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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 1 APRIL, 2019

AT 2.00PM

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: Now, before we recommence, I understand that on the various bar tables there should be a guide for practitioners to change their password to get onto the restricted access portal on the new ICAC website, and you should have received a document like this. Mr Pullinger, you haven't?

10 MR PULLINGER: No, we don't.

THE COMMISSIONER: How about you have my copy?

MR PULLINGER: Oh, thank you, Commissioner.

THE COMMISSIONER: If anybody hasn't got a copy or if there are any problems, if you can please raise it and our IT people can hopefully provide some assistance. Thanks, Mr Buchanan.

20 MR BUCHANAN: Mr Azzi, had you seen a gym at Mr Maroun's house at Prince Edward Avenue?---He's got a treadmill, weightlifting, yeah, he's got weightlifting one.

And so when Mr Hawatt said to you in the conversation on 23 December, 2015, Exhibit 273, about the need to, for you to meet him at the gym at Earlwood, and Hawatt said, "The same place?" and you said, "All right, yeah, yeah," you understood that to be a reference to the gym at Mr Maroun's house, would that be fair to say?---I, I can't tell you at the time what he mean, because there's two gym at Earlwood. There's one at Mr Vasil, and one at Mr Maroun.

30

How many times did you meet Mr Maroun at Mr Vasil's gym?---Mmm, I don't remember (not transcribable)

None, perhaps?--- (not transcribable) no.

But you would have met Mr Maroun a number of times at the gym at his house, wouldn't you?---Not a number of times, but I've been in his house, like, two, three times, maybe, between two and five, something like that.

40

How long would it have taken you to drive from your house at - I'm sorry, I withdraw that. Did you live in Lakemba?---No.

When in the conversation of 23 December, 2015, Exhibit 273, Mr Hawatt rang you and asked you where you were, you said, "I am in Lakemba," and he asked you, "Can you go to Earlwood?" do you know where in Lakemba you were at that time?---I'm a, I'm a taxi driver, Mr Buchanan. I don't know, I was at - - -

How long would it have taken you to drive from Lakemba to Earlwood in the middle of the day on 23 December, 2015?---At what time?

The middle of the day.---Depends. I, from Lakemba to Earlwood, approximately takes like, 10 to 15 minutes.

10 Thank you. So you could have been at, given the conversation that you had with Mr Hawatt commencing at 12.24, on 23 December – this is exhibit 273 – at Lakemba by a quarter to 1.00 that day?---I've been, from 12.15 at, what, what (not transcribable)

From 12.24 - - -?---Yeah.

The conversation commenced at 12.24. The end of that conversation – the conversation lasted about a minute.---Yeah.

20 You could have, if you'd driven straight away, been at Earlwood within 10 or 15 minutes.---Yeah (not transcribable)

Mr Azzi, the Commission has a quantity of financial records relating to Mr Maroun, yourself, and Mr Hawatt, and what I would like you to look at, and we'll put up on the screen now, is a page from Exhibit 149 which is a bundle of financial documents relating to yourself, Mr Hawatt, and Mr Maroun, at page 76. And you can see there the first page of a bank statement in your name, for an account ending in the numerals 1-7-9-2. Can you see that?---Yeah.

30 And if I could ask you to go to the next page, page 77 of this exhibit, it's the page of transactions on this account, and against the date 30 December, 2015, there is an entry saying that a payment was received, that a card used was Mastercard, and that the amount was \$1,150. Can you see that? ---Yeah.

40 And if we go to page 78, this is what in the industry I understand is called a trace record. That is to say, it provides some tracing information in relation to the transaction. And I appreciate, unless someone showed it to you for the purpose of preparing to give your evidence, you might not have seen this before. But can you see the account number in the bottom, the column of data in the bottom left-hand corner where the cursor is moving around? We've just enlarged it for you. Can you see there's an account number there, it ends in 1-7-9-2?---Yes.

And can you see that the transaction of \$1,150 is described by the bank as being cash?---Yes.

Did you make that payment into that account?---It's my account.

Did you make that payment?---Yeah, I always make payments to that account.

Where did the \$1,150 cash come from that you paid into that account on 30 December, 2015?---Well, my, my work.

How do you know?---Know what?

10 How do you know it came from your work?---Well, I save this money to repay the, the bank card because this taxi money - - -

No, I'm not asking you what you used it for. I'm asking you where did it come from?---From my work.

And you said from your work and my question is how do you know it came from your work?---Because I make the money.

20 Did you have any other sources of cash in December 2015, that your work? ---I don't, I don't get any money from anywhere.

See, I'd like you to assume that the evidence in the possession of the Commission, and I'm looking at the spreadsheet, Exhibit 179, shows that on 23 December, 2015, Mr Maroun made cash withdrawals in the total sum of \$30,000. And as to \$20,000, he made that withdrawal at 11.50 in the morning on 23 December and the first conversation that we've looked at that occurred on that day was between Mr Hawatt and Mr Maroun at 12.21 on 23 December, where Mr Hawatt arranged to meet Mr Maroun at his gym. You understand that?---Yeah.

30 And then three minutes later he rang you to get you to come over as well. Do you understand that? That's Exhibit 273.---The one, can you, can you repeat?

Yes, we went through this this morning before, or we went through it before lunch. There was an arrangement that Mr Hawatt made with Mr Maroun to meet Mr Maroun at his gym.---At, at the gym or - - -

On 23 December, 2015.---Bardwell Park or the gym?

