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INDEPENDENT COMMISSION AGAINST CORRUPTION

PATRICIA McDONALD SC
COMMISSIONER

PUBLIC HEARING

OPERATION DASHA

Reference: Operation E15/0078

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON FRIDAY 1 FEBRUARY, 2019

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.

THE COMMISSIONER: Mr Pullinger, do you have a - - -

MR PULLINGER: Commissioner, just a matter that I need to flag. At such time as Counsel Assisting and others finish with Mr Azzi, I would appreciate spending some time with him before I examine or re-examine.

THE COMMISSIONER: All right.

10 MR PULLINGER: I don't know when that will be but whenever it is. If, for instance it happened after lunch today, I anticipate I'd need more time than two hours.

THE COMMISSIONER: All right.

MR PULLINGER: Thank you.

20 THE COMMISSIONER: Mr Pullinger, thank you for bring that to my notice. How about we see how we travel today and then we can, if we need to, we can revisit it later on this afternoon.

MR PULLINGER: Thank you, Commissioner.

THE COMMISSIONER: Any other administrative matters?

MR BUCHANAN: No, Commissioner. I'm afraid I've not been very helpful because I've not been able to provide my friend with a reliable estimate of when my examination will finish.

THE COMMISSIONER: All right. We'll administer the oath again.

<PIERRE AZZI, sworn

[10.06am]

MR BUCHANAN: Mr Azzi, I'm going to ask for another recording of a telephone conversation to be played. Before I do, I can indicate that the date of the recording is 18 March, 2016, at 1.34pm and there's a reference, I'm going to suggest to you, in this conversation that I'm going to play to you, to the previous day and the previous day, 17 March, 2016. On the motion of Mr Hawatt, seconded by you, council resolved to approve an amended planning proposal for 998 Punchbowl Road and that was a property of Mr Demian's.---Yes.

Thank you. Commissioner, if we could please play LII 05959, recording on 18 March, 2016, at 1.34pm.

AUDIO RECORDING PLAYED

[10.08am]

MR BUCHANAN: Commissioner, I tender the audio file and transcript of that recording.

THE COMMISSIONER: The audio file and transcript of the recording LII 05959, recorded on 18 March, 2016 at 1.34pm will be Exhibit 254.

#EXH-254 – TRANSCRIPT SESSION 5959

MR BUCHANAN: Mr Azzi, did you recognise your voice and Mr Hawatt's voice in that recording played to you?---Yes.

Now, at the bottom of the first page of the transcript, after Mr Hawatt had asked whether anyone had come to see you today, you said to him, "No," and explained that you had a function, and then you changed the subject, you said, "Charlie, Charlie, did Charlie call you?" That's a reference to Mr Demian?---Yeah.

Why did you ask Mr Hawatt whether Charlie had called Mr Hawatt?
---What I can heard here I can't remember the time, but what I can say here must be because still haven't got the answer what I said about, what I can read from here, maybe he wants to talk to him about the CBRE or ask him or answer him for that Harrison site.

Is it possible that what you were referring to was the win that Charlie Demian had had the previous night by reason of the motion moved by Mr Hawatt and yourself in respect of the 998 planning proposal?---No, we didn't mention it.

That was a benefit that Mr Demian had received, that is to say he had progressed his planning proposal with an increased FSR for the property at 998 Punchbowl Road.---I can't recall it. I didn't mention anything about it, sorry, I can't remember. I didn't talk about it.

10 Well, there was some talk, wasn't there? If we go over the page to page 2 of the transcript of this call, Mr Hawatt said to you, "Yeah, he said that he has ticket, and I said, 'No, I have, I'm going to the city.'" You said, "Yeah. I said to him, 'I can't, I have a function tonight,'"---I don't know what, a ticket for what? I don't remember what, what the occasion was or - - -

A ticket for a Bulldogs match.---Me?

Yes.---I have a ticket for a Bulldogs match?

No, that you were offered one by Mr Demian.---No. Normally when the ticket match when I can be offered, offered by the council, then not - - -

20 Well, can I just point out to you that in that conversation, first of all you suggested at the bottom of page 1 that you understood that Charlie Demian might be calling Mr Hawatt and then we go over the page and see why you had that expectation, because you had had a conversation with Mr Demian in which you said you couldn't go to something because you had a function that night, and you said that after Mr Hawatt said that Demian said to him that he had a ticket that Hawatt couldn't accept because he had a prior conflicting engagement.---Well, I don't know what, what, what he's, this ticket was about. Can't remember.

30 Well, it's very clear, Mr Azzi, it's very clear I suggest to you, that you had received a call from Mr Demian in which he had offered you a football match ticket and you had said to him, "Sorry, I can't accept it, I have a conflicting engagement."---No, I don't remember, I don't remember this. I don't go, I never went to the football ticket or football game with Mr Demian.

40 I'm not suggesting you did. What I'm suggesting is that, on the afternoon after the meeting of the CDC where Mr Demian got his increased FSR for the planning proposal for 198 Punchbowl Road up in council, he called you and offered you a ticket, and from what Mr Hawatt says, he did the same thing to Mr Hawatt, and coincidentally neither of you were able to accept the ticket. That's what I'm suggesting happened.---Mr Buchanan, I made myself clear, I don't remember what the ticket was about and the, if I say I didn't accept the ticket, well, I can't remember what was the occasions for.

Did Mr Demian never have any contact with you in which he indicated his gratitude for your involvement in the approval by council of the increased

FSR for the planning proposal for 198 Punchbowl Road?---He shouldn't say thank you to me.

THE COMMISSIONER: He sorry, he did or didn't?---I don't remember he did say that, I did say why he has to do it.

MR BUCHANAN: Well, you had been instrumental in him getting a commercial benefit.---Not me.

10 And increased FSR for his site.---It's not me, sir.

Or at least, I'm sorry, an increased FSR in terms of the planning controls that applied to his site.---Mr Buchanan, it's not me who gave him. The council did.

Yes, but you were instrumental in that occurring because you seconded Mr Hawatt's motion. Don't you understand?---I always have to say, one, let me explain something, Mr Buchanan. When you move something and seconded something doesn't mean it's been accepted. You have to move it and you have to second it if you have to debate the situation. It must be debated and somebody has to move it and second it. Doesn't meant I accept until I vote for it. You have to move and second it to put the item for the council to debate it and later we vote on it.

My question to you was, did Mr Demian not indicate to you, I'm not saying he said something, I'm saying did he not indicate to you his gratitude for your involvement in the approval that he got for the planning proposal to include an FSR that was increased?---No. I don't remember he said that.

30 And do you remember him offering you a football match ticket?---No. He never offered me - - -

So what, in that case, are you referring to on page 2 of the transcript when you said to Mr Azzi [sic], "Yeah, I said to him I can't."---I don't remember what that - - -

Can you assist us, even though you can't remember, can you assist us though with what was happening at the time, as to what you possibly or were likely to be referring to?---I, I can't remember, sir. I'm sorry.

40 Now, at page 3 of the transcript, Mr Hawatt was saying that he would go and have a meeting with George Vasil and go to the gym. Do you see that towards the top of the page? You see that?---Yeah.

And you said, "I asked him, I asked him, Charlie. He hasn't signed yet with CBRE, that's why they haven't called George yet. Today at 3 o'clock, he's going to sign." What was that a reference to?---What the previous, well the Harrison's site sale.

So you'd had another conversation with Mr Demian, is that right?---I don't know if the same one or another one. I can't remember, sir.

Excuse me a moment. But you knew, you told Mr Hawatt that, "Today at 3 o'clock he is going to sign."---That's what he said to me.

Yes, that's likely to have been a fresh conversation, isn't it?---(No Audible Reply)

10

A fresh conversation between you and - - -?---What I - - -

- - - Mr Demian that you were drawing upon to give that intelligence, that information to Mr Hawatt.---(not transcribable) he told me when he spoke to me the same day.

As you understood it, why was Mr Demian keeping you informed as to what he was doing in relation to his arrangements for the selling of the Harrison's property?---No, he's not informing me, I must ask him, refer, must be Michael or George, they ask me if I can find out something.

20

And who asked you?---Must be I referred only one, George or Michael.

What I want to suggest is that you were sufficiently involved in what was going on between Vasil and Hawatt and Demian to be involved yourself. You weren't just a conduit, you weren't just a passive agent, you were yourself taking an active role in trying to ascertain on behalf of Charlie, I'm sorry, on behalf of George Vasil who had these purchasers, what the position was, as to whether and when George might be able to introduce the purchasers to Mr Demian and as a result, gain a commission.---Is this one question?

30

Yes. That you were reinolved in that.---No, sir, I didn't get involved officially, no.

THE COMMISSIONER: Sorry, what do you mean involved officially? ---No, just I did it, I did it for somebody asked me to do something for him for just like, it's a question, answer, did it for no reason and for no other benefit.

40

MR BUCHANAN: Well, can I take you then to the same page, a little lower down. You said, "Now, I will talk with George. I will tell him what's going on." Why did you say that to Mr Hawatt, unless you were actively involved in trying to ensure that George could introduce his purchasers to Mr Demian at some stage?---I just doing it for George, just for no reason.

Mr Hawatt said, "Okay then, I'll give you a call back when I, when I finish from George." And you said, "All right."---Yeah.

You were happy to be involved in the dealings that were going on between these three other people in relation to introducing George Vasil's purchasers to Mr Demian.---No, no, would be for another reason, but I made myself clear to them, Mr, said I don't want to get involved with any benefit from this, I don't want to get into it.

