry, said, 'So are you
20 aware that at or about that time Spiro Stavis was awarded the position?'
You said, 'Oh yeah, he was getting the job, I knew.' He said, 'Yeah, who told you that?' Answer, 'Oh, everyone knew. George', something unintelligible, 'Everyone knew.' Investigator, 'Well how did you find out?' You said, 'I think Brian told me, or someone.' Investigator, 'All right. What was his position on it?' You said, 'Oh, not very clear.' He said, 'What do you mean by that', you said, 'He just didn't comment on it.' Can I just pause there? Brian, in this context, is Brian Robson?---Yes.

That's different from what you've told us today, isn't it?---Are we on page 30
30 of 69?

30 of 69, that's correct.---Can you give me just one, a few seconds to read what he said?

Yes. I'm going to take you to another page in a moment. I'm just asking you about this evidence here.---Yes. I'm sorry. I think there's a mistake here. I think that meant to be Jim told me, not Brian.

And what do you say the mistake is?---Mistake is Jim told me, not Brian.
40

Yes. Are you saying that the transcription is incorrect?---No. I, I probably made a mistake when I was talking. I, in a hurry so I must have said Brian. I think it was Jim.

The reference to, "He just didn't comment on it," is that a reference to Jim Montague? Is that what you're telling us now?---Position on, you mean, that was, the question was, was that Jim's Montague position, that he did not comment on it?

That's what I'm asking you. Are you say to us that you're intending to refer to Jim Montague when you said, "He just didn't comment on it"?---Yes. That's right. Yes.

10 If I can take you to page 35. Now, page, the bottom of page 34, the investigator asked you, "Do you remember if that early December period in 2014 at or about that time, and I'm not being specific, did you have any meeting with persons such as Michael Hawatt or Jim Montague or Pierre Azzi or people like that, talking about Spiro Stavis and trying to arrange for him to get that position?" Answer, "No." And then in, at about line 13, you said, "But Spiro did call me actually in December some time and he told me." And the investigation says, "What happened, what happened in that call then?" You said, "He said to me he, all, he got the job. I said, "I know you got the job." He said, then it's been, it's been withdrawn." And the investigator asked, "How, how did you know that he got the job?" You said, "Oh, everyone know he, he had the job. Everyone knew." The investigator said, "Well, I'm asking you how did you know." You said, "Someone must have told me. Jim could have told me. I don't know."
20 ---Yeah. What's the question, sir?

Well, that evidence is different from what you've told us today, too, isn't it?
---How is it different?

Well, you told us today you have a recollection of Jim Montague telling you, but you told the investigator Jim could have told you in the context of, someone must have told you.---What's the difference?

30 You see no difference?---Well, now I have remembered from my recollection. Yes. Jim told me and I did that conform that to you. But there and then, I probably wasn't sure. Yes. You're right, if that's what you're saying. A hundred per cent. But now, since we've been going about this for hours, I mean things will start connecting to me and that's why (not transcribable) that's - - -

Even though you'd been asked been asked questions, going to page 35 of a transcript of an interview by the investigators, by that stage, you still, at that stage, didn't have the recollection that you have over a year later?---No.

40 When you told Mr Stavis that he'd got the job, what was his response?
---Well, he was very, very happy obviously and, and thankful and grateful and he thanked me for understanding his situation and his position and that was it, really.

When you said to us earlier today that you understood that, or you believed in the period October/November that Mr Stavis was vulnerable and he needed the job, what was your understanding as to why he needed the job?

---I, I obviously didn't ask him but I suspected from the way he was talking that he had some family issues.

Family?---Yes.

Did you expect, did you understand at any stage that he had some financial issues?---Yes, that as well, you can say that, yes. He had family issues because of the financial issues, yes, from memory.

- 10 Well, why didn't you tell us that in your first answer to my question?
---Well, because you just now stirred my memory. I mean I'm sorry, Mr Buchanan, but you have been assisting me in coming up with the, and thanks to you, with the best answer I can recollect.

It is very significant to an assessment of a candidate's vulnerability that they are in financial straits and need a well-paid job, isn't it, than that they have family issues?---Well, they both are connected as far as I'm concerned, aren't they?

- 20 I note the time, Commissioner.

THE COMMISSIONER: We're adjourned until 2 o'clock.

LUNCHEON ADJOURNMENT

[1.02pm]