40 I'm sorry?---It was at the club.

And then Exhibit 273, the arrangement that you made with Mr Hawatt was to meet with him over there at Earlwood and Mr Hawatt told you, "Okay, he's waiting there now for you." I should put that more accurately. "He's there now waiting for you."---But I, I am not sure if it Mr Maroun because what you said before in the transcript, Mr Maroun and Mr Hawatt are - - -

Yes, you say that, Mr Azzi. Just what I'm giving you the opportunity to do is to deal with the possibility that the Commission might conclude that the arrangement that had been made was for Mr Hawatt to go over to Mr Maroun's place, meet him there and that Mr Hawatt promptly arranged for you to join them at the same place. I just want you to assume that.---No. It wasn't possible because what I, what, I can't remember when you show me the transcript, the meeting was arranged at the club between both of them.

10 Well you can assume that that's wrong. That's not the evidence.---The transcript when they talk - - -

Mr Azzi, I'd like you to also assume that the evidence is that at the time that you would have met with Mr Hawatt and Mr Maroun, say around 1 o'clock, let's give you a bit of time in case there was heavy traffic on 23 December, 2015, Mr Maroun had available to him \$30,000 in cash.---No, sir.

20 You subsequently, admittedly some days later, make a deposit into your account of cash. Were you using cash that had been obtained from Mr Maroun on 23 December, 2015, when you met with Mr Hawatt and Mr Maroun at Mr Maroun's gym?---I never received any money from Mr Maroun.

30 On 24 December, the next day, the Commission has evidence that Mr Maroun sent a text to Mr Hawatt at 12.47pm – this is volume 17, Exhibit 69, page 309, item 99 – which said, “Hello, Michael. How did you go? Thanks.” And I want to ask you whether that prompts a recollection about what happened at the meeting the previous day, because it looks as if Mr Maroun had understood that Mr Hawatt would do something that would be of interest to Mr Maroun.---No, I have no clue, sir, what you mean.

40 On the same day – this is item 102 in the same page of SMSs extracted from Mr Hawatt's mobile phone – at 7.06pm Mr Hawatt texted Mr Maroun saying, “Okay, JM is going on leave, and on his return we can,” I do apologise, I'll read that again. “On his return, we can catch up with him. I will be OS from 6 January until the end of January.” Can you assist us as to what Mr Hawatt would have meant when he said “we”? He would have meant him and who else?---Him and Mr Maroun, maybe.

JM would be a reference to Mr Montague?---Could be.

40 Anyone else you can think of?---I don't know. I know Jim Montague, yeah.

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

- - - if you take that text into account, it looks as if Mr Maroun had an expectation as a result of the meeting that you and he and Mr Hawatt had around, let's say, 1 o'clock on 23 December, 2015, that Mr Hawatt would arrange something with Mr Montague. Does that assist you in recalling

what occurred at this meeting on 23 December, 2015?---I don't remember, I don't recall I been aware about meeting him (not transcribable) Mr Montague with Mr Maroun.

Do you have a recollection that Mr Maroun wanted some inquiry made of Mr Montague or to get Mr Montague to do something?---I don't know, sir.

Excuse me a moment.

10 Can we play, please, an audio recording made on 25 December, 2015, Christmas Day, commencing at 6.47pm and it will be an extract commencing part way through the conversation.

THE COMMISSIONER: Do we have an LII?

MR BUCHANAN: Oh, I do apologise. Did I not give – thank you, Commissioner. 01275.

THE COMMISSIONER: Sorry 0?

20

MR BUCHANAN: 1275.

THE COMMISSIONER: Thank you.

MR BUCHANAN: Sorry, Commissioner.

AUDIO RECORDING PLAYED

[2.26pm]

30

MR BUCHANAN: I tender the audio recording and transcript of that extract from that recording.

THE COMMISSIONER: The audio file and transcript of the extract of the recording LII 01275, recorded on 25 December, 2015, at 6.47pm, will be Exhibit 274.

#EXH-274 – TRANSCRIPT SESSION 01275

40

MR BUCHANAN: Mr Azzi, you recognise the voice of yourself and Mr Hawatt in that recording as it was played?---Yes, yes.

Now, at the beginning of the conversation on the first page, Mr Hawatt said, "I went to, George had a barbecue." You understood Mr Hawatt's reference to George to be a reference to George Vasil?---Could be.

Could you think of anyone else it could have been a reference to?---No idea. George Vasil or somebody else. I have no idea.

And then you said that you were talking to Jimmy Maroun and you said that you had spoken with Spiro yesterday. You asked him, Spiro, about Jimmy Maroun, and he, Spiro, had said to you, "Pierre, I am still, I am still waiting for them to amend the community benefit." Now, you then had a lengthy conversation with Mr Hawatt about clause 4.6 of the LEP as it applied to Mr Maroun's application to put an extra two storeys on the site, the car wash site, didn't you?---Yeah, looks like.

And you explained to Mr Hawatt, "It's a condition about 4.6 equal to community benefit."---Yes. That's the 4.6.

You had some understanding of planning requirements as they applied to the applications to carry out a development where there was a serious exceedance, a serious departure from the planning controls, didn't you? ---Mmm, I don't understand the question. What, what, what do you mean?

20 You understood what the planning law was that applied to Mr Maroun's application to put an extra two storeys on the already approved six-storey development at 538 Canterbury Road, didn't you?---Yeah, I did find out from the director.

And you then explained it to Mr Hawatt.---Yeah, I explained to Mr Hawatt what he's missing, when I been told by Mr Spiro.

