

DASHAPUB06694
16/04/2019

DASHA
pp 06694-06745

PUBLIC
HEARING

COPYRIGHT

INDEPENDENT COMMISSION AGAINST CORRUPTION

PATRICIA McDONALD SC
COMMISSIONER

PUBLIC HEARING

OPERATION DASHA

Reference: Operation E15/0078

TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON TUESDAY 16 APRIL, 2019

AT 9.30AM

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 Buchanan.

MR BUCHANAN: Commissioner. Mr Hawatt, you understood that your son-in-law Talal El Badar stood to make a financial gain if 23 Willeroo Street, Lakemba, was developed, didn't you?---I, I, I never took that into consideration.

10

But you certainly understood that he was involved in developing it in order to make a profit, didn't you?---It, it, it never even crossed my mind.

Why did you think he was involved in the development application?---Oh, it, it's his business with his partners. I mean, I don't control his affairs. It's not my business what he does. Even though he's my son-in-law, I don't control him.

Mr Hawatt, you're not being frank with the Commission in giving that answer, are you? Because I'm - - -?---I'm very frank. I don't, yep, I - - -

20

I'm directing your attention to what you would have understood to have been the reason for Talal El Badar being involved in the development application of 23 Willeroo Street, Lakemba. It couldn't have been anything other than to make a profit, could it?---People lose as well.

THE COMMISSIONER: But I think what Mr Buchanan is asking you is not whether you took it into account, it's a starting proposition, you knew that he, his aim in trying to develop the property was to generate a profit. ---Madam, can, oh, sorry, Commissioner, it never even crossed my - - -

30

I'm not, we're not being asked that. You're being asked whether you knew whether your son-in-law's aim in developing the property was to generate a profit.---I never thought about it. It's like - - -

40

Not - - -?---Ma'am, Commissioner, every person that calls me has an aim, an objective, and it's all to their benefits. I don't think about every person that calls me for assistance whether they're going to make money or not or lose money or not. That's irrelevant to me. I help them for some other reason, not for anything else.

Mr Hawatt, I'm sure Mr Drewett, who is a very experienced counsel, had a word with you before you gave your evidence about the importance of listening to the question and answering the question, because as Mr Buchanan has pointed out to you on a number of occasions, we've heard from a number of witnesses, some of whom have given different accounts on certain facts to you. And ultimately, I'm going to have to sit down and work out which particular fact I'm going to find, which witness I'm going to

find to be an impressive witness or witnesses whose evidence I will accept. And one of the ways a tribunal of fact does that is to sit back and think, when that witness was asked a question, did they answer it straightaway or did they answer another question or did they go off on a tangent? So I have to say to you, Mr Hawatt, at the moment, by not listening to the question and answering it, you're not assisting your credit as a witness. So I would really ask you, listen to the question and answer it. If you think there's something that you haven't been allowed to say in answering the question, either tell me now, or Mr Drewett or Dr Accoto will be making a note and will be able to revisit it when they come to answer your questions. But I just appeal to you to keep that in mind when you're listening to the question and answering it. Mr Buchanan.

MR BUCHANAN: Commissioner. Sitting there in the witness box as you do now, Mr Hawatt, you could have assumed, couldn't you, that your son-in-law Talal El Badar was involved in the development application for 23 Willeroo Street, Lakemba, because he wanted to make a profit, couldn't you?---Everyone's business is to make a profit. That's generally normal.

20 And in respect of what you did in relation to that development application, you used your official functions as a councillor with the intent of influencing Spiro Stavis to provide preferential treatment to your son-in-law's application, didn't you?---That's incorrect.

Can I turn to 51 Penshurst Road, Roselands, please? We've established that your daughter Laila and Talal El Badar lived in the house at that address. On 13 February, 2015, a development application for that address was lodged by Talal El Badar, and it was to demolish the existing structure and construct twelve townhouses with basement car parking. The date, I'll just remind you again, is 13 February, 2015. Can I take you, please, to volume 7, page 153, in Exhibit 52, and text number 1 in this extraction from your mobile phone? Can you see that that text message was received by you from Laila on 29 April, 2015, at 2.34pm, and that the message read, "Don't forget us. 51 Penshurst Road, Roselands." You see that message?---Yep.

The nature of that message suggests that there had been prior conversation between you and your daughter about Laila and Talal and 51 Penshurst Road. What was that conversation?---Oh, it's, well, from memory, my daughter was complaining she wanted to move out of the house, and she's had enough. And if I could just assist her with finding out what's happening, why is there delay.

So did you discuss with your daughter and/or your son-in-law the DA that they lodged?---No.

Did you give them any advice about the DA?---From the understanding that I had, which is quite basic, it was a complying development.

And if I could take you please to – I’m sorry, I withdraw that. What, as you understood it, was the purpose of your daughter sending you that text message?---Oh, she just wants, I think she was having personal, personal problems. She wanted to move out.

This is a bit over two months after the DA had been lodged.---She was having problems before that, she was.