10 That's not the flavour – I withdraw that. There's no indication of that in these telephone conversations that you were having with Mr Hawatt, is there?---No.

Not the slightest indication of that.---What indication what I said whatever we can talk, but I put myself on the side, I said I'm not part of, I don't want to get into it.

20 The conversations that we have heard so far, I want to suggest to you, indicate quite clearly that you were willingly involved in trying to set up this deal between George Vasil, and to the extent that he was involved, Michael Hawatt on the one hand, to introduce George Vasil's purchasers to Charlie Demian so that Charlie Demian could then make a sale to those purchasers of the Harrison's site and as a result there would be a commission to those involved.---No, I don't want to be, I never be in part of that.

Didn't you want to get a commission or part of a commission?---No, sir.

30 Why not?---Because it's, I don't want to be part in any real estate or any dealing and I don't want to work in real estate. If I want to be part in this commission I have to register myself as a real estate agent.

That is completely contradicted by these telephone conversations that you have heard played in this room.---Sir, you are asking me a question. I don't want to be part in it because I don't want to be part in it. Whatever I did, I did it for just nothing.

40 Excuse me a moment. Can I ask you to have a look at another page in Mr Stavis's exercise book, Exhibit 207. I'm sorry, 210, can I correct the exhibit number. Can I take you to page 14 of Exhibit 210. This is a page that has three times the date, 23 March, 2016. Now, that's five days after the phone call that we just heard played, where you called Mr Hawatt and the two of you have a conversation about George Vasil and Mr Demian signing with CBRE in relation to the Harrison's site. Okay?---Yeah.

And the second entry on this page reads, "Phone call, Pierre Azzi." And then can you see a very large arrow that is pointing towards the date, 23/3/16, against that entry, "Phone call, Pierre Azzi"?---Yeah.

And underneath that in red, it has the same date, 23/3/16, there's some writing of Mr Azzi's. I do apologise, of Mr Stavis's. First entry reads, "Pierre Azzi, 5 Boronia Street." Do you understand what that entry means? ---What do you mean, the entry? It's - - -

Can you help us understand, what is your understanding? Did you have any dealings in relation to 5 Boronia Street with Mr Stavis?---Boronia Street, could be. I don't remember the site. Maybe. Boronia Street, but it hasn't got the - - -

10

The suburb?---Where the suburb.

No. Were there many Boronia Streets that you were interested in or was there only one property a Boronia Street in which you were interested?---I'm not interested, must be a referral to any call or anyone called me and referred to him. I don't know what's in the Boronia Street. What's there?

20

Now, the – yes, sorry, go on.---I don't understand, I don't remember what the issue because I have too many, every day I have too many calls and I refer each to the council but I have no idea what the issue in 5 Boronia Street to answer the question. And what's in Boronia Street?

Thank you. Now, the second and the third items read, "Has Harrison's gone out consent?" Or "gave out consent" it might read. "Gone", I think. And then fourth, the third item is Harrison's, underlined. Do you see that? ---Yes.

30

Did you ask Mr Stavis whether the consent for the development application and the accompanying section 96 application for the additional two storeys for the Harrison's site that had been approved by council on 3 December, 2015, had been issued?---I don't understand what consent.

Well, weren't you, as a councillor, frequently involved in debates and resolutions by council and by the City Development Committee for giving approval or consent of council to development applications?---Well, normally at the council I follow what's in the recommendation. It's my knowledge out of, I don't understand anything, I don't understand what the consent - - -

40

Oh, Mr Azzi.---Well, well, I follow recommendation. Mr Buchanan - - -

You mean to say all you ever did was follow a recommendation? You had no idea what was going on as to what the effect was of what you were moving or voting for? Is that what you're trying to tell us?---I always ask the question if it's, my knowledge always ask advice from the director or from a general manager, and if, and listen to other councillor (not transcribable) on the record or not. And that's what I follow. I, what mean consent? What, explain to me, what's consent?

Mr Azzi, your pretence of ignorance is an attempt to mislead the Commission, isn't it?---I'm not trying to mislead anybody. Just (not transcribable) consent. What this mean? Just, I don't know what, what is, what's his writing.

10 In dealings, in your work as a councillor, when you had been at meetings of the council and of the City Development Committee, did you ever hear the word consent being used in relation to development applications or section 96 applications? Ever hear that word used?---Maybe I hear it but - - -

What did you think it meant?---I don't know.

You don't know. That's again a lie, isn't it?---No, sir, just what mean consent?

20 Mr Azzi, it is a complete pretence on your part to suggest that you didn't know what you were doing as a councillor when voting for approvals to be given or consent to be given to development applications. That is a complete pretence to this Commission, isn't it?---I didn't answer the question, Mr Buchanan. I'm not trying to, to, to (not transcribable) I'm not, I'm not trying to do what you're saying. I'm trying to understand, I'm not trying to hide. I will answer the question. If it is Mr Stavis's writing, my involvement about Harrison could be asking him about what's happened for the, the discussion about what the progress about the laneway or anything else. But what do you mean consent?

30 Can I take you to volume 22, page 226, please. Can you see that that is the first page of the minutes of the City Development Committee of the 3rd of December, 2015?---Yes.

Can I take you to page 229, please. Can you see that that is item 18 in the minutes and it is in relation to a development application for 548-568 Canterbury Road, Campsie. That is the Harrison's site, you understand? ---Yes.

Can you see that there's a resolution there?---Yes.

40 Can you see that you moved it?---Yes.

Can you see that the motion was the general manager be authorised to issue the consent for the DA. What did you think you were moving in respect of that motion if not for a consent to be issued?---I moved that, the general motion after the chair said he accepted and I moved what is be written here, but I don't know what consent.

THE COMMISSIONER: So you just move resolutions that you don't know

what they mean?---I don't, I don't know what the consent of, the resolution has been debated at the council.

Yes.---And the chair accepted, said all right, and all the council accepted.

Yes.---And - - -

You're moving a resolution - - -?---Yeah, I moved it.

10 - - - which refers to the consent for DA and you're now saying you don't know what consent, that consent refers to or means? That's just not – I can't accept that evidence, Mr Azzi. That's ridiculous.---I'm trying to, what consent approval you mean?

It's your - - -

MR BUCHANAN: What did you think you were doing when you moved the motion - - -?---I moved the motion - - -

20 - - - on 3 December, 2015, what did you think you were doing?---That I was doing what the council agreed to do and the chair said - - -

No, no, no, the council didn't agree to anything, you initiated the process then the council agreed, and my question to you is, what did you think you were doing when you initiated that process?---I thought what I move - - -

THE COMMISSIONER: You're moving that the general manager be authorised to issue the consent for a DA. That's what you're putting your name to.---Yes.

30

MR BUCHANAN: Now – I'm sorry, Commissioner.

THE COMMISSIONER: Issue the consent. You must have understood what you were proposing to your fellow councillors.---Ma'am, what's happened that night, the general manager explained what he was proposing to the councillors and his, he stand up and he explain everything and we all agree and said, all right, we moved it the way it is, the consent, it's approval.

40 MR BUCHANAN: Did you understand what the general manager was saying when he explained it?---Maybe at the time, maybe, but now, what I have to answer?

You have to tell the truth, Mr Azzi.---I'm telling you the truth. I moved it. I'm not, it's a consent, the consent the approval of the - - -

And so the motion that you moved which was agreed to by the City Development Committee was that the general manager be authorised to do something, and that was issue the consent, a thing.---I, I, I - - -

You say you don't know what it means.---No, I - - -

It's a thing in relation to a particular development application, and I'm telling you that development application was Harrison's.---I, I can recall it now what the general manager moved that day.

10

No, you moved it.---Yeah. His - - -

THE COMMISSIONER: You moved it.---Recommendation, his recommendation. What I believe, the general manager, if it is the consent I remember the general manager said he will, the council will give authority to the general manager to sign the application, it's something like that after, if it's the consent, that's what I do understand that day from this side, the general manager will have the authority to sign when the RMS report come back. Is this a consent?

20

MR BUCHANAN: To sign what?---The, to sign the, the application.

It doesn't say that. It says, "The consent." You knew what a consent was, didn't you, Mr Azzi?---I know, I know the application, the consent that's been, the approval.

You spent years voting on whether a consent should be granted or approval should be given to applications in respect of development at Canterbury, didn't you?---The consent - - -

30

Years doing it, putting our hand up - - -?---Yeah. Follow the recommendation but - - -

No. That's not what it says. It doesn't say be authorised to follow the recommendation or that the general manager followed the recommendation. It says, "The general manager be authorised to issue the consent for the particular DA."---Yeah. He signed it, to sign it.

And what is it? Sign what?---Sign the approval.

40

The consent, yes.---The approval.

Yes. And you knew that approval was another word for consent and consent is another word for approval.---That's what I try to explain.

In this context they meant the same thing.---That's what I try to explain, sir. Approval, it's mean by the consent is approval.

So, you did know, contrary to the evidence that you gave earlier, what consent meant in that motion?---No, it was approval. The approval.

You lied to the Commission, didn't you?---Mr, I'm trying to explain and understand what the consent. I didn't try to lie.