Now, in that conversation, you explained to Mr Hawatt, "You can't get it for free." That is to say that, as you understood it, the developer had to give something back to the community - - -?---Yeah.

- - - in the development that was proposed.---The, the 4.6, you can't get it for free, you have to give back the community, something equal benefit for the community.

And you spoke, you told Mr Hawatt, with Mr Maroun's daughter?---Yes.

Is that the same daughter whose birthday party you told the Commission about in December 2016, you attended with your wife and your daughter? ---I don't know which one. He got two daughters. And I don't know which one was it her birthday that time. But I know one of his daughters, one older, work with him, and the other still at school.

So it was the one who worked with him - - -?---I spoke, I - - -

- - - that you were telling Mr Hawatt about a conversation with?---I spoke with the one who worked with him.

Now, Mr Hawatt was saying to you that Mr Maroun, “He is hard, this one. He’s hard,” and later on, “But this one, he is pushing. He is pushing very strong, eh?” and you agreed.---Yeah.

10 Mr Hawatt said, “He’s really pushing very hard to get, like, he wants everything, this one. He wants everything.”---Everyone, he’s, yeah, Mr Maroun was pushing very hard (not transcribable) I did explain it here, he always accusing the council for not doing anything, but he’s the one who’s at fault all the time. He try to push everything, everything without knowing, like, if it was right or not.

Why didn’t you then just cut off communication with him?---Oh, I did. All right, I told him, and that’s one, there’s evidence, like, I’m sick of him keep pushing, keeps pushing, keep pushing. But when it comes to accusing the council, misleading, and he at this stage, he was accusing the director of planning. Like, he got all the information and he deliberately losing it. Now, when I went to ask Mr Stavis, is that correct, and have to answer, reply to Mr Maroun, like, you are wrong. The council is not, like, you can’t blame the council, like, destroy your, whatever, like, putting all your
20 proposal under the table, like, like accusing the director, deliberately, deliberately is not processing your application and when he claimed, Mr Maroun claim, he said he forwarded all the information to Mr Stavis and he said Mr Stavis deliberately not, like, processing his application. And that’s why I went to ask Mr Stavis, is that correct, Mr Stavis says no. It’s what, I know, I said to Mr Maroun at that stage, as well as talk to his daughter, I said, “Your dad, he said he forwarded all the information. Did you talk about this 4.6 clause?” and she said no. I said, “Why you dad talking about it? What he’s talking about. Why he’s claiming that council is doing it on purpose, delaying his processing.” I said, explain, you have to explain to
30 the, explain to the applicant if keep pushing, if keep pushing. I said we not, we not, like, deliberately, like, our, our director, our, our staff meant to delay your, your, like assessing your application and he was wrong.

The question though is, Mr Azzi, why were you bothering with this man unless there was something in it for you?---Mr Buchanan, I’m a councillor. When somebody complain about any council staff or council delaying or purpose delaying or throwing this application under the table and, like, bad-mouthing the council, you have to stop him and answer him. And we have to answer that, I’m, I’m a councillor.

40 There would be a lot of people who would say that if the developer, even if they were a resident, was doing the wrong thing by council, that you would simply not bother advocating for them any further, let alone advising them as to what they needed to do.---I did answer every enquiry come to me and I never, I never ever, like, hang the phone on anyone called me for help or got question or enquiry. I’m a councillor for all the people and it’s happened, applicant, developer, resident, anyone. It’s my job to answer and, and what will I do.

After Mr Hawatt said, "He's really pushing very hard to get, like, he wants everything this one, he wants everything," you said, "I'm doing like you told me to," and then you laughed and then you said, "What can I do?" What did Mr Hawatt tell you to do in relation Mr Maroun?---It, it all right. We, we I remember, I, I can't, I can't recall what I said but what I was doing, like, said, we addressing the situation. Well, addressing the situation and we doing as we can.

10 We'll just bring up a bit more of the transcript of that conversation. This is Exhibit 274. After the exchange where Mr Hawatt talked about Mr Maroun really pushing very hard and you saying, "I'm doing like you told me to," you said, "We have to go along with him like you told me." Why, as far as you were concerned, did you have to go along with Maroun?---I don't know. Along with Maroun because Mr Maroun always complaining, complaining, complaining and we have to say sometime, are, yes, we did it, we doing, we doing, like, mate, what we can do.

20 Were you saying we have to go along with him because you were under obligation to him, financial obligation?---No, sir.

To provide services to him?---I never been working with Mr, for Mr Maroun and can tell, I am not, like, my position with Mr Maroun, it's just, it's normal.

30 Mr Hawatt then said, "Yeah, yeah, now we have no choice. We have to go along with him." You said, "Mmm." Mr Hawatt said, "And string him along like he drags us along. Drag him along." That's not an expression of service by a councillor to a constituent. That's an expression of people who are under obligation to this man and are being dragged along with him in his endeavour.---I'm not, I'm not, sir.

You agreed with Mr Hawatt, "Yeah," and went on to talk about, "Tomorrow we will have a meeting, us and Spiro." You agreed with Mr Hawatt when he said, "And string him along like he drags us along. Drag him along." ---I don't know what he mean by, by this, but I'm not under any obligation of anyone.

40 And then Mr Hawatt said, "No, really the same. Drag him along. He's crazy." You said, "Yeah." Hawatt said, "What can we do? What can we do?" You said, "Nothing. We'll wait and see." That's not the language that would be used by a councillor who's merely providing councillor services to a constituent, is it?---No, what we can do.