10 And what was it – I withdraw that. Did you do anything as a result of receiving that text message?---Oh, look, I, I would have made just an enquiry, just to appease her but from my understanding, as I said, it’s a complying development.

And with whom would you have made the enquiry?---Probably Stavis. I’m not sure, yeah, it would have been Stavis, Mr Stavis.

20 Can I show you please in Exhibit 52, volume 7, page 15. In the lower of the two emails on that page is dated 11 May, 2015, and is from you to Spiro Stavis and was sent at 12.32pm. “Hi Spiro. The owners of the above property have been waiting for over one month for the engineer’s stormwater response and the DA with council for 12 weeks. Can you have a look and find out why the delays. Thanks, Councillor Michael Hawatt.” Did you disclose to Spiro Stavis that the owners were related to you? ---Well, not, not, as you can see from here, when I mentioned the owners, so he doesn’t know. I, I didn’t say my day or my son-in-law. I said the owner, so I didn’t want him to know.

30 But did you disclose - - -?---Oh, he found out later. After, after, as you, if you would have read yesterday’s transcript where it says does he know I was your son-in-law, I said, “I don’t think so,” which is true. I tried to avoid as much as I can for him knowing but until the assessment was completed and then I said, look, if you want to tell him, that’s fine. As far as I was concerned, it was completed and that’s, and that’s the same principle I’ve applied here, the owners, I didn’t say my son-in-law or my daughter.

40 But that conversation you had with Talal that we discussed yesterday was in the context of 23 Willeroo Street and the issues that your son-in-law was having. This is the telephone conversation that you had with your daughter and your son-in-law but you were speaking to your son-in-law at the time on 5 January, 2016, at 6.50pm in Exhibit 109. My question here is did you, in the context of 51, I’m sorry, 51 Penshurst Road, disclose to Spiro Stavis that the owners were related to you?---Further down the, down the track, he, he found out but not on that particular time as you can see from my, my text message.

So are you saying that, as far as you understand, Spiro Stavis wouldn’t have found out that Talal El Badar was related to you until whatever Talal did in response to your saying to him on 5 January, 2016, in relation to Willeroo

Street, if there were any issues, tell Spiro that you were his father-in-law?
---Correct. It's up to him to say it and, as you can see, the assessment was completed based on their satisfaction, both, both party's satisfaction.

I just want to make sure that we understand each other, though, Mr Hawatt. Was there any other conversation with anyone, either Spiro Stavis or Talal El Badar, or for that matter your daughter, in which you made sure that Mr Stavis understood that you had an interest in the DA for 51 Penshurst Road?---Look, I don't recall. I'm just going by the text message I just
10 looked at and sort of, it triggered in my mind that I didn't want to tell him by either text message I've, I've sent but I don't recall any other discussions I've had with him in that regard, except for the text messages I'm looking at.

So to be clear, whilst you don't have a clear memory, the principle upon which you were operating in relation to your communications with Spiro Stavis in relation to Penshurst Road, was to not disclose that you were related to the applicants?---Most likely.

20 Now, just so that you understand the communications that were occurring, can I take you to volume 7, page 18, please. Can you see that this is an email on 12 May, so it's a day after your enquiry, in which Mr Stavis told you that, "We have prioritised this referral to allow for the applicant to address any stormwater issues that may arise. Development engineers undertaking a preliminary assessment, identified some fundamental issues. A response will be provided to the applicant. We've told the applicant all of this." I'm summarising, as you understand.---Yep.

30 And he then gives what might be seen to be a reason why there might be delays in processing the matter because there were currently a high number of complex DAs, which all required stormwater referrals and they've only got one development engineer. Did you have any discussion with your son-in-law or daughter about the idea of getting an easement to allow for egress of stormwater from the site?---From, from what I know, he – because when I enquired about what's the issues, he said he was having delays from the neighbours and because he had the rights, the legal rights, he could challenge it in court and I think there's a section of the Act where it allows them.

40 If I can interrupt you, I think you're talking about after the development consent had been granted.---Yeah, but - - -

Because it was a deferred commencement consent, conditional upon an easement being obtained from downstream neighbours.---That's right. That's what I'm talking about.

You didn't have a discussion with your son-in-law before consent was granted about this way of dealing with the problem of accumulating

stormwater onsite?---I, I don't recall discussing with him, although from memory I know he was complaining about the neighbour and I said to him, again, from, from memory, that I've assisted another person in a similar situation, in Faux, F-a-u-x Street, Punchbowl. Very, very similar, where they had also the same issues and then a few others where they had pump, a pump-out system, which is the, it's this thing that I'm talking about and I think, from memory, that, that was also resolved before the issue my son-in-law had. So there was a number of other issues or other people called me and, exactly in the same regards to stormwater access and I did exactly the same and I assisted them exactly the same way.