10 And then if we go to page 14 in Exhibit 210, three months later, you are talking to, we can infer from Mr Stavis's note, you're talking to Mr Stavis and you're asking him has the Harrison's consent gone out, has it in fact been issued. Because without the piece of paper, the property doesn't have as much value, does it? Without the piece of paper saying you're allowed to put an extra two storeys on the six storeys DA, the property isn't worth as much, is it? You understood that.---I never meant this, I don't know, no. Just, I'm, I don't know what he means. If I did ask him this question, it's not because of this reason.

Well what then were you asking or talking Mr Stavis about on 23 March, 2016?---I don't remember what I said to him.

20 That's not my question. What I'm asking you is what were you talking to him about? You can see there, it's in front of you in ink, "Has Harrison's gone out consent?" Another way of putting that would be has Harrison's consent gone out, been issued? Remember the word issue in the motion? ---Yes.

The question is, has the general manager done what he was authorised to do. That's what that question meant, didn't it?---It could be, sir.

30 You wanted to know whether the actual document, being the consent, the subject of the resolution of the City Development Committee of December, had in fact been issued so that the owner could show it to prospective purchasers, didn't you?---No.

40 And if prospective purchasers could see that there was consent for an eight storey building or consents, in combination, that are for an eight storey building, then the property owner is going to get more money if the sale goes through than if the purchasers and see a consent for only a six storey building. That's logic, isn't it? That's simply rational.---No, sir. I, I don't understand it now, I don't think so.

You were making this enquiry – it's I suggest to you very clear – on behalf of Mr Demian to find out whether the consent had actually been issued so that Mr Demian could use it. Or you were doing it on behalf of George Vasil. One or the other.---No.

Well, can you tell us, can you give us any other explanation as to what that could possibly mean?---My involvement with Mr Stavis about Harrison's,

sir, just I want to make sure what's going to happen for my, because I was, the only thing that's worried me about - - -

For your what?---I want to see what's going to happen to the laneway, that's my interest about this site only.

10 But you knew perfectly well that the DA for six storeys had been approved, the DA for an additional two storeys had been approved. You'd been involved in making sure that happened. There was no opportunity for a laneway to be added unless someone put in an application that would radically change Mr Demian's plans.---It was under discussion or such of time. That's why my involvement in Harrison's.

20 No, no, no, no. We've seen that your involvement was far more than any laneway. We've seen and heard that your involvement was in being a person who was taking messages at the very least from a real estate agent acting for purchasers, from Mr Hawatt who had an interest in it to Mr Demian and then conveying what Mr Demian said back to George and to Mr Hawatt. We can hear that. The evidence is clear.---Yeah.

You had far more of an interest in Harrison's than just the laneway you told us about earlier. That's clear. You admit that, don't you?---No, sir.

30 And what we have here is a clear indication that you were talking with Mr Stavis about Harrison's at a time when that matter was no longer for decision by council. The decisions are long gone and past. There was no role for councillors to play anymore. The only role that you could have been playing was to assist in the potential sale or at least introduction of purchasers to Mr Demian. That's the only possible thing that could be going on here.---No, sir.

Well, you tell us what else could have been going on.---I said before, my interest was Mr Stavis and my inquiry with Mr Stavis how we could achieve and change the design on the laneway. That was my interest in Harrison's site and that's what all my interest in Harrison's and with Mr Demian to achieve a laneway.

40 That is patently false evidence that you're giving. You've heard the recordings of your voice showing that you had another interest, a completely different interest.---No, sir. It's not an interest. I just did a phone call and answer a question. It wasn't, I had no interest in the sales of Harrison at all.

Why were you trying to find out in March, 2016 whether the consent for the additional two storeys that had been authorised in December had been issued?---Well, it could be for another thing. It could be asking Spiro what's going to happen.

Why?---What's going to happen if this, with the, with the laneway because it has to be, how we can achieve. I have no other interest, sir. My interest was about just change the design.

Please, Mr Azzi, don't compound your situation. You're just making it worse by continuing with those statements. Excuse me a moment. Now, can we play, please, another recording. Telephone conversation LII-08500 recorded on 11 May, 2016 at 10.19am. This is the day before amalgamation was proclaimed and it's a portion only.

10

AUDIO RECORDING PLAYED

[10.49am]

MR BUCHANAN: The conversation went on but is not relevant to these proceedings, Mr Azzi, because it was on different subjects. Commissioner, I tender the audio file and transcript of that extract of the recording.

20 THE COMMISSIONER: The audio file and transcript of the extract of the recording LII 085000, recorded on 11 May, 2016 at 10.19am is Exhibit 255.

#EXH-255 – EXTRACT OF TRANSCRIPT SESSION 5959

MR BUCHANAN: Mr Azzi, you heard that recording?---Yes.

Did you recognise your voice and that of Mr Hawatt?---Yes.

30 Now, in the first page of the transcript towards the bottom of the page, Mr Hawatt informed you, "We met with that Charlie." You heard that being said?---Yeah.

He said that he was there, he, Mr Hawatt, was there.---Yeah.

And then you asked him what happened.---Yeah.

40 You were interested in what had happened, weren't you?---No, interest what happened because Michael is involved in it and I ask him how he's doing because if I want to go and be interested to it I would go to the meeting.

And is that the only interest you had, that whatever Michael was doing you were interested in hearing about?---No, because he's been dealing with and he want to be part of it, I said I don't want to be part of it, I'm asking him how did he go.

This conversation doesn't have that in it either, does it, that you didn't want to be part of it?---No, I'm asking Michael how did he go.

No, no, no. Your evidence that you've repeated that you said you didn't want to be part of it - - -?---Yeah.

- - - is not recorded in this conversation either, is it?---No.

No. And indeed instead you show interest in it, don't you?---No, sir, I ask question.

10 Page 2.---Yeah.

Mr Hawatt said, "Oh, looks it the offer apparently it's not," I'm sorry, "It's no good for him so he, they gave him, he's got to think about it."---Yeah.

Hawatt said, "He is thinking about it." You said, "He is stupid if doesn't think about it because what George told me it's going to be around."
---Yeah.

20 You're plainly interested in the offer as you understood had been made to Mr Demian the day before at the meeting that Mr Hawatt had attended be accepted by Mr Demian.---Well, I've been listening and hearing what was going on but I made myself clear I don't want to be part in it. I, I was listening to the what's happening, I was, like, they're telling me what was going on and I've been around what was going on but I didn't get any involvement in the sale of part of any meetings or I don't want to be in it.

30 Why did you say to Mr Hawatt, "He is stupid if he doesn't think about it?"
---Look, because I'm talking about what Mr Hawatt said about the offer, I don't know what - - -

Why did you think that Mr Demian would be stupid if he didn't think about it?---I don't think I was referring to what was the offer, it's just - - -

Well, it sounds as if you, not only were referring to what was the offer but that at the time you knew what the terms of the offer were, that you knew what the offer was.---Could be.

40 Because what you're saying is, the potential vendor is stupid if he doesn't take the offer. That's what you're saying, isn't it?---Could be, yeah.

And then you referred to the fact that there had been another conversation between you and George Vasil about, it would be likely, the offer itself. "It's gonna be around." Hawatt then said, "It's going to get worse." He thought it was going to get worse and then when Mr Hawatt confirmed that Demian had said he's going think about it, you said, towards the bottom of the page of page 2, "That means he didn't reject it. That means he's going to think about it." So you were expressing optimism or hope that the deal,

the potential deal, wasn't dead in the water.---That's, I, I was telling Michael, like - - -

No, you aren't.---Yeah, I - - -

No, no. No, no.---I, I was saying to Michael.

You're expressing an opinion.---To Michael.

10 Yes. You're expressing an opinion which betrays hope or confidence or optimism that the offer might still be accepted at some stage in the future. ---To Michael, yes. I'm- - -

What was the offer?---I don't remember what was the offer.

How many millions, roughly, ballpark figure, how many millions?---I can't remember what was the offer.

20 Well, you knew at the time what the offer was though, didn't you? ---Because I been talking around, yeah, and George saying - - -

George told you?---Yeah. But I don't remember what was the offer at the time.

Well, was it 1 million or 10 million, 12 million? How much?---I have no idea, no, it's more than - - -

30 You thought it was a respectable offer though, at this time, didn't you? You thought it was a reasonable offer.---That what I been told by the, by George and - - -

But you had formed your own opinion that it was a reasonable offer. ---That's my opinion.

And you had an interest, plainly, in Mr Demian not rejecting the offer? ---No, I had not ever any interest, sir.

40 Now, can I take you to the third page where you told Mr Demian – I withdraw that. If I can just take you back to the bottom of page 2, just to provide you with context. Hawatt said, at the bottom of page 2, "It's not bad. It's close. I mean, to me, it's close." Page 3, you said, "Yeah." Hawatt said, "What he's saying, but we'll see what happens." You said, "I don't think he's getting what he's saying." Hawatt said, "I don't think so either. I agree with you." Now, is that a reference to what Demian was saying or what George was saying? In other words, is it a reference to George's offer, as conveyed at the meeting that Mr Hawatt had attended with Mr Demian, or is it a reference to some indication Demian had given, as you understood it, as to the money he wanted?---I don't know who I was

referring this, this conversation, Demian and or George. Could be one, one of them.

Well, I want to suggest that the likelihood is, given the context, that you had some idea of what Mr Demian was asking for and you were expressing an opinion that he wasn't going to get that amount and therefore he's stupid for not accepting the offer that George was making on behalf of his purchasers. ---No. I had an idea because this sale was in the public and on that day, I think it's been, it's been, it's been in the market, that sale and everybody
10 knew what the price was on.