It's a contractual relationship, isn't it?---No. No, no, not correct. What else
- - -

Except that Mr Hawatt didn't say, "He thinks we work for him." What he said was, "And what we to work for him."---Pardon.

Mr Hawatt did not say that Mr Maroun thinks we work for him. Rather he said, "And what we to work for him." Do you see the – no, sorry, the bottom of page 1. Mr Hawatt was saying that you and he were working for Mr Maroun, wasn't he?---No, he said, he said, "What, we work for him?" No, he asking. He said, "What, we working for him?" We're not working for him.

10

Can I take you to another recording, please, this time in January 2016. Monday, 4 January, 2016. Exhibit 216. And we'll use the transcript of it. It's already in evidence and I'll show it to you. Commissioner, I withdraw that. I indicated we'd show the transcript. I certainly don't resile from that, but I think in the circumstances I should ask that we play the audio file as well so that Mr Azzi can hear what is being said. So we'll play the recording for you, Mr Azzi.

20 **AUDIO RECORDING PLAYED**

[2.54pm]

MR BUCHANAN: You recognised the voice of yourself and of Mr Hawatt?---Yes.

In this conversation, you were telling Mr Hawatt about a call you had had from Spiro Stavis about the car wash development application, is that right? ---Yeah. During the conversation, what I heard here, like, Mr Stavis open the car wash. He, he discuss it. He open, because he want to know what, I don't know what. He open the, the car wash, yeah.

30

And there was discussion as well about whether there, you had spoken or Mr Hawatt had spoken to Mr Maroun about the car wash site?---Yeah, that's all we discuss in December.

Yes, but on page 3 of the transcript, you can see that you asked Mr Hawatt, "Did you speak to anyone? Did you speak to him?" You meant Mr Maroun, didn't you?---Yeah, I, like, after the, the holiday, when the council back, did you speak to him later? And he, and he, like (not transcribable) following up what's been happen in December during that conversation when he was discussing the 4.6 clause.

40

And can I ask you about the reference to what's in the transcript as Danny Arrage, I might mispronounce the name, I apologise if I have, A-r-r-a-g-e. Who was Danny Arrage?---I believe Danny Arrage is, he is, he is, he is planner or he is architect.

For Mr Maroun or for council?---No, for Mr Maroun.

Thank you. Now, in this conversation you said that he said to you, as to say, I'll just read the words that are in the transcript, "He said to me, I spoke to them and them and they haven't replied to me yet." And what you were doing is telling Mr Hawatt what Mr Stavis had told you.---Yes.

10 You went on, "He said to me, but don't forget, Spiro was telling me if they don't want, if he doesn't want to get" – sorry. "If he doesn't get back to me, I want to refuse it. I said to him, Spiro, wait hang on, don't do anything until we got back to you. He said to me, all right." And when you said to Mr Stavis in this conversation that you were recounting to Mr Hawatt, "Spiro, wait hang on, don't do anything until we got back to you," you meant until Mr Hawatt and I get back to you, until Michael and I get to you, didn't you?---Could be, yeah, because Michael was, because I want to deliver the message because of what happen at the previous, Mr Maroun was accusing Mr Stavis, like, the, the way I said it before, he, he is, he hasn't, he received the information - - -

20 Yes, you've told us this before. Can I apologise but can I just get to the point that I want to ask you about. This indicates, doesn't it, that you were operating in conjunction with Mr Hawatt and you were able to speak on behalf of Mr Hawatt when talking to Mr Stavis about a development application, doesn't it?---I don't understand.

It means that you were speaking on behalf of Mr Hawatt. You were telling Mr Stavis, Hawatt and I will get back to you, don't do anything until we do.---Yeah, well, it looks like I, I want to discuss it with Mr Hawatt and get back.

30 The two of you were working as a team in dealing with Mr Stavis in relation to development applications like Mr Maroun's?---No. We, we been dealing with this application with Mr Stavis and we been involved in it and the accusation and we, both of us aware of this, what was going on.

40 And would it be right to say that there weren't many development applications or planning proposals where you worked on it but without Mr Hawatt or Mr Hawatt worked on it but without you? you usually worked as a team in relation to the council planning business in which you got involved?---No, no. Not all the time.

Usually you worked as a team in council planning business in which you got involved?---We are the councillor, we work as a team in the council.

Yes. But when you said "we", you weren't speaking about Ms Paschalidis-Chilas and me, you meant you and Michael Hawatt, didn't you?---In which one, this one?

In this one.---In this one, I was mentioning, yes, Michael Hawatt.

Yes. And you didn't work as a team with any of the other councillors, did you? You worked as a team with Michael Hawatt alone in dealing with council planning business in which you got involved?---Not with everyone. We work with a team with all the councillor but with something, we discuss it with each councillor.

10 Now, on this occasion, you told Mr Hawatt you gave Mr Stavis a direction. "Wait, hang on. Don't do anything until we get back to you." This is after Mr Stavis had told you that if Maroun didn't get back to you he wants to refuse it.---Yeah. What he demand, Mr Stavis said if Mr Maroun doesn't give me the right information, I'm going to refuse it.

Yes.---Mr Maroun saying - - -

Hang on, hang on. And you said, "No, don't do that."---Yes. Not do that that way.

20 You were giving him a direction.---No, I said wait. I said wait.

Yes.---Yeah, I didn't give him a direction not refuse it. I said wait.

Yes, your direction was to wait, don't do anything until you and Hawatt got back to him.---We're going to get him back the information. Not direction, sir.

30 Why were you interested in making sure that Mr Maroun's development application wasn't refused?---Not, I'm not concerned about it's going to be refused or approved.