Can we go, please, to volume 7, page 23. Actually I'm sorry, perhaps we skip over that. Volume 7, page 43. Can you see that this the minutes of the meeting of the City Development Committee held on 11 June, 2015, sorry, item 13, 51 Peshurst Road, Roselands, demolition/construction of multi-dwelling development with replacement parking, resolved that the development application be approved as a deferred commencement consent. Then can you see that the deferred commencement condition is to satisfy council that the site drainage shall be designed to drain under gravity. Do you see that?---(No audible reply)

You have to say something for the recording Mr Hawatt.---Yes, sorry, yes.

Thank you. Above that you can see this entry, heading, Declaration of Interest, Councillor Hawatt declared a less than significant non-pecuniary interest in the following item, Councillor Hawatt remained in the council chamber but took no part in the discussion of the matter.---That's correct.

Whilst we might all understand what your answer might be, can I ask you, please, what was the interest you disclosed?---Just that my call that my daughter was linked to the, to the husband as one of the owners, that's my call to make.

Now as you have explained to us, your son-in-law and daughter had difficulties obtaining the requisite consents for an easement or for easements to allow drainage of stormwater from their site and they then asked council to permit the development to proceed with an alternative combination of pump-out and charged system, you recall that?---Yep.

If I can just quickly show you, please, volume 7, page 66. You can see that that's a letter to the director of city planning by Mr El Badar, dated 28 July, 2015, which explains his problem and in the second last paragraph, a request that in lieu of the easement council allow us to incorporate a combination of pump-out and charged system for the entire site.---Yep.

Can I take you then, please, to page 153. Do you see item 2 on that page? I'm sorry. Do you see item 2 on that page, a text message from your

daughter on 3 August, 2015 and the text reads, “51 Penshurst Road, Roselands”?---Yes.

What’s your understanding as to why your daughter sent you that text message?---To remind me to follow it up for her.

Was that something that meant that there’s been a prior conversation involving you and your daughter on the subject?---No, no, but she knows I always ask her for the address because I keep forgetting the address.

10

But how’s she to know whether you will know what to do?---Well, by her sending me the address that means this the address please follow it up.

Yes, but had there been some conversation so that you understood?---But I knew she had issues, I told you before, she has personal issues.

THE COMMISSIONER: I think we know that she was eager to get the issue resolved because of personal issues.---Yeah, correct, yeah, that’s what I understood.

20

But I think Mr Buchanan’s asking you, did you have a conversation with her about, for example, what was raised in the letter, have they - - -?---Nah, nah.

- - - agreed to the pump-out system or something like that?---Sorry, no, she, she doesn’t, she wouldn’t have any understanding of what, what her husband was doing. He doesn’t tell her.

MR BUCHANAN: But what is it, then, that you understood you needed to do when you got that?---I (not transcribable) from my understanding, knowing my daughter, she’s still under pressure. And, and - - -

30

No, no, no. No, no.---Yep.

What is it that you understood, when you saw that message, that you were required by your daughter to do?---She, to follow up her, the application on her, on behalf of her husband, so they can see what, what’s going on. Because she’s always whingeing and complaining to me.

Follow up – what application?---The, the, the issue they have with the stormwater, I presume. It’s just, it’s easy to work it out.

40

Well, how is it easy for you to work that out?---She must have spoken to me about it. So - - -

So she might have told you, perhaps?---She might have, because she was complaining a lot to me about her problems.

She might have told you that they couldn't get the easement, and therefore they needed an alternative system, and that they were asking council to allow for an alternative of a combination of pump-out and charged system? ---I don't think she would have understood all this. I don't think she would have told me, if, if she did speak to me like that, it would have been delays. Like, "There's delays, can you have a look at it?"

Is it possible that you ever went to dinner at your son-in-law and daughter's house?---I've, I've been to barbecues there a few times.

10

And is it possible that you understood from listening to both your son-in-law and your daughter that this was what they were trying to get council to do - - -?---They - - -

- - - to agree to substitute for the requirement for an easement, a requirement for a pump-out and charged system?---He may have spoken to me.

20

Well, that would make more sense, wouldn't it?---He, he may. I mean, that's all I'm saying is, he, he could have. I know she's complaining. She sends me a message with her address to remind me that this is the address, because I, a lot of times I say, "Give me the address."

But can I just ask you this – what are you meant, when you get a message like that from your daughter with just the address in it, to do? What is there to follow up, as you understand it?---To follow up the issue that they're, she's waiting on. The stormwater issue. Or delays, or the delays, as far as she's concerned.

30

Delays in what?---In, in getting the, the processing of the stormwater they have, or, or the applications and there, there's a delay, that's what - - -

Well, there's no application. There's – the DA's been approved. There's no section 96 application at this stage. What is it that you understood you were required to do, if it wasn't that you had been told by your son-in-law and your daughter that they were asking council to replace the requirement for an easement with a requirement for a pump-out and charged system?---Is it, can I, can we go back on that, is that a follow-up on that letter? Or this, this, this message, is it before or after that letter?