Right, so you knew because everyone knew?---Yeah, but, at that time, yeah.

Now, you knew that this meeting was going to happen, I take it. Hawatt had indicated to you that this meeting was going to occur with Demian.---Yeah, I heard they're going to meet with him.

Did you know that, did you know whether Mr John Debassis was going to be there?---Who's John Debassis?
20

All right. You didn't know that there was any connection between George Vasil and John Debassis in relation to the offer?---I don't know John Debassis.

Did George ever say anything to you to indicate that he either was going to attend the meeting that Hawatt and Demian went to or had attended the meeting?---I don't remember if he attend the meeting. I know Hawatt was at the meeting.

30 Can you assist us as to your understanding as to why Mr Hawatt was at the meeting?---Mr Hawatt was interested to be involved in the sale and that's why he went to the meeting.

And what was your understanding? Was Mr Hawatt essentially on George Vasil's side, that is to say, the purchaser's side - - -?---Yeah.

- - - rather than Mr Demian's side? He wasn't acting as some sort of agent for Mr Demian. Is that your understanding?---No. I don't know. Mr Hawatt was, he had, he used to talk to Mr Demian and with George.
40

Yes.---And I don't know he's been acting on behalf of which one, you know, but I think he was working with George.

Yes. You - - -?---Because the offer came from George.

Yes, and you had had all these conversations with Mr Hawatt in which it was clear that Mr Hawatt was interested in the introduction of particular

purchasers that George had to Charlie Demian?---That was the, his interest in it.

Now, then a bit above halfway down page 3 Mr Azzi said, I'm sorry, you, sir, said, "Yeah, I'm telling you because that's why he tells you he thinks about it. It means it's a serious offer." That was your opinion. You were telling Mr Hawatt that you thought it was a serious offer meaning that it was serious money that was being offered.---I've been, been talking me and Hawatt is it? Just guessing.

10

I'm sorry, sir. Okay. Do you see halfway down the page, do you see where the hand is next to your name?---Yeah.

Just a bit above halfway down where you said, "Yeah, I'm telling you because that's why when he tells you he thinks about it means it's a serious offer."---That's what I questioning to Hawatt. Tell him it mean you heard, yeah, it's serious offer. He told him, I told him Hawatt is, he told you a serious offer.

20 Yes, but why did you characterise the offer as a serious offer?---It's, I asked Hawatt it's a serious offer.

No, you weren't asking you were telling him. That was your opinion that it was a serious offer.---Well, I don't know what, on that day why I said to him this, serious office, at that time. Maybe it was a conversation.

Well, that would have been an opinion - - -?---I'm asking Hawatt - - -

30 I'm sorry, I interrupted you. Go on.---I'm sorry. You know, we've been asking, you know, Hawatt telling me the story and I did, maybe I could asking Hawatt is that a serious offer?

No. It's very clear that you were telling Mr Hawatt your opinion that from your knowledge of what you had been told about the offer it was a serious offer. That is to say, there were actual live purchasers that George Vasil had and that reasonable money was being offered.---Sir, it's translated. I said I think about it. It means serious offer what - - -

40 No, no. Sir, sir, sir, it's a serious offer was in English.---What, what did it say in Arabic? Think about.

Do you see the words, "It's a serious offer?"---Yes.

They're not in square brackets. What that means in the transcript is, you spoke in English when you used those words.---I said it's serious offer?

Yes.---Yeah, I've been telling Hawatt is serious offer?

Mmm.---What the question, what I think, what, it was serious offer?

It means that you formed an opinion from everything you knew about it that there were actual purchasers that George had and that a reasonable amount of money was being offered, given the asset which Demian was putting on the market.---I don't understand (not transcribable) the question, sir.

10 What did you mean by, "It's a serious offer?"---Just I said, nothing, I mean, what if it's been, I meant nothing to it, I said, I'm asking Hawatt what, what for him is serious offer.

So you did know a bit about selling and purchasing real estate, didn't you?
---No, sir.

You knew enough to form a judgement about whether a vendor or a potential vendor should accept an offer from a purchaser or a potential purchaser, didn't you?---No.

20 Because you were expressing that opinion in this conversation.---No, I ask, it looks like I did ask Hawatt a serious offer? I never been in sales before.

Excuse me. Commissioner, could I apply please for a variation of the publication order made in respect of the evidence given by the witness to the Commission on 2 December, 2016, a further variation, this time in respect of a passage on page 703 of the transcript of that evidence, line 33 to line 41.

30 THE COMMISSIONER: The non-publication order made on 2 December, 2016 in respect of the evidence of this witness is varied to exclude the evidence which is recorded at the transcript of the examination commencing at page 703, line 33 and concluding at line 41 on the same page.

40 **VARIATION OF SUPPRESSION ORDER: THE NON-PUBLICATION ORDER MADE ON 2 DECEMBER, 2016 IN RESPECT OF THE EVIDENCE OF THIS WITNESS IS VARIED TO EXCLUDE THE EVIDENCE WHICH IS RECORDED AT THE TRANSCRIPT OF THE EXAMINATION COMMENCING AT PAGE 703, LINE 33 AND CONCLUDING AT LINE 41 ON THE SAME PAGE.**

MR BUCHANAN: Mr Azzi, I'm going to read to you from the transcript of evidence that you gave to the Commission on 2 December, 2016. When I've finished reading it I will ask you some questions about it. Question. "Has it ever been suggested to you that you become involved in the sale of Mr Demian's properties?" Answer. "Yes." Question. "Who suggested that to you?" Answer. "I've been asked once by Mr Vasil to join, join his

team in marketing.” Question. “And when was that?” Answer, “Not long ago. We think, we discuss it, I think when we, after the procla, after the dismissal or time being he said, ‘I want you to join our marketing team and involve in sales.’” Did you hear that being read out?---Yeah.

That evidence was false or misleading, wasn't it?---No, sir.

Excuse me.

10 You see it's clear that you were asked to get involved in at least the potential sale of the Harrison's site by George Vasil.---Yes, I said that.

Before the amalgamation.---No, after. The offer came after.

You've told us that he asked you to make an approach to Mr Demian. ---Yeah, he asked me a question before to, just a question to ask him if his site for sale.

And you did?---Yes.

20

You didn't say that in answer to the question that I just read out to you, “Has it ever been suggested to you that you become involved in the sale of Mr Demian's properties,” did you?---But, sir, I didn't get involved at that time, just a question and for my opinion my involvement was like, outside for any benefit, just a question ask and I did this from outside the code. I haven't been involved or not hired or doing a job or getting any benefit for it.

30

But you were plainly involved and I suggest deeply involved.---No, sir, I was not deeply involved. I've been outside the code, involved like outside, like, conversation been happen, asking how are you doing, everything going all right for youse, didn't do any involvement of participate for any benefit or been like working as a salesperson.

40

I wonder if we could look at the transcript of these proceedings yesterday, page 6070. I understand it mightn't be able to be put on the screen. I'm going to read to you from evidence that you gave yesterday, Mr Azzi. Page 6070 commencing at line 8. “I'm talking about the time you told us about.” Answer. “Yeah. I told you about the time when I'd been offered to work for him,” sorry, “with him.” Question. “Yes. And what I'm now asking is a different question. At that time I'm now asking about your knowledge at that time.” Answer. “Yeah.” Question. “At that time were you aware of anyone having tried to get an agency agreement from Mr Demian for the Harrison's site?” Answer. “No. I, I ask him before.” Question, “Were you?” Answer. “He ask me, Mr Vasil ask me before to ask the question but he didn't offer me the job, he offered me the job after it's two.” Question. “Thank you.” Answer. “That's make me confused.” Question. “That's important. When was it before?” Answer. “I don't remember the date but

it's been asked way before when I see Mr Demian if it's possible to ask him if he want to sell the site." Question. "So there's two separate things here." Answer. "Yes." Question. "I understand what you're saying, and both of them are approaches to you by George Vasil." Answer. "Yes." Question. "One is an approach after amalgamation about whether you want a job in real estate and the other is an approach before amalgamation in which he asks you to ask Mr Demian if he's willing to sell his site and whether George could be part it." Answer. "Yeah, it, it, yeah, the question has been asked before amalgamation and I, I did ask him before the amalgamation." ---Yes.

So you always knew that you had been asked to become involved before amalgamation, didn't you?---No, I said, I said yes.

But you chose - - -?---I said yes.

- - - when giving evidence on 2 December - - -

MR PULLINGER: Can he please be allowed to answer? He's in the process of answering and he just - - -

MR BUCHANAN: Yes, you said, you said, we've heard what you said. I've read it out to you.---I said yes. I said, yeah, he asked me before the amalgamation to ask the question.

That's not what you said on 2 December in answer to the question, "Has it ever been suggested to you that you become involved in the sale of Mr Demian's properties?"---Yeah, sir, I haven't been offered to be part of the sale. It come after the amalgamation. I haven't been offered to be part of the sale.

You were interested in the subject of an agency from Mr Demian for the sale of the Harrison's site before amalgamation, weren't you?---Pardon? Excuse me? I don't know.

We're talking about before amalgamation.---Yes.

You, during that period, were interested in the subject of an agency from Mr Demian for the sale of the Harrison's site, weren't you?---I don't understand the - - -

Interested. You were interested.---Interested, no.

The evidence, I'm going to suggest to you, shows that you were clearly interested.---I wasn't have any interest in it, no.

Were you interested in the prospect of a commission yourself from the introduction of purchasers or potential purchasers to Mr Demian for the sale of the site?---No.