You were obviously concerned about it because you told Spiro not to do that.---I told Spiro to wait because Mr Maroun accusing Mr Stavis he's hiding the information. I was protecting Mr Stavis.

40 But Mr Stavis could protect himself. He was indicating the way he was going to protect himself was by refusing the application. What's wrong with that?---No, he can't refuse it, but when, any applicant can call and contact the councillor, accusing a staffer. We have to protect the staff. And what I did ask Mr Stavis, just wait until I deliver the information and you can do whatever you can do. Up to him.

I want to make it very clear to you, Mr Azzi, what you told Mr Hawatt in this conversation at that point indicates clearly that you and Mr Hawatt were intervening with the director of city planning to protect the interests of this developer, Jimmy Maroun, weren't you?---No, sir. We're protecting the council.

And was that a typical reaction on your behalf, where Mr Stavis told you that information was outstanding and he was inclined to refuse an application if the information wasn't forthcoming? Is that a thing you usually said to Stavis?---Can you repeat the question, please?

Yes. Did you usually say to him, "Don't do anything until Hawatt and I get back to you"?---No, get, get back to you to be able to protect you. When somebody accusing him, we have to protect him, and I never gave him direction which way has to go.

10

Yes, you were giving him a direction.---No.

You were directing him, "Don't refuse it."---No, I didn't say that, sir.

"Wait until Hawatt and I have told you what to do."---No, no, sir. It's not correct.

Excuse me a moment. Excuse me. I do apologise. I do apologise, sir, if I could just – the evidence before the Commission, Mr Azzi, pages 3937-
20 3938, is that Mr Stavis was of the view that this sort of statement by you to him was a very typical reaction from you. Do you want to say anything about that?---I don't, what do you mean?

You telling Mr Stavis what to do in his work or you telling him not to do what he said he was going to do until he got instructions from you and Hawatt.---No, I never gave him directions. He know how to do his job.

So did this happen from time to time, that Stavis would tell you of his frustrations in dealing with a developer or the developer's architect, and that
30 you or, to your knowledge, Michael Hawatt would tell Mr Stavis, "Don't be hasty. Don't do what you're inclined to do and reject the application, but wait until, give us a chance to go and talk to the developer to see if we can fix things up between the developer and you."---I don't understand this question, sir. What, what the question?

Did you ever talk to Stavis to suggest that the things he was inclined to do he shouldn't do until you'd had a chance to talk to the developer or Michael
40 Hawatt had had a chance to talk to the developer?---I can't recall any that's happened. It's something, any request or any inquiry come from any applicant, we should get the chance to reply to the applicant, and Mr Stavis he can do his job and we never gave him any direction. Always ask for a chance to get back and get (not transcribable) the inquiry answered.

So when you gave evidence to the Commission, page 6140, "I don't direct Spiro about his job," that was untrue, wasn't it?---No, sir. I, I never told Mr Stavis which direction it has to go. He knows what he has to do.

Can I take you back in the transcript of that conversation. This is back in Exhibit 216. Excuse me. I'm showing you on the screen the second page of the transcript in Exhibit 216, the conversation with Mr Hawatt on 4 January, 2016, where you told Mr Hawatt, "Today Spiro called me and I was talking to him and I was speaking to him and I said to him I want you, maybe tomorrow I will call you," I'm sorry, "I will call him and he will come over my place and we will have a drink. I said to him, look, Michael is travelling. Let's catch up before he goes. I said to him we are not going to, now we are going to sit down and have a drink together." And Hawatt said,
10 "All right, good, all right."---Yeah.

You had a social relationship with Mr Stavis as well as a councillor-director of city planning relationship, didn't you?---Not really.

As at January 2016 you had a social relationship with him involving the two of you having a drink together at your house.---Well, it's not a social drink or, it's, we talk business, not (not transcribable) social life with Mr Stavis.

How many times did Mr Stavis – I withdraw that. Did Mr Stavis come to
20 your place and have a drink on this occasion?---At that, that day?

I'm not asking you whether it was that day. Sorry, I'll reframe the question. The conversation with Mr Hawatt was on Monday, 4 January, 2016.---Yeah.

But what I should have asked you is, did he after that conversation come over to your place and have a drink with you?---I don't recall. I don't remember.

30 THE COMMISSIONER: Sorry, Mr Stavis come over?

MR BUCHANAN: Yes.---I, I don't remember if he came that day, yes or no.

Did he come the next day?---No. I, I, I, I can't, I can't remember. But he's been at my place. I don't know if that day or before. Once or twice or, or the time before.

And how many times has he been to your place - - -?---(not transcribable)
40 - - - and had a drink?---Mmm, not, only, I don't know if he attend the session and he had a drink. I don't remember. Only once or twice, that's all.

Well, on this occasion, it's a Monday that you're talking to Mr Hawatt, and you're recounting a conversation with Stavis which happened that same day, the Monday, 4 January, and you say, "I want you, maybe tomorrow I will call him and he will come over to my place and we'll have a drink." So that would have been a Tuesday, 5 January, 2016.---Yeah.

Which is not one of your Friday drink sessions, is it?---Mmm, Tuesday?

Yes. It's not one of your Friday hospitality sessions.---Not, not on Friday.

No. It's a special session just between you and Mr Hawatt and Mr Stavis that you were trying to arrange.---Yes.

Before Mr Hawatt went away overseas.---Yeah.

10

So it was just to catch up before Hawatt went?---Yeah.