40

Well, I'm happy to show you. I'm happy to show you that - - -?---Yeah, could we go back and have a look, because I'm, I'm just confused.

- - - that letter from Talal El Badar.---Yep.

That's at volume 7, page 66.---What's the date on that? I'm just confused.

It's on 28 July. This text message is on 3 August, 2015. So, there are, you know, about six days later, perhaps.---Six, her message six days later?

Yes, after Talal had written that letter to council.---Well, maybe to do with that.

But where do you get that idea from unless they have told you? Do you understand what I'm asking you?---Yeah, yeah, well, she must have told me then. If, I mean, that's all I can say. I mean, I just don't recall exactly the situation from that, but they must have called me.

10 Yes. You accept that that is what is likely to have occurred.---Mmm, most likely.

And what you understood you were required to do was to chase that up. ---Most likely. That's what I'd normally do.

Thank you. Then can I take you, please, to volume 7, page 153, item 3? After receiving your daughter's text message with the address of the property in it, at 11.20am, you texted Spiro Stavis with that address, "Re stormwater pump-out connection, can you see how to help? Thanks, Mr
20 Hawatt."---Yep. That's a follow-up.

So, it would seem as if you had been told that there is this alternative - - -?
---Yep.

- - - which had been proposed by the owners, which you've been briefed on by them. Would that be fair to say?---That's fair to say.

Now, can I just take you to item 4. Item 4 looks like a more detailed version
30 of the text message which is item 3, because it has in it the address but then you say – I'm sorry, I withdraw that. That's my mistake there. I'm taking you now to the – I withdraw that. After you asked Spiro Stavis, in that text message, to see how he could help, did you get a response from Stavis I mean?---I, I'm just trying to read, I can't recall. I'm just looking at the - - -

No, no. The next message is a message from you sometime later, to Mr Stavis. So what I'm wondering is, was the a conversation in which Mr Stavis responded to you?---I don't recall. I don't recall.

40 Is it likely that there would have been? Was that the usual way you and Spiro worked with each other?---In the sense where they, he responds to my messages?

Yes.---Yeah, he would, he most likely but I can't recall.

And there's at that stage no chase-up saying, "What are you doing, what's happening?" So can we assume that whatever Mr Stavis told you satisfied you at that time? You know, he gave you an explanation perhaps?---Most likely, yeah.

And you would have conveyed that to your daughter and your son-in-law?
---Most likely.

10 And what you wanted, of course, was for your daughter and son-in-law's request to be approved, didn't you?---No. All, from, from what I know, and I have helped other people exactly in a similar way prior to his request or, or seek for help. So I can give you examples of others in a similar position who I have helped as well. So I understood the issue in regard to the stormwater.

20 What you were saying when you said, "Can you see how to help," was, can you see how to help the applicants get what they have asked for, weren't you?---No. He had to go through a, a consulting, he had to get a consultant to do the work and he had to prove that the pump-out system works in a, in a satisfactory of council. So he had to go through the process. It's not that, oh, there it is, yes, we'll approve it, we'll tick it because I said so. He had to go through the process. I didn't, he had to hire a consultant, the consultant had to make his report and it, council had, the council staff had to assess it and make sure it works. I don't - - -

I'm sorry to focus on a short text message but I just want to just clarify what you're saying when you say to Spiro Stavis, "Can you see how to help?" Because what you're doing is asking Spiro Stavis to intervene on the side of the applicant, aren't you?---That's a common word that I use all the time with, with enquiries, "Can you see how to help?" I said, you probably can see that everywhere.

30 Can I just ask you to focus on my question through?---Yeah, that's, that's a word - - -

I'm not asking you how common it is, I'm asking you what it is you're asking to occur. You're asking the director of planning to intervene on behalf of your daughter and son-in-law to achieve the outcome they are asking council to provide, aren't you?---To assist and have a look what he issues are.

40 And help, of course, means to help the applicant. It can't mean anything else, can it?---I always use that word, that phrase.

Yes. I'm not interested in how often you use it, I'm interested in what meaning you attached to it and why you used it.---Help to assist.

To assist the applicant?---The applicants who made the enquiry to me.

Now, page 70 in volume 153 is a reproduction of the bottom of the text message that we looked at a moment ago, of 3 August, 2015, at 11.20am and then Mr Stavis, at the top of the page responded by email the next day,

4 August, and gave you an explanation as to what has happened in terms of what they had received and what his division had done and he then told you that he had intervened by asking that development engineer to prioritise that assessment. Would it be fair to say that you understood that Mr Stavis, when he said that, was saying to you, because you have intervened, Mr Hawatt, I am ensuring that this matter is dealt with earlier than would be the case if you had not asked me to help?---It's normal for when a councillor makes an enquiry, they get priority over, and, and they, and they work on their request and responses. We normally get priorities when we make an enquiry. All of us, not just myself.