You were closer to Mr Demian than George Vasil was?---I know them both, yeah.

10 You were closer to Mr Demian than George Vasil was?---No, not, not really close. Mr Demian is a, is a person I know. We just have to know each other. It's a professional friend, like, and it's my relationship with him,

It's, you had a closer relationship with Mr Demian than George Vasil did, and George Vasil knew that, didn't he?---No.

20 Why did he ask you to approach Mr Demian in that case, rather than do it himself?---At the first, when he asked me, he said when he heard the site for sale, he said I haven't got the contact of Mr Demian and if you have any chance, when you see him to ask him if his site for sale because he heard that.

I'll ask my question again. I'll reframe it. What was your understanding about why Mr – I'm sorry. What was your understanding about why Mr Vasil asked you to approach Mr Demian rather than Mr Vasil approaching Mr Demian directly himself?---That's what I said, because what Mr Vasil said to me, he said I haven't got his contact number, I cannot approach him. If you have any chance, see him, I heard his site is for sale. Can you please ask him.

30 And did you say here is his contact number, ring him yourself?---I can't give him his contact number without Demian approval.

So you had something that Mr Vasil didn't have, access to Mr Demian. ---Because Mr Demian, yeah.

Yes. And so that made you valuable to George Vasil, if George wanted to get a fee, a commission from the introduction of purchasers that he had to Mr Demian, with a view to them purchasing Mr Demian's Harrison's property.---I didn't take it this way.

40 Why wouldn't you endeavour to, why wouldn't you try to get something in exchange for you were contributing to this potential deal? Why wouldn't you try and get part of a commission yourself?---Because it's, I was a councillor and it's, it's illegal to take any commission. I'm not a real estate agent. It's not my job.

But if you weren't a councillor, then there was something in it for you, wasn't there?---If I, sorry?

If you were not a councillor at the time before amalgamation when you were doing this work for Mr Demian – for Mr Vasil, there was something in it for you because you had something that George didn't have, which is access to the vendor.---I have to be, I have to be a real estate agent to get commission and I'm not real estate agent and I can't be (not transcribable)

Have you been talking to George Vasil about this evidence?---About what?

10 Have you been talking to George Vasil about his evidence or your evidence in this Commission?---I don't understand the question. Talking to him now?

George Vasil. You know the man? He sits in the back of the Commission occasionally and watches the proceedings.

THE COMMISSIONER: Or sits outside. You know George Vasil?---Yes.

MR BUCHANAN: Yes.---Talking now about the evidence?

20 You know Mr Vasil?---Yes.

Yes. You know you are giving evidence in the Commission now?---Yes.

You know that George Vasil has given evidence in the Commission before? ---Yes.

THE COMMISSIONER: And you know Mr Vasil on occasion sits in the hearing or is sitting outside the hearing.---Can you, can you repeat, madam?

30 When you have come to give evidence you have seen Mr Vasil either in the hearing room or outside the hearing room.---At the moment I don't know who's sitting there.

No. You've been - - -?---Oh, sorry, yeah, when, when - - -

Yeah.---When I walk outside.

You've seen him, yeah.---Yeah, I've seen him, yeah, yeah.

40 And you say hello.---Yeah, hi George, yeah.

MR BUCHANAN: Now, you know what the word talk means, talking to George Vasil?---Yes, yes.

George Vasil talking to you?---Yes.

You know what your evidence is in this Commission, you know that George Vasil has given evidence.---Yes.

Have you talked with George Vasil about his evidence in this Commission or your evidence in this Commission?---No, sir.

You're quite sure about that?---Definitely I never discuss evidence with him.

Why do you think you needed an agency to get a commission, where did you get that idea from?---Well, Mr Buchanan, it's a while ago, I'm a, I'm a Labor councillor and I - - -

Why did you think that you needed to be a real estate agent to get a commission, where did you get that idea from?---It's before, you have to be a real estate agent to get commission.

How did you know that?---It's way before.

How did you know that?---I know it because I know, to get a commission you have to be - - -

Where did you get that idea from, if not from George Vasil?---Get an idea from before I know George Vasil.

So you know a bit about real estate agency business.---Yes.

Mmm. And you knew as well that it was entirely possible to get a commission out of a vendor for introducing a purchaser without being a real estate agent, didn't you?---No, I don't, no, I don't know this.

Why couldn't it just be under the table?---It's illegal under the table.

And what, you wouldn't do anything illegal?---No.

But if it weren't illegal, you had something of value to George in what he was trying to do with Charlie Demian, didn't you?---No, I did it just for nothing.

I'm sorry, go on.---No, I did it just for, for no reason, I just, it's a, I did it just for that early stage, just I think I'm doing like, anything, any, anyone ask me to do something it can be done, it's just nothing, just deliver a question, and I didn't take it as I want to get any benefit or value to anybody.

And if the meeting that Mr Hawatt told you about on 11 March, 2016 that he'd been at the previous day with Charlie Demian, in which Charlie Demian did not accept the offer that was apparently made for the Harrison's site, if that had been accepted then that would mean that Mr Vasil would have got something that he wouldn't have got if you hadn't introduced him

to Demian in the first place, if you hadn't set up the relationship between Vasil and Demian.---No, he could find him another way.

But the way he did it was via you, wasn't it.---It could be, that's what I did.

And so that's the sort of thing that usually earns people money in a business deal, isn't it?---It's, it's for one question, if they can earn the money, well, what I can say, but I didn't, I did it for him and I never think what if he going to proceed or yes or no.

10

Didn't you think there might be a commission or part of a commission in it for you?---No, sir. I've been asked. I said I don't want to be part in it.

Did you hope that your relationship with Demian would get you a commission or part of a commission on the introduction of a purchaser to Mr Demian?---I never get interest about getting anything (not transcribable)

20

Mr Azzi, the Commission has got evidence that in a meeting George Vasil told Laki Konistis and John Dabassis that a person called Pierre needed to be included in the project to introduce purchasers whom Dabassis had to Demian.---Yes, his word, yeah.

Can you give us any assistance as to why it would have been that Mr Vasil would have told Mr Konistis and Mr Dabassis that a person called Pierre needed to be included in the calculation of the commission?---I don't know, sir. I never asked for it.

30

It would make sense for Mr Vasil to be telling the people who were representing the purchasers that he was himself representing that they needed to take into account the work that you had done, wouldn't it, because you added value, you provided an introduction which wasn't otherwise going to be made?---Sir, I said before I wasn't have any interest to getting anything and I never ask for anything and I made myself clear to George when he approached me, and to Michael as well, I don't want to be part of any discussion or sales or anything.

40

And you knew very well, didn't you, that if you were involved by way of liaison as it were between Vasil and Demian and a sale went through that you would be entitled to a share in the commission that went to the people who introduced the purchasers to Mr Demian because you were one of those people?---This question is too, can you repeat the question, please.

If the sale had gone through you would have been one of the people who had introduced the purchasers to the vendor.---If the sales went through?

Yes. You would have been one of the people who had achieved that because you had been involved in introducing the purchasers to the vendor. ---No, I didn't go all the way, no. I didn't want to.

THE COMMISSIONER: But you played a role because you made that introduction.---Madam, Madam Commissioner - - -

Do you agree with that?---Yeah.

10 That you played a role. Do you agree with that?---I played, I played a role at the early stage. Just a question asked and that's it. When, and it stopped there and I made myself clear, I can't be in real estate and I can't be part of any commission later on. This, this offer came after the amalgamation me to, to be in real estate but because I can't get it, the job because it's against Labor policy to be as a real estate agent then run again for the council. That's why I said I don't want to be part of it.

MR BUCHANAN: And so the question of a commission did come up and you responded to it.---Excuse me?

That's your evidence?---Did what?

20 You've told us, you told the Commissioner a moment ago that you told George that you can't be part of a commission.---Yeah, after.

Why did you tell George that?---When he offer me, I said before, Mr Buchanan - - -

No, no, no, no, stop there. When he offered you what?---Well, you make me confused.

30 No, I don't.---I said before - - -

You said the word offered.---Yeah.

THE COMMISSIONER: You just answered, as Mr Buchanan said, that I told George when - - -

MR BUCHANAN: That you couldn't be involved in a commission. ---Yeah, when he offered me the job.

40 THE COMMISSIONER: But that was - - -?---After the amalgamation when he offer me to be part of the sales and be in real estate, I said no, I can't be. I don't want to be.

MR BUCHANAN: But we're not talking about after amalgamation. We're not talking about that transaction. We're talking about the transaction that occurred before amalgamation which has been the subject of the evidence that you've been giving for the last few hours, including yesterday, and which are the subject of the telephone conversations that you were having with Mr Hawatt, about the introduction of Vasil by you to Demian.---Mr

Buchanan, you get me confused. Sometime you move to this subject and you go back.

I don't.---But Madam Commissioner asked me the question when the offer came in and I'm trying to respond, now you, you jump to before. Madam Commissioner, I get confused (not transcribable). You jump, you went back to the first question. When you asked the question and replied. I wasn't a part in any sales but the offer came after the amalgamation, when he said I want you to be part of the team and I said I can't be part of any sales team with you. I can't work at the real estate. That's the offer when it came in. Now, tell me, in which, are you asking before or after? You make me confused.

You're the one who's using the language that we're asking you about, Mr Azzi. You say, do you, that after amalgamation, you were offered a commission by George Vasil?---To, to work, after amalgamation, yeah.