It's an unusual relationship to have, isn't it, between councillors and a director, to have the director come over to one of the councillors' place and have a drink to catch up before the other councillor goes away somewhere? ---If we have no other option we can make, it is possible he can come to my place, because my place is my office. If we can't catch up in the council, I did ask him if it's possible to come over to have something to discuss that day.

20

What was there to catch up about?---I don't know, I can't remember what the issue, too many things at the council that have no, no chance to sit and discuss, too many things going on in the department and everything. Too many things to talk about.

Did you have any other directors of Canterbury Council over to your place for drinks on a day other than a Friday?---I can't remember. I had one of the directors pass by to my office to catch up or go somewhere. They came to my office, we go and do some site inspection or visit. I can't recall. I can't remember if Mr Stavis arrived that day.

30

But you were trying to arrange it.---Yeah, well - - -

That's what this evidence shows.---Yeah, because sometime I have no, no time to go and meet with him during working hours because I'll be working or catch up or meet with the officers. I, that's possible, to ask him if he can come at my office after hour.

40 You see, this evidence shows clearly that you and Mr Hawatt had a social relationship, which would be the context, the background for you and Mr Hawatt organising planning business of council with Mr Stavis.---No, no (not transcribable) normally we discuss with all the director the issues if you have to discuss. Doesn't mean planning (not transcribable) anything happens in the council or any issues. It's possible.

In this inquiry, on 20 December, 2018, pages 5710 to 5711, you said you could remember only once that Stavis came to your house, it was to meet

with Charlie Demian and you to discuss how to provide a laneway at the back of Harrison's.---Yes, sir.

That evidence was untrue, wasn't it?---Pardon?

That evidence was untrue, wasn't it?---What do you mean. It happened, that meeting.

10 You knew, didn't you, that you had had social occasions involving Mr Stavis and Mr Hawatt at your house?---I said, Mr Buchanan, I don't remember Mr Stavis attend that meeting but I can remember because I recall that it was official meeting, that's why I can recall it.

And it's clear, isn't it, that you had a relationship – I'm sorry, I'll start again. It's clear, isn't it, that you and Mr Hawatt had a relationship with Mr Stavis which was very different to the relationship that councillors had with any other director?---No, I have a good relationship with all the directors, sir.

20 You and Mr Hawatt organised the planning business of council, in which you were interested, with Mr Stavis, didn't you?---No.

That's how the three of you ran the planning business of council, to the extent that you were interested in it, during the period that you were a councillor, wasn't it?---I have interest at a councillor, of course I have interest in the planning and other things as well. Not in individual, it's my role.

30 Can I ask, Commissioner, if the Commissioner could vary a - - -

THE COMMISSIONER: I was just wondering if we could just have a five minute break?

MR BUCHANAN: Certainly, yes.

THE WITNESS: Thank you. I was going to ask for - - -

40 THE COMMISSIONER: All right. We'll just adjourn for five minutes. ---Thank you.

SHORT ADJOURNMENT

[3.21pm]

MR BUCHANAN: Commissioner. Mr Azzi, can I take you back, please, to around page 5 of the transcription of this conversation with Mr Hawatt on 4 January, 2016, Exhibit 216. I wonder if I could just ask if we could just go back to the preceding page, page 4. Can you see the last couple of lines

on page 4 where the transcript records that you said to Mr Hawatt, “Yeah, I know. Speak to his but don’t say to him, like, how do you,” and then it was something that was unintelligible. And then going over to page 5 of the transcription, “Yeah, yeah, I know,” said Hawatt. You responded, “Don’t be very tough with him.” Hawatt said, “No, no, no. I am not.” You said, “Because I don’t want you to cut something hundred per cent,” and Mr Hawatt said, “No, no, I am not.” What did you mean there when you were telling Mr Hawatt not to be tough with Mr Maroun?---I have no idea what I meant by this at the time.

10

Why shouldn’t you and Mr Hawatt be tough with him at this stage?---Well, I can’t, I can’t answer what the circumstances was on that day, why I, why I would say that, “Don’t be very tough with him.” Why, no idea why.

And then later on, on the same page, if we can just go down page 5, you see the passage recorded there where you said, “And you tell him and, like, that you have stopped Pierre from saying anything,” intelligible, “He is going to work on it and help you.” Do you see that passage?---Yeah.

20

Why were you telling Mr Hawatt to tell Mr Maroun that he had stopped you from saying anything and that you were going to work on it and help him, Mr Maroun?---Mr Maroun, he was, Mr Maroun always complain about me, like, I sided, like, with the council and, like, like what he saying before, like, accusing me, us as a council, we try to not process, like, he was always not happy to talk to me because I always say words to him, I always, like, sometime aggressive. I don’t like, his behaviour or sometimes, you know, and he is not happy, he, like, the, me to get involve, you know, or discussing any matter with the council. Like, like, he, he is not comfortable talking to me. He wasn’t comfortable.

30

But you wanted Mr Hawatt to convey to Mr Maroun that you were going to work on his project and help him.---I said he doesn’t want me to interfere because he’s accusing me. Like, why (not transcribable) ask Spiro, he always, always sided with the officer, with the director, and he was accusing me, oh, you playing, you the council’s always – I can’t, I, I can’t take pressure from anyone. It’s my - - -

40

So the question that the Commission may have is why in those circumstances were you going to continue to work on it and “help him”, to use your words?---Because I, like, I don’t want him to know, like, I’m discussing or helping him, you know, anything. I, I don’t want to - - -

Well, no, you told Mr Hawatt to tell him that, to tell him that you were going to work on it and help him. That’s what you’re asking Mr Hawatt to convey to him.---No, what Mr Hawatt saying, said he’s going to work and help you. You have (not transcribable) Pierre. Tell, I said, tell him I told Pierre to work and help you.