And do you think that that is the way council business should be organised? That is to say that the question of prioritisation of council business will be affected by whether or not a councillor has intervened and asked that the citizen, the ratepayer with the connection to the matter, gets priority?---No. It's incorrect because our phones are open to anyone, because we represent the people, and who ever calls us and we make an enquiry on their behalf, normally, this is a traditional thing that normally happens in most councils, where the councillors get priority in order to assist the, whoever called them.

But why should the people who are lucky enough to have a councillor intervene on their behalf have their matters prioritised over those who are not lucky enough to have a councillor intervene on their behalf?---Well, it's up to them to make the call. If they call the councillor or do it on their own, it's just the way it is. I don't, I don't control the culture of how council operates. It's been going for many years, this culture.

But it was up to you as to whether or not you were going to invoke that culture on behalf of the people you chose to intervene on behalf of. It was up to you as to whether you did that or not.---No, but we, we follow up on, on, on, and, and it's expected, it's expected, I have to say, that once we make an enquiry, most councillors, we should get a, a quick response and I think that's the, the culture that's, that goes on in council.

But you see, there are enquiries and enquiries. An enquiry to ask where is this at is simply asking for a status report and not asking for intervention because a councillor has made a call. An enquiry as to how you can help is of a different nature because it's asking for council business to be rearranged so as to prioritise the affairs of council, so far as they relate to the particular ratepayer on behalf of whom the councillor intervenes. Do you see the difference?---Yeah, there's a difference but how to help is to find what is issue, how to resolve the issue, what they need to do to resolve the issue, you know. This is how, how it works as far as helping. I mean, to find solutions, to find ways of doing it. To, to, to find alternative, this is how it's expected when, when you seek someone's help and an enquiry is a general enquiry. We, we get priority on both if we seek help and assistance, we get priority. Or if you do any, just a general enquiry on, on the, on the

status of a, a particular application, it's the same thing. We get, we got priority, we get, and this is the culture of, of the council.

And you think that that's all right?---Well, it's something that we're used to and we understand that's the normal thing. Normal, it's the norm.

Do you understand it to be normal in other councils?---Yes.

And you understood that to be the culture at Canterbury?---Yes.

10

THE COMMISSIONER: And what, since you began as a councillor or is it something - - -?---Yes. Since, since I (not transcribable).

20

MR BUCHANAN: You appreciate that it means, it involves council staff being influenced, if not directed, as to how they should organise their work by councillors?---It's up to the, from my understanding if there's, if we as councillors we have a code of conduct, if we try to apply pressure to do the wrong thing it's, there could be a complaint against us. We just make the enquiry whether it's to help someone or whether to assist someone or to get some progress and it goes through the system and if we give them priority and it goes through the system or what happens in the back end of that, we don't know how it operates at the background, we just go ahead and make our enquiry and the rest is left to the decisions of the staff and whoever's working on that particular application.

30

If I could take you to evidence at Exhibit 52, volume 7, page 77, please. You can see that the bottom item is the text that we looked at earlier that you sent on 3, sorry, yes, 3 August, 2015 and there's a reproduction of Mr Stavis' email to you on 4 August.---Yes.

Can you see that Mr Stavis in this copy, it might have been in the earlier one I have to say, but in this copy we can see that it's been cc'd to Jim Montague. Do you have any understanding as to why it was cc'd to Jim Montague?---Jim has a policy that any councillor that makes an enquiry he needs the directors to keep him informed of it, that's his, anything that a councillor does he wanted to know about it. I used to question that as well.

40

I think, though, that we would have, if I can just be bold enough to make this suggestion, that the Commission would have seen many, numerous emails between you and Spiro Stavis which were not apparently cc'd or forwarded to Mr Montague - - -?---It's up to him, from my - - -

To Stavis?---To Stavis. From my understanding, it's Jim Montague has a policy that he wanted any correspondence that made between the councillors.

Okay. Thank you.

THE COMMISSIONER: So any correspondence, text messages as well?
---Yes, anything, from my understanding, he wanted to know about it.

Or if you rang Stavis?---I'm not sure about ringing but my understanding is if there's a, may be as well, I don't know, I don't know what he's doing in the background but as far as any text correspondence or emails, he wanted to know about it.

10 MR BUCHANAN: Then can I take you to the top of page 77 because there you can see that you have forwarded the whole conversation to your daughter and to another address, efpwholesales@bigpond.com?---Yes, that's their email.

When you say that's the email, sorry?---That's the email of, that they use, their business email.

Oh Laila and Talal.---Yes, it's a fruit wholesaling business.

20 I see, thank you. Excuse me a moment. Now on 28 August, 2015 a section 96 application was lodged with council to amend the DA, sorry, the consent for development of 51 Penshurst Road, to substitute for the requirement for an easement, a requirement for a pump-out system, to amend the plans to allow for a pump-out system. So that's dated, if you can just bear it in mind, 28 August, 2015. If I can take you then to volume 7, page 122. Excuse me a moment. Firstly, we have a message, which you can take it was sent by you on 31 August, 2015, "Hi Spiro. Re 51 Penshurst Road, the section 96 was submitted last Thursday re stormwater access using pump-out system." You then provided an argument on behalf of your daughter and son-in-law, "The applicant is avoiding going to court. How can we help
30 him with his proposal? Thanks." So this again is an attempt to move the machinery of the assessment functions of council in the direction of approving that application. That'd be right, wouldn't it?---I, I move machineries for every applicant that comes and asks me for help. This, I mean, this is the way I operate, to help people.