Yes. You haven't told us that before.---Yes, I did.

20 No, you haven't. You told us that you were offered a job in real estate. ---Yeah, job at real estate.

You didn't say that you were offered a commission.---The job as a real estate. I got - - -

You didn't tell us that you were offered a commission. What I'm asking you now is, please tell us about the conversation in which George Vasil offered you a commission.---George Vasil offer me, now, I did respond. Now - - -

30 THE COMMISSIONER: No, no, no. Stop.---Yeah, please, please.

You said that you've been confused. Mr Buchanan is asking you a question about your evidence that Mr Vasil offered you a commission, right?---Yeah.

Now, Mr Buchanan's asked first, when did that occur? Was it post amalgamation, are you saying?---Yes.

All right.

40 MR BUCHANAN: And what was said? What was said.---After amalgamation.

No, no, no, no. I don't care when it was now, I'm just simply asking you when George Vasil offered you a commission, what was said?---It's after amalgamation. Mr Vasil - - -

Are you saying that you were offered a commission before amalgamation as well?---No. No.

Well, in that case, why can't you answer the question as to what was said when George Vasil offered you a commission?---I'm trying to say - - -

10 THE COMMISSIONER: Answer that question, come on, Mr Azzi. What did Mr Vasil say to you?---I'm trying to, Mr Vasil offer me a job to be under commission in real estate and work under commission and I said to Mr Vasil clearly I can't be in real estate because against Labor policy. I can't do a job because I'm thinking to run again as a candidate. That's why I reject the offer to Mr Vasil. It's after the amalgamation. That's what he want and I been offered a job.

MR BUCHANAN: And was anything at all said by George Vasil before amalgamation about commission?---To me, I said, at the early stage, Mr Buchanan, I declare myself to Mr Vasil and to all - - -

That's actually not what I have asked you. I've asked you did Mr Vasil say anything to you about commission before amalgamation?---No.

20 Were you not interested in what George Vasil was going to get from any introduction of his potential purchasers to Mr Demian?---No.

But you understood that that would be something that would get George Vasil money?---If the sales go through, of course he will get money.

By way of commission.---Excuse me?

30 By way of commission, that would be the money he would get, a commission?---In real estate, you get commission, yeah.

I note the time, Commissioner,

THE COMMISSIONER: All right. Just before we break, a correction. When I read out the description of Exhibit 255, I referred to LII 085000, it was only 08500. All right. We'll adjourn for morning tea and resume at five to 12.00.

40 **SHORT ADJOURNMENT** **[11.35am]**

MR BUCHANAN: Excuse me, Commissioner.

Mr Azzi, earlier today I played you a recording, if we could see the first page of the transcript, please, Exhibit 254, and this was on 18 March, 2016 at 1.34pm, and what's on the screen in front of you now is the first page of that transcript.---Yes.

And then if I can take you, please, to page 3, that was it records that in the middle of the page you said, "I asked him, I asked him, Charlie, he hasn't signed yet with CBRE, that's why they haven't called George yet, today at 3 o'clock he's going to sign." And then a little further down on that same page can you see that you told Mr Hawatt, "Now I will talk with George and I will tell him what's going on." Do you see that?---Yeah.

10 Can I play you another recording. Can we play, please, LII 05972, recorded the same day, 18 March, 2016, which was a Friday by the way, Mr Azzi, commencing at 3.31pm.

AUDIO RECORDING PLAYED

[12.04pm]

MR BUCHANAN: Commissioner, I tender the audio file and transcript of that conversation.

20 THE COMMISSIONER: The audio file and the transcript of the recording LII 05972, recorded on 18 March, 2016 at 3.31pm will be Exhibit 256.

#EXH-256 – TRANSCRIPT SESSION 5972

MR BUCHANAN: Mr Azzi, you heard that recording being played, did you?---Yes. Yes.

30 You recognised your voice and that of Mr Hawatt?---Yeah.

I informed you that was a Friday. This is an occasion when you were providing hospitality, at your house, to Jim Montague and Bechara Khouri. ---Providing hospitality?

Yes.---They there.

Yes. Why do you think they were there?---I don't know. Jim came sometimes after, on Friday afternoon.

40 That's because you invited him.---No. He calls sometimes and said, you at home, I want to pass by.

Oh, I see. Mr Montague himself invited himself to your house sometimes? ---Yeah, he normally calls, every, most of the Fridays or sometime when he finish work, he called me and said are you at home, I'll pass by.

I see. And that was most of the times that Mr Montague came to your house in the period 2014-16, he invited himself or he got your permission first but

he asked you whether he could come over to have a drink?---Yes, yeah. Sometimes.

And then have something to eat?---Not necessarily.

Now, Bechara, why was he there on this occasion?---They, normally, sometimes they go, like, just, they mostly, some, most of the time they go together and they used to go, him, Bechara and the mayor go to Il Buco for lunch and after they finish lunch, sometimes they come, Jim comes back to -
10 - -

To your house?---Yes.

I see. And when you say they. Do you mean Bechara was, as you understood it, in the habit of having lunch at Il Buco with Mr Montague?
---Yes.

And that after the lunch sometimes Mr Montague would ring you and ask if he and Bechara could come over to your place?---Yeah, sometimes they
20 organise together, they called me if I'm at home.

You know that the Il Buco publicity was started on 25 January, 2015.---Yes.

This was 18 March, 2016.---Yeah.

Are you saying that notwithstanding the publicity about the general manager going to Il Buco that started in January 2015, he was still having lunches at Il Buco on Friday afternoons or Friday lunchtime - - -?---Yes.

30 - - - well into 2016?---They kept going, yeah.

I see. With Bechara Khouri?---Sometime with Bechara but mostly he said he used to with him and the mayor every, most of the Fridays.

In 2016?---They kept going, yeah.

I see. Now, this is an illustration, is it, of a situation when, as you understood it, George Vasil wanted to see you and Mr Hawatt at the gym next to his office?---That's what Michael said to me, he wants to see me.
40

And Michael ended up saying he would go because you indicated that you couldn't because you had to entertain Mr Montague and Mr Khouri.
---They're coming to my place, yeah, because they were - - -

Thank you. Can I take you, please, to another recording, Exhibit 134. This is a conversation on Saturday, 14 May, 2016, so it's two days after the proclamation of amalgamation, 14 May, 2016, and it's a telephone conversation that commenced at 11 o'clock in the morning.

AUDIO RECORDING PLAYED

[12.12pm]

MR BUCHANAN: Mr Azzi, you heard that recording being played, did you?---Yes.

10 Did you recognise the voices of yourself and Mr Hawatt?---Yes.

On that occasion why were you having a meeting with Mr Demian at the Lantern Club?---To, just for a coffee.

I'm sorry?---Just we're having coffee.

Yes. You described it as a meeting.---Oh, I'm meeting, I'm, I met maybe telling me, normally will say I'm meeting with someone having coffee.

20 I see.---Not official meeting, we sit on the table and everybody was having coffee.

I see. Why were you having coffee with Mr Demian on that occasion? ---I believe Mr Demian called me to ask me how I'm feeling after amalgamation, said, "Have you time we have a coffee?" On his way to work normally. And I said, "All right. Let's have a coffee."

30 Was there any discussion about the Harrison's site at that coffee meeting? ---No, not me with him, no. I didn't have, I don't remember we discussed Harrison site sold, it's, I don't, I don't remember we discussed it. Me and him have just coffee.

Commissioner, could we play another recording, please. This is LII 10864 on 7 June, 2016, commencing at 3.07pm.

AUDIO RECORDING PLAYED

[12.15pm]

40 MR BUCHANAN: Commissioner, I tender the audio file and transcript of that recording.

THE COMMISSIONER: The audio file and transcript of the recording LII 10864, recorded on 7 June, 2016, at 3.07pm, will be Exhibit 257.

#EXH-257 – TRANSCRIPT SESSION 10864

MR BUCHANAN: Mr Azzi, you heard that recording being played.---Yes.

You recognised the voices of yourself and Mr Hawatt.---Yes.

Can I ask you some questions about the conversation, please. If we could go to page 3 of the transcript. You see the top of that page, Mr Hawatt is recorded as saying, “No, there’s only today there was this, George went to what’s-his-name, he went to Charlie.” That’s George Vasil went to Charlie Demian as you understood it.---Yeah.

10

And Hawatt said, “He went over there to Parramatta.” That’s to Mr Demian’s office in Parramatta, as you understood it?---Yeah.

Now, you asked a little bit over halfway down that page, “And he didn’t tell you what he did?” Do you see that?---Yeah.

Why did you ask Mr Hawatt that question?---I did ask Mr Hawatt this question because I refer to the first question, what George did.

20 Yes. Why did you want to know what George did at Charlie Demian’s office?---Yeah, what he did.

Yes. Why did you want to know?---Why, why he went there, what for.

Yes. Why did you want to know?---I don't remember why. Why he went there.

Well, we’ve seen that you had an interest in Mr Vasil’s dealings with Mr Demian in relation to the property known as the Harrison’s site.---Yeah, I have no interest, sir.

30

You had a curiosity about it, didn’t you, at the very least?---What do you mean curiosity? No.

Well, you wanted to know what was happening.---It could be, just.

And you know that one meeting Mr Hawatt said occurred in the telephone conversation with you on 11 March, in which an offer was conveyed to Mr Demian and at that time he didn’t accept it. He said he’d think about it.

40

---Yes.