You were trying to work with Mr Hawatt on how to handle a difficult business client, weren't you?---No, sir.

You and Mr Hawatt were providing services to Mr Maroun to progress his applications, his developments through council, and he was a very difficult client.---It's, it's not correct, sir.

That's what this type of conversation suggests.---No, it's not correct, sir.

10 Can I ask that we listen to an audio recording, LII 1720, recorded on 6 January, 2016, commencing at 11.53am.

AUDIO RECORDING PLAYED

[3.38pm]

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

20 THE COMMISSIONER: The audio file and transcript of the recording in LII 1720, recorded on the 6th of January, sorry, 6th of January, 2016, at 11.53am, will be Exhibit 276.

#EXH-276 – TRANSCRIPT SESSION 01720

MR BUCHANAN: Mr Azzi, you recognise the voices of yourself and Mr Hawatt in that recording being played?---Yes.

30 The two of you, you and Mr Hawatt, had a business relationship with Mr Maroun, didn't you?---No.

This conversation, particularly against the background of the preceding conversation, shows that the two of you had a, were providing as it were councillor advocacy services for this developer, but he was a very slippery client. That's the only explanation for this conversation, isn't it?---No, sir.

40 There's no other explanation for the two of you putting up with him, in the way that these conversations recorded that you did, than that you felt obliged to provide these services to him, the advocacy services you were providing.---No, sir, we were doing our normal job, protecting the council and doing our duty the council, that's all.

And the conversation also shows that you actually knew quite a lot about planning, didn't you?---No. I get information from Spiro.

Yes, I'm not – where you got the information from is neither nor there. What I'm asking you about is, your evidence that you didn't know anything

about planning is a pretence. You did know about planning.---That's why I know about the section 96 what they mean, and the 4.6 clause what they mean. But how it like process, I have no idea.

You told the Commission, admittedly when you were talking about Bechara Khouri, it's page 5694 of the transcript, "I have no idea about planning. I can't help anybody with a planning decision. I have no, he never discussed with me because I cannot help him. I know nothing. I don't know nothing about planning. I have no idea."---Yeah, about planning.

10

That evidence was false, wasn't it?---No, sir. I don't know nothing about planning, how to process, but I, I, I, I know what, in fact, was section 96 mean and what 4.6 clause mean.

And you were in fact, together with Mr Hawatt, trying to help in this case Mr Maroun with a planning decision, weren't you?---Don't think, I don't think at all we helping him. Just we, he made enquiry, keep pushing and we try to do the best to protect the council and our staff from what he is doing and what being involved when he made enquiry.

20

Can I ask that we show the witness, please, Exhibit 155, a transcript of a conversation between Mr Hawatt and Mr Maroun, recorded on 31 January, 2016, commencing at 3.44pm. This is a very short conversation. You can see that it's between Mr Hawatt and Mr Maroun. Mr Hawatt initiated the conversation, asking Jimmy when he would be free. Mr Maroun said he was at the gym at that time. Hawatt said, "All right. I'll come over within half an hour," and that was agreed to by Maroun. Can you see that?---Yes.

30

The Commission's got evidence of quite a number of conversations like this between Mr Hawatt and Mr Maroun, where Mr Hawatt arranged to see Mr Maroun at his gym and I haven't bothered you with all of them up until now but I can tell you that there's evidence also of vey similar conversations. That one that I've shown you is on 31 January. There's another one on 1 February, Exhibit 156. There's another one on 10 February, Exhibit 160. There's another one on 12 February, Exhibit 161. There's another one on 17 February, 2016, Exhibit 162. There's another one on 19 February. Exhibit 164. Another on 26 February, 2016, Exhibit 165. Did you know that Mr Hawatt was making arrangements to meet with Mr Maroun with that degree of frequency in January and February of 2016?---No. I, I don't have, have a clue. I don't remember it.

40

Does it come to you as a surprise that Mr Hawatt was seeing Mr Maroun as regularly as that?---I don't know. Could be, I don't know.

Can you assist us just with your understanding of what it was that was happening at the time, your knowledge of Mr Maroun, your knowledge of Mt Hawatt, what is it that, as you think, was likely to be happening? What was going on? Why was Mr Hawatt making these arrangements to meet

with Mr Maroun at his gym as apparently frequently as he did January and February of 2016?---I have no idea about, I can't tell.

10 Could I ask that we show Mr Azzi Exhibit 157, please. This is a transcript of a telephone conversation between Mr Maroun and Mr Hawatt. This time it's initiated by Mr Maroun on 2 February, 2016, at 6.00pm. And in it – I'll just give you a chance to read the first page – Mr Maroun inquired how Mr Hawatt went yesterday. See at the bottom of page 1? And Mr Hawatt said, "Yeah, good, good, everything's on board. Everything's okay. We just need to move, move forward, that's it. We're ready, we're ready," sorry, "we're, we're ready. He's okay." If we could go to page 2. There's a reference then to Mr Hawatt's first of second meeting. There's a reference to something being advertised. It has to come out of the advertisement, possibly the advertisement period. And he talks about it's something that he can't control, it's a legal obligation. Can I just interrupt you there. You understood about public exhibition of proposed instruments and applications, didn't you? Particularly planning proposals. They had to go to – if they were given Gateway approval, they had to go into public exhibition.---Public exhibition, yeah.