For every applicant you choose - - -?---No, everyone.

- - - to intervene on behalf of - - -?---No.

40 - - - and this is one illustration, is that what you're telling us?---No. Every person that calls me, I, I go, mmm, past the assistance to help people as much as I can. I always go outside the, the norm, the norm to assist people, and that's the way I am. I like helping people. Whether that's my daughter, whether that's my son-in-law, whether it's a stranger, I treat everybody the same way, and I will go out of my way to help them. That's the way I am.

There was then a – and there's a reproduction on this page of a message from Spiro, in which he said what it was that needed to be provided,

evidence that legitimate offers, with proper valuation, were sent out and received and rejected. Can I take you then to 31 August, 2015, at 6.20pm, volume 5, page 283? Excuse me a moment. If you'd just excuse me a moment, I think I have the wrong reference there. I'll see if I can assist with a more reliable one. Oh, page 279. Thank you. Do you see where the cursor is? Sorry. Next to item 276, this is volume 5, page 279.---Yeah, I can see that.

10 It's a text from Mr Stavis to you on 31 August, at 6.20, "Mike, I'm more than happy to help them, but I need that evidence." And then he goes on to say in the next text message, number 277, "If they give us the evidence, I can help." You responded at 6.27, message 278, "They did and thanks." And then at item 279, at 6.28pm, Mr Stavis said, "Thanks, Mike. I've asked for the file to be given to me to review." You would have read that as Mr Stavis saying that as a result of your intervention, Mr Stavis had escalated that application for him to review.---No, I look at, I read it differently.

20 How do you read it?---I read it, as a result of the consultant's report that was given to the council and it seems to be saying that it, it, it's acceptable and it works, the, the process that they submitted in regards to the stormwater and it works. That's my understanding.

30 Well, can I just tell you that we have a series of text messages on 31 August, 2015, starting at 4.24, with a text message from you on page 122, we looked at earlier. It's also on page 153. Mr Stavis replies to you, you forward Stavis's reply to El Badar, that's at 6.03. 6.20, Stavis says to you that he's more than happy to help, if they give us that evidence, he can help. At 6.28, Stavis says, "Thanks, Mike. I've asked for the file to be given to me to review." There's no mention, the word consultant's report is not there, there's no reference to a consultant's report. It's simply your intervention to which, it would appear on the material in the text messages, Mr Stavis is responding.---That's incorrect because the key word is evidence. Give me the evidence.

THE COMMISSIONER: But isn't that the evidence that they've made legitimate offers with proper valuations to their neighbours who won't grant the easement?---That could be one of the evidence but the second evidence is also the, he needed a stormwater report to this consultant's report.

40 But he said, "Have they provided this evidence in their 96."---Depends on the dates, I'm not sure if this evidence is to do with the request that he's made to the neighbour but also the evidence is, he needed the, the consultant's report. I mean, that's the only thing he can say, you know, it's working now. I mean, that's, that's my understanding of, of what I read here. I mean, he's not saying I'm going to help you blindly. He's just saying give me evidence, whether it's evidence in regards to the talking to the neighbours or evidence in regards to the consultant's report. I mean,

that's what he's saying. He's not making up a story saying, oh well, I will support it.

MR BUCHANAN: Mr Hawatt, he's not saying that. I don't know why you're telling us that, when on the evidence that's before us that we've taken you through, the words "consultant" and "report" do not appear. ---There's, he mentions evidence. Evidence is, give him evidence in order for him to look at. Give him something so he look at it to make sure that they're doing the right thing. That's the way I read it.

10

Can we have a look, please, at volume 7, page 153. Item number 7 is a text message from your daughter on 28 September, about a month later, at 3.53pm and again, she just sends you the address, "51 Penshurst Road, Roselands". Why, as you understood it, did your daughter send you that text message?---Again, it's an enquiry on what's happening.

20

Had there been a conversation before that on some occasion when the two of you were together, to discuss 51 Penshurst Road, Roselands?---There might have been at one stage but from, from what I know from my daughter, this, it's like, saying she's getting impatient with something and she's got a text message of this address, she's just forwarded it on to me.

And why, as you understand it, was she forwarding it to you?---To find out what's happening. She's, like, otherwise she's getting impatient.

She obviously knew that you were a councillor?---Of course she knew I was councillor.

30

And so she was expecting you to use your office as a councillor to, at the very least, make an enquiry on her behalf?---I just - - -

Is that right, is that what you understood?---She asked me for help and that's, that's all it is.