So were there further offers that were put to Mr Demian or were there any further dealings between Vasil and Demian with a view to Vasil introducing purchasers to Mr Demian for the Harrison’s site?---I, I don’t, I don’t know what’s happened between the, and what’s going on.

But you wanted to know.---Well - - -

And my question is why did you want to know?---Just general information. I have no interest, just I want to know.

Except that you obviously did have an interest in the sense that you've just used that word.---No, I don't have any interest, sir.

10 Can I ask you about the exchange at the bottom of page 3. Can you assist us, please, Mr Hawatt talked about what I suggest is a different topic. He said, "So the, the rest there is, there is," and this is in Arabic, "there is the one for," f-o-r, and then in English he said, "Joe. I am waiting on," and then in Arabic, "I sent a message to what's his name to," and then in English, "Matt." Do you see that?---Yeah.

Who was the Joe that you understood Mr Hawatt was talking about?---I know one Joe.

20 Yes.---From general, it's, I don't know if he meant the guy's name, if he refer to the guy. I'm not hundred per cent sure but I know one Joe. From my memory is Joe Alha.

Is it possible you understood Mr Hawatt in that conversation to be talking about Joe Alha because you see, you didn't ask him which Joe?---At the, at time being, if I, the guy is what I'm saying, it's the right person and I know this person, I heard about him.

He was a developer?---Joe Alha, yes.

With a project in the Canterbury local area?---He had.

30 Now, Mr Hawatt said that he told Joe, assuming it's Joe Alha, about the Campsie master plan. Now, actually, I just withdraw that, that's wrong. I withdraw that. I made a mistake. If you can see the bottom of page 3, you can see that after referring to Joe, Mr Hawatt said, "I'm waiting on, I sent a message to what's his name, to Matt."---Matt.

Yes. And so we should read in the transcript, page 4 at the top of the page, the word, "him" as being a reference to Matt Stewart.---Yeah, Matt Stewart.

40 Thank you. Now, you understood, did you, that at the time of amalgamation there was draft master plan for Campsie which was being worked on?
---Before amalgamation, yes.

That was something that Spiro Stavis was working on?---Yes.

And was the purpose of the plan – I withdraw that. Would the master plan as you understood it have, if it had been implemented, allowed for greater development in the Campsie area or at least the central Campsie area?

---What I can remember, master plan, I'm the one who asked for it and I'm the one who asked the council and at that time because we want to, what my vision was, I did ask to be a big master plan for all Campsie, we don't want any development be going without the master plan anymore because it's a nuisance, and I said, or put the motion at the council to just develop a master plan, we don't want like, it came after the, the planning department, it's a master plan, yeah, I asked for it.

10 Yes. My question was, would the master plan if implemented have allowed for increased development in the Campsie area or at least the central Campsie area, the CBD?---Oh, we have no other like, we didn't discuss what we need in the master plan because just we need the master plan to be designed properly and you know master plan (not transcribable) master plan for all Campsie centre.

Mr Azzi - - -?---That's a master plan.

20 - - - I'll ask you a third time. As you understood it, if implemented would the Campsie master plan as you understood it have allowed for increased development in Campsie or at least in the CBD area, the planned CBD area for Campsie?---I have no idea it's going to be increase or decrease, just we need a master plan.

It was going to provide for a CBD where there was at that stage none, wasn't it?---It wasn't any master plan for the CBD.

Now, can I take you down to the next passage. "I spoke to Spiro in front of Matt and he said it me, 'It's not ready yet.'"---The master plan.

30 Thank you. Can you tell us though, you spoke with Mr Stavis in front of Mr Stewart - - -?---Yeah.

- - - after the amalgamation occurred?---I don't remember if we, before, must be before the amalgamation or - - -

It can't have been.---I, I spoke with Matt, I don't remember which date, if, I don't remember the date.

40 Why would Matt have been present unless it was after amalgamation?
---Yeah, must be Matt was in charge at that day, maybe after he proclaimed himself.

So what were the circumstances in which you were speaking with Mr Stavis in front of Mr Stewart?---I was asking him about the master plan. I don't know.

And how come Mr Stewart was there?---I, I don't know, there must be - - -

I'm sorry, go on.---I don't know. It must be Mr Stewart was in charge at that time.

Had you asked for a meeting with Mr Stewart?---I don't remember, no, maybe we've been together with Mr Stewart, has to be arranged to meet with Mr Stewart, has to be arranged.

And had that been with the Chanines, either or - - -?---No.

10 - - - both of the Chanines?---No.

Was there any developer with you?---No.

So you had a meeting with Mr Stewart at which Mr Stavis was present. Would that be a more accurate way of putting it?---That's what I said at this time here. It must be Mr Stavis was there and Mr Stewart.

20 Now, why did that meeting take place?---Well, I have no idea why it's being, but must be a reason to me.

Yes.---But I have no idea what was the reason.

You would have organised the meeting.---Could be yes. Could be no. I don't know. I don't remember who did it.

30 Well, are you saying that Mr Stewart tried to and did organise to have a meeting with you? Or are you saying that you arranged for the meeting to happen?---I have no idea, Mr Buchanan, how the meeting been arranged and how it's happened, but we've been, I've been there with Matt and Spiro. I have no idea how it's been arranged.

Why were you having this meeting with those two men after amalgamation, when you were no longer a councillor?---I can't remember. Maybe when I was at the council, I'm still have a role in the council and I'm, it's happen to be – I, I can't remember the, why, how this meeting been occurred or how it's happened.

40 Were you still trying to – I withdraw that. Were you trying to influence a decision that would be made about development or planning?---No, no. Just - - -

What would it have been, then?---It's a master plan. It's not (not transcribable) just master plan. It's a design. I'm not pushing for anything.

So the meeting was about the Campsie master plan, is that right?---No, it could be happen or questions been asked when at the present of both of them if they're going to proceed with the master plan.

And can I take you to page 6 of the transcript. There was a lengthy discussion between you and Mr Hawatt in this conversation about how unsatisfactory Mr Montague had been as the general manager so far as concerned development.---It's not, it's not about development.

It wasn't about development?---It's like - - -

Is that what you tell us?---It's - - -

10 The conversation wasn't about development?---It's about the, conversation about everything in the council.

I see.---It's not about development.

I see. So can I ask you, just looking at the last entry on page 6 of the transcript, Mr Hawatt said, "I think, I think he's, we're better off that he's gone. It's better between us, you know." You said, "Of course. I told you from the beginning." Why did you agree with Mr Hawatt that you and he – I withdraw that. You understand that the word "we" in that circumstance means "you and him"?---Yeah.

Why did you agree with Mr Hawatt in that conversation that the two of you were better off now that Montague was gone?---No idea I would have said that, because (not transcribable) explain it. I don't, I can't tell (not transcribable) what I was thinking at that time, what the circumstances is. Like, Matt Stewart it's better off to run the council than (not transcribable) from Montague.

30 You thought that Mr Stewart would get things done more quickly?---No, he's more professional. Not done. He's, I think the council under his management probably better than Montague.

And looking at page 7 of the transcript, you said, just a bit above halfway down, "Well, no, we can't afford fuckin' slow motion council, mate." ---Yeah, well, slow motion council.

Yeah, doing things slowly.---Council has to provide services and everything, yeah.

40 Has to do them quickly.---Yeah, service, service the people quick. That's what we need.

And you agreed with Hawatt when he replied, "Look at what he's done, he's, he's, he's dragged his feet on so many things and now everybody's screaming." You agreed with that. You said, "Yeah."---Yeah.

You understood that to be a reference to planning and development decisions, didn't you?---No, no, it's not about only - - -

That was what you were interested in at council.---No.

You were interested in planning and development, weren't you?---No. Mr Buchanan, I interest about everything but you, this what you pick up, I'm, I'm servicing all Canterbury, I receive calls on everything. I'm a councillor, I representing the community, I'm public servant. It is a part of it, development.

10 Well, you weren't a councillor, though. That's - - -?---I were a, I was a councillor.

Yes, but on 7 June, 2016, you were not.---Yeah, but I'm not talking about me doing things.

Why were you and Mr Hawatt better off when, even though you were no longer councillors, Mr Montague was no longer the general manager? ---Better off on the future, we were, because I was thinking to come back as a councillor. I'm still, like, advisor in the committees. We're still involved.

20

Can I take you to page 8 of the transcript. At the bottom of the page, it's recorded that you said, "And we said to him, supposedly Wednesday, Spiro told me it will finish from the," going to page 9, "exhibition and I said to Bechara, I was with Bechara and told him to speak with Matt because he has delegate authority. We, the old council, the former council gave him the GM." Can you see that?---Yeah.

7 June, the date of this conversation was a Tuesday and so when you said "supposedly Wednesday", it's likely you were referring to the next day, 8 June. Do you accept that?---Give me a chance to see.

30

THE COMMISSIONER: Do you see that Mr Azzi?---No, not yet, not yet.

MR BUCHANAN: If I ask you to assume that 7 June, according to the calendar was a Tuesday?---Yeah, 7 June, yeah.

Assume that's a Tuesday, then your reference to Wednesday at the bottom of page 8 in the transcript is a reference to the next day?---Oh, yeah.

40 On that basis. Now, when you said, "And we said to him," that's a reference to you and Bechara Khouri, isn't it?---Could be.