20

Yes. And that was commenced by a series of advertisements to let the public know that there was this proposal to amend the LEP.---I know about the, this thing, they have to go to advertising.

Thank you. So if you could just continue reading on on page 2. Can you assist us with what you understand Mr Maroun to be talking to Mr Hawatt about in that conversation?---About - - -

30 How something went the previous day. Mr Hawatt saying everything is on board. "We're ready." "He's okay." "Have to wait for it to come out of public exhibition." "Hopefully it will be done at the March meeting."---I don't know (not transcribable) talking in the public exhibition.

Do you think it could be the planning proposal for 5382, increase the building height limit for the car wash site?---I don't know. No.

You know that Mr Maroun had a planning proposal approved by council. ---He had - - -

40 That went to the department to increase the building height limit for the car wash site.---I, I, I understand he had a section 96 and he had a proposal as well. I don't know.

Can I ask, then, that we play another recording. LII 2514. Recorded on Wednesday, 3 February, 2016, commencing at 12.35pm. And it's an extract of the conversation that commences part of the way through the conversation.

AUDIO RECORDING PLAYED

[3.55pm]

MR BUCHANAN: To be clear, it also excises material that was in the conversation in the recording after that part which we heard and which is transcribed in the extract transcript that's on the screen at the moment. I tender that audio recording of the extract from LII 2514 and the transcript.

10 THE COMMISSIONER: The audio file and transcript of the extract of the recording LII 2514, recorded on 3 February, 2016 at 12.35pm will be Exhibit 277.

#EXH-277 – TRANSCRIPT SESSION 02514

20 MR BUCHANAN: You and Mr – sorry, I do apologise. Mr Azzi, you recognise the voices of yourself and Mr Hawatt?---Yes.

And you were talking, the two of you were talking about having to organise for someone, one of you, to go and meet Mr Maroun?---I don't know. I might have been Mr Maroun.

You referred to him as, "That dick." Who else do you think it was?---I can't tell, sir, who was this.

30 How many times though, how many other people did you and Mr Hawatt have an arrangement that one or other of you would service that person and you held them in such low esteem as to call that person, "That dick"? How many other people?---I don't know what I - - -

It was just Mr Maroun, wasn't it?---I can't, I can't tell the exact, who I was referring to. It's a shame.

40 Excuse me a moment. Can we play, please, an audio recording LII 3042, recorded on Wednesday 10 February, 2016, commencing at 12.16pm. Commissioner, this recording starts after the commencement of the conversation, so it is an extract of a recording.

AUDIO RECORDING PLAYED

[4.00pm]

MR BUCHANAN: I tender that extract of audio recording and transcript.

THE COMMISSIONER: The audio file and transcript of an extract of a recording LII 3042, recorded on 10 February, 2016, at 12.16pm, will be Exhibit 278.

#EXH-278 – TRANSCRIPT SESSION 03042

10 MR BUCHANAN: Mr Azzi, you recognise the voices of yourself and Mr Hawatt in that recording?---Yes.

The conversation seems to be about a meeting where the meeting was to be with Jim Montague, and the subject matter of the meeting was to be something to do with Mr Maroun, an application perhaps of Mr Maroun's that was on foot at this time.---It's could be.

20 Can you make any suggestion as to what else this conversation was about? ---Conversation about the meeting at the council with Jim Montague. But I can't remember anything about that meeting. But I can see it here.

You accept that it appears that you, oh, sorry, it appears that was a meeting with Mr Montague that had been arranged for you and Mr Hawatt to attend in relation to Mr Maroun's car wash site?---I don't know, I don't know what was the subject on the, or, or which one was I talking about. But what I can see here - - -

30 Well, we know, because you said, "Jim Maroun." Page 1. Mr Hawatt asked you, "This afternoon, for which one?" and you said, "Jim Maroun."---Yeah, could be.

And we know that what was before council at this stage was an application for approval of two extra storeys on the existing approved development on six storeys at 538 Canterbury Road, the car wash site.---Maybe. It could be.

So why were you and Mr Hawatt having a meeting with Mr Montague about that at this time, on 10 February, 2016?---I have no idea what about the circumstance, who asked and who called for that meeting, all, all about.

40 Is it unusual for you and Mr Hawatt to have organised a meeting with the general manager about the application that's before council of a developer that you had been in contact with?---No. It could happen sometime if the developer making complaints and we meet with the general manager to discuss about his complaint. Doesn't necessarily discuss his application. If he had a complaint, I don't know what was the circumstances. Do you understand Mr Maroun made a lot of complaint.

Now, if we would see, please, the transcript for Exhibit 163. Commissioner, I just noticed the time. I am about to embark upon a matter that will

probably go for 10 minutes. It's not a simple matter but I can probably finish in about 10 minutes. A matter for you, Commissioner.

THE COMMISSIONER: Has anybody got a problem if we sit for a further 10 minutes just to finish this topic?

MR PULLINGER: I do, Commissioner.

THE COMMISSIONER: All right, Mr Pullinger.

10

MR BUCHANAN: The most important person when it comes to this witness.

THE COMMISSIONER: That's all right. We'll resume this tomorrow morning. If everybody could look at the proposed exhibits, which are set out in MFI 4, we'll deal with that first thing in the morning. Otherwise, we're adjourned until 10 o'clock tomorrow morning.

20

THE WITNESS STOOD DOWN

[4.06pm]

AT 4.06PM THE MATTER WAS ADJOURNED ACCORDINGLY

[4.06pm]