And what, as you understood it, did she expect you to do?---All I know is she had some personal issues and just to find out what the, why the delay. It's, it's simple as that. She never asked me to do anything wrong.

40

Then if I can take you to message number 8, five minutes, six minutes later, at 3.59pm on 28 September, you texted Stavis saying, "Any news re stormwater for 51 Penshurst Road, Roselands?"---Yep, follow-up.

We've seen now, I think, three occasions – can I just take you to volume 7, page 153, message 9? Can you see that message number 9 on page 153 is again a text message on 28 September, 2015, this time at 4.51pm, to you from your daughter, in which she provides you with the results of a web search, web-based search, and it's, appears to be the search results for a

section 96 application in relation to 51 Penshurst Road, Roselands?---Yeah. Oh, I just, I don't recall that message, but.

She would have sent that to you so that you could be reminded what it was all about. You would have understood that, wouldn't you?---Maybe. I just can't recall that message, particular message. But I don't know what she, I don't know what she meant on this one (not transcribable)

10 Well, what it does mean is that by 28 September, 2015, there was lodged with council a section 96 application in relation to their property, for amendment of stormwater drainage design.---Ah hmm. Yep.

Commissioner, can I make an application, please, to modify a nonpublication order in respect of evidence given by the witness on 5 December, 2016, excuse me a moment, commencing at page 753, at line 45, if we count the blanks, and concluding at line 12 on page 754?

20 THE COMMISSIONER: All right. I vary the nonpublication order made under section 112 of the Act to exclude the evidence of the witness Mr Hawatt given on 5 December, 2016, recorded in the transcript at page 753, commencing at line 45, and concluding at page 754, line 12.

VARIATION OF SUPPRESSION ORDER: I VARY THE NONPUBLICATION ORDER MADE UNDER SECTION 112 OF THE ACT TO EXCLUDE THE EVIDENCE OF THE WITNESS MR HAWATT GIVEN ON 5 DECEMBER, 2016, RECORDED IN THE TRANSCRIPT AT PAGE 753, COMMENCING AT LINE 45, AND CONCLUDING AT PAGE 754, LINE 12.

30

MR BUCHANAN: Mr Hawatt, I'm going to read you some evidence that you gave to the Commission on 5 December, 2016. If you could listen to what I read to you, and then I'll ask you some questions about it. Question, "Do you have a daughter called Laila?" Answer, "Yes, I do." Question, "Is she married to Talal?" Answer, "Yes." Question, "And did she ever ask you to look at - - -" Answer, "My daughter doesn't ask me about anything. She complains that I never talk to her." Question, "Did she send you ever the address of any properties that she had application for before council?" 40 Answer, "Oh come on, my daughter, my daughter Laila?" Question, "Yes." Answer, "My daughter has never spoken to me about anything like that. She doesn't get involved in council, she doesn't ask me things like this, she's the most honourable girl you can ever come across in your life." Question, "Okay." Answer, "She'll never put that position, put me in a spot." Did you hear me read those questions and answers?---Yes.

That evidence was false to your knowledge, wasn't it?---Well, it's not really false to my knowledge because I'm talking about her putting me in a, in a

position of, to do the wrong thing, that's what I was talking about her as she would never put me in a position to ask me for something to do the wrong thing. That's the way I interpret what I'm saying, to defend my daughter in that sense, not in regards to asking me for, for issues or if she had problems with her husband or family or whatever the case is. I'm talking about her as an honourable person and I'll mention that, she is an honourable person and she will never put me in a position for, to ask me to do the wrong thing. As far as I'm concerned, I haven't done anything wrong in what I've, in the way I've assisted them. This is how I look at it. I've done everything correctly and she's never asked me anything outside the norm.

I'll just point out to you that the question that you were responding to was, "Did she send you ever the address of any properties that she had applications for before council?"---Well, at the time I probably forgot, I mean that's an honest answer. If I would have spoken about - - -

Well, no, you didn't say I don't recall, you said, "Oh come on, my daughter, my daughter Laila?" As if that was an outstanding proposition that she should do something that like that?---Because I know what she's like, I know her character, that's why - - -

You said, "My daughter has never spoken to me about anything like that, she doesn't get involved in council, she doesn't ask me things like that?" Those were lies weren't they?---They weren't lies no, they're not lies.

And you thought when giving your evidence before the Commission on 5 December, 2016 that if you had received from your daughter the address of any property in respect of which she had an application before council that that would have, to use your words, "put you in a spot," didn't you?---If what I said on that transcript is something that I truly made was based on the knowledge that I had at the time and I believe at that time she did not send me any messages, I do not recall it, because from memory I had no memory of any text messages at the time, but from my knowledge of my daughter, I know her character and what she's like and that's what I spoke about it.

You understood, didn't you, that you were being compromised by intervening on behalf of your daughter at her request in relation to this property, didn't you?---I treated her the same way as any other enquiry that I get.