And we can tell that what it is, is you and Bechara talking to Marwan Chanine from what you'd said before that, "Marwan came back yesterday, Bechara spoke to him and we said to him", et cetera. You and Bechara were talking to Marwan, you told Mr Hawatt.---Bechara spoke to him and maybe I said in English, sometime I made a mistake in English but I haven't spoken to Charlie and Bechara's talked to him.

Well, I'll just take you to the next page. The continuation of that sentence, page 9 of the transcript is, "Exhibition and I said Bechara, I was with Bechara and told him to speak with Matt."---Yeah.

Doesn't that mean that you were with Bechara?---Yeah. I was with Bechara.

10 And is it the case that in this conversation you were having with Mr Chanine – I withdraw that. Isn't it the case that this conversation where Bechara spoke to Marwan Chanine, you were with Bechara?---Yeah, he spoke to him on the phone.

Well, except that it says, "And we said to him," at the bottom of page 8. We, that can only be you and Bechara Khouri, couldn't it?---Yeah. We said to him maybe on the phone.

20 Who does we refer to in that sentence at the bottom of page?---Oh, it was me, me and Bechara, Mr Buchanan.

Said to?---Mr Chanine.

Marwan Chanine.---Yes.

The two of you spoke to Marwan Chanine?---No, he was on the phone with him. I was, maybe I said we talked to him not always, in, in Arabic we translate different. I'm, I'm sorry, sometimes confused. I hadn't spoken with, I hadn't seen him. Bechara was on the phone with him.

30 I see. Were you with Bechara at the time?---Yes.

And were you agreeing with Bechara about what Bechara would say to Mr Chanine?---Bechara was asking me, I said he had to talk to Matt, I have nothing, everything with Bankstown now, it's different.

40 Excuse me. Can I take you back in the conversation to where you and Mr Hawatt were discussing, this is page 5, you and Mr Hawatt were discussing the fact that things under Montague were on slow motion and that Matt Stewart should be an improvement because he's smart?---Yeah.

On the top of page 5, after, looking at the bottom of page 4, "After Mr Hawatt had said yes, yes, he, you had to hit him in the back of the head before he, I, bloody gets off his arse," that might be, "Before he'll bloody get off his arse." You said, "Yeah." This is at the top of page 5. And then Hawatt said, "Like, unbelievable. Like, if you don't push him like that nothing would have happened." And you said, "We should have been better off but he is," I'm sorry, "But he, he is very slow, not active, mate."---Yes.

When you said “we” there, you were referring to you and the person you were talking to, Mr Hawatt?---Yeah, the council, yes.

No.---Mr Hawatt.

Yes.---Because I was talking with him, yeah.

Yes. How would you and Mr Hawatt, how should you have been better off with him than you had been under Montague?---Better off?

10

Yes.---The council could be better off, yeah, we as the council, councillors, the council will be better off.

Were you intending that to refer to that you would have been better off financially if - - -?---No, sir, no.

- - - if Mr Montague had gone earlier and there had been somebody else instead?---No.

20

Or if Mr Montague had been faster in the work that he did, were you saying, I’ll just make it clear, we should have been better off financially if Montague had been faster than he was?---No, no, sir.

Excuse me a moment.

I’d like to change the subject now, Mr Azzi, to a property that we’ve talked about a little bit, but not very much, 570-580 Canterbury Road, Campsie, which was referred to sometimes as the carpet shop.---Yeah.

30

So again if you stand opposite Harrison’s - - -?---Yes.

- - - on one side, I think the left-hand side you had the car wash and on the right-hand side of Harrison’s you had a carpet shop - - -?---Yeah.

- - - with some other houses next to it. Do you recall that?---Yes.

Do you recall that the carpet shop was a project of Mr Demian’s that came to council that had an application for its development - - -?---Yes.

40

- - - as a mixed-use development for six storeys and then later another development application for an additional two storeys, just like he did with Harrison’s. Do you recall that?---Yeah.

So we’re talking about the carpet shop site.---Yes.

If I could just give you some information to provide you with the historical context. On 13 August, 2015 – excuse me a moment – a development application for the construction of the six-storey mixed-use development at

that site was approved by council. Volume 21, page 81-97. We probably don't need to go any further than page 81. Can you see that this is part of the minutes of the meeting of the City Development Committee held on 13 August, 2015?---Yes.

Agenda item 11 was this property at 570-580 Canterbury Road, Campsie and it was for the construction of six-storey mixed-use development. Do you see that?---Yes.

10 And can you see that you moved that the development application be approved?---Yes.

Seconded by Mr Hawatt. This was a development for which Mr Demian was the proponent.---Now I understand Mr Demian is the, the owner.

Yes. He stood to benefit from this application being approved.---I don't know if it's going to be benefit. He lodged an application and it's been approved.

20 THE COMMISSIONER: Well, you don't lodge an application if you're not going to benefit from it.---Well, if you're going to benefit, you're going to benefit, yeah. Everybody who's going to build is going to benefit, yes.

MR BUCHANAN: You knew what Mr Demian's business was. He was a developer.---Yeah.

And developers try to build buildings and then sell them.---Correct.

And get a profit.---Of course.

30

Thank you. Now, it doesn't record here that you or Mr Hawatt declared an interest, a nonpecuniary interest, by way of your friendship with Mr Demian. Does that mean you didn't declare it?---I shouldn't, why I have to declare it? I - - -

First of all, is it right, you did not declare your friendship with Mr Demian? ---He's not my friend.

40 At 13 August, 2015, he was plainly your friend.---No, he's professional friend.

You knew that you should have declared your conflict of interest in that instance, didn't you?---Why? No.

You knew that council had a code of conduct.---Yes.

You were aware of the code of conduct.---Yes.

Did you go to training in it that was provided for the new councillors who were elected in 2012?---I don't remember.

You probably did, didn't you?---Well, maybe.

Yes. You knew, however, that the code of conduct required that you avoid conflicts of interest.---Yes.

10 And that the code of conduct said one type of conflict of interest is to vote for motions where you are a friend of the person who stands to benefit.---If he's friend.

And you were the friend of Mr Demian, weren't you?---No, I'm a professional friend with Mr Demian, Mr Buchanan.

Excuse me a moment.

20 Then after August, on 27 October, 2015 Mr Demian lodged a development application, or rather his company did, to add two storeys to that approved six-storey development on the carpet shop site.---Yeah.

So if you just bear that date in mind, 27 October, 2015.---Yeah.

And as at amalgamation, that development application had not been decided by council or by the City Development Committee, so that the development application was before council, was being assessed, from October through to amalgamation.---Yes.

30 Did you have any involvement in progressing that development application for the addition of the two storeys to the approved development?---I don't understand, what, what.

Yes, did you have any involvement, were you involved at all in progressing or trying to progress that development application?---As, my involvement was as a, just as a councillor, I didn't push for anything. You mean pushing? Explain, please.

40 Well, we can make a decision about whether it was pushing if we hear from you first what your involvement was.---Just like as a councillor.

What were you doing in relation to that DA?---I don't remember what my involvement was and my, I can't remember what was my involvement in this.

Were you involved in the assessment - - -?---(not transcribable)

- - - by Mr Stavis of the DA?---No. If I did ask Mr Stavis any question just always asking for advice, that's all.

You weren't involved in working out who you would support in a conflict between Mr Demian and Mr Stavis in relation to that DA?---Always, I always support Mr Stavis on his decision and I take his advice.

10 So are you saying that in respect of this DA, you did do more than ask questions of Mr Stavis about it, you became involved in mediating a conflict?---Mr, you asked me a question who you will support. I will support the director of the council. I don't know. You make me confused, I'm sorry.

All right. I might have been unfair to you. I'll put it another way. Was, do you remember that there was a conflict or a potential conflict between Mr Demian and Mr Stavis about what Mr Stavis was asking for in respect of that development application?---If, can you go back again, please, Mr Buchanan?

Yes, sure. Remember the DA?---Yes, yes.

20 It's to add two storeys to an existing six-storey development.---Yeah, yeah.

Do you have a recollection that Mr Stavis wanted Mr Demian to make changes to the approved development because otherwise he couldn't agree to recommend approval of the two storeys the subject of the DA?
---I heard some, yeah, I have some clue about this has happened.

30 And can you tell us what your knowledge of that was or your involvement in that?---Oh, I remember the meeting been held between Mr Stavis at the council and Mr Demian and like what Spiro said to me, he told me one he's had the conflict between, been a conflict between him and the Demian's team and Demian at the council and Spiro had to walk away from the meeting. That's what I, I've been told by Spiro.

40 Was there any other conflict, though, that you were aware of, that appeared to have arisen because Stavis was proposing to not approve the DA unless Demian agreed to make changes to the approved six storey development?
---What I been advised by Mr Stavis after this conflict, he didn't go through what, I didn't go through what, what the situation and what he wants to do, but I said to Mr Stavis (not transcribable) said, mate, do what you can do, it's your job, and do what you feel it's right.

Did you have any discussion or discussions with Mr Hawatt or Mr Montague about this?---Yeah. I, I just, yeah, I, I said to Mr Montague, I complained to Mr Montague about, because what's happened Mr Stavis, he wasn't happy with the action of Mr Demian and I said to, to Spiro, I don't accept it as well and I told Mr Montague because I, we don't like, we, I don't, I don't accept any bad behaviour or bullying, bullying towards our staff from anyone.

Commissioner, I note the time. This would be a convenient moment to take a luncheon adjournment.

THE COMMISSIONER: All right. We'll adjourn for lunch and resume at 2.00pm.

LUNCHEON ADJOURNMENT

[1.02pm]

10