And that's what you meant by saying to the Commission, "she'll never put that positon, put me in a spot," that's what you meant?---Correct, correct.

That you thought if that had happened you would have been compromised because you would have had a conflict of interest?---Correct, because she's the type of person who would never put you in that position.

And that's exactly what happened, you were compromised, you were put in a position of conflict of interest by responding to her messages in the way you did?---She had issues, personal issues and I followed it up on her personal issues but as far as doing the wrong thing on her behalf, no, I haven't done anything wrong on that basis.

10 Excuse me a moment. If we could go please to volume 7, page 283. This is a record of a message, it's number 30 on that page, at 9.20pm on 27 October, 2015, from Talal El Badar to you and it is the result of a search for an application lodged in respect of 51 Penshurst Road, Roselands and it provides information about the section 96 application. Do you see that?---
Yep.

And if I can take you then to volume 7, page 155. That same day, you received a response from Spiro Stavis, which is just above the reproduction of your message, "Hi Mike, I don't think he's telling you the whole story but I will advise you ASAP. Spiro." Do you see that?---(No Audible Reply)

20 And can you see that Mr Stavis then forwarded the exchange to Mr Gouvatsos for response, do you see that?---Yeah, just looking now. So he is Mr El Badar, I presume. I can't, I can't, is that what we're saying?

THE COMMISSIONER: I'm sorry, could you repeat that?---So, I'm just trying to work out, it's got here, "Hi Mike, I don't think he's telling you," this is, we're talking about Mr El Badar?

30 MR BUCHANAN: Well, you had sent the message about the section 96 application which was a, a search result in respect of 51 Penshurst Road, that is likely to have identified the applicant.---Well, he doesn't seem to know, he doesn't understand that that's my son-in-law by saying that. So he still doesn't know that he's, that he's my son-in-law or my daughter.

40 I see. I hadn't actually asked you that but since you have raised it, are you saying that at that stage, to your knowledge, Spiro Stavis didn't know that Talal El Badar was your son-in-law?---Correct. And that's why, being compromised, I didn't tell him that she was my daughter and that was my son-in-law, in order to get the, in the back of mind of what I said at the, the private hearing is correct, my daughter. And then when I followed it up, I kept it out of the picture. I did not want to, to compromise Mr Stavis in regards to that they were related to me.

But why do you disclose your relationship with the applicant in respect of the original DA for 51 Penshurst Road when it came before council, if it wasn't because, as you understood it, you were required to disclose where you had an interest of one sort or another in the matter being considered? ---Yeah, but I didn't say what the interest was.

You disclosed the interest, though.---No. I think it's - - -

Well, we've seen the record that you did.---I, I disclosed the interest but didn't say the reason.

To council, when the DA was considered.---But I can't recall saying what the reason for the interest.

10 And what I'm asking is, why didn't you take the same approach when dealing with the director of city planning in relation to getting him to assist your daughter and son-in-law in relation to the section 96 application?
---Because the approach was that , to keep, keep them away knowing that they're related to me. That's, I kept it as a, at an arm's length but as a just general enquiry that I was doing on behalf of a request I got.

20 I understand what you're saying there, but I'll just point out to you what appear to be inconsistent approaches in respect, as it happens, at the same property and the same relationship or the same interest, namely that the applicants are related to you. On the one hand, you disclose it to council when it comes up before council when the DA's being considered. On the other hand, when you're trying to move things along and expedite matters in relation to the changes that your daughter and son-in-law sought to achieve, you don't disclose it. And I'm just asking you, how do you reconcile those two different approaches?---Well, one is, it's, it's my call in regards to if I have, for example, he, the person could be a member of the same club. The person could be, that I know through some association. There's a million reasons why you declare interest. I didn't – I can't recall giving specific reasons for that. So, it was my call at the time, knowing that, my, my
30 understanding was that my daughter and her, at, it was my son-in-law's property, so I declared interest without, because there was no beneficial to me, there was a, a, a minor interest. And then without declaring that it was my son-in-law at that meeting, I don't recall saying that. And then when the enquiry came through in regards to the stormwater, because I wasn't expecting that this will go further than that, from my understanding, I wasn't expecting, this was deferred commencement, was approved subject to the stormwater. And that was the end of it. I wasn't expecting it to come back, with this issue with the stormwater. And the enquiry started. So I wasn't aware that it was going to come back. I was, I thought, it was finished, that was the end of it. So when they came back and they couldn't
40 sort out the issue with the stormwater, then the request came, came back, without me knowing that, that, that's, that, that was going to happen. From my understanding, that was all finished at the time.

But there was nothing to prevent you from taking the same approach to the changes that your daughter and son-in-law sought to make to the DA of flagging that you had a nonsignificant, nonpecuniary interest - - -?---But I, I
- - -

- - - as you took in - - -?---Correct.

- - - relation to the consideration by council of the DA in the first place.

---That's correct. When I declared the interest, it was finished, and then there was, the issue came back of the delay in the, in the stormwater, because they couldn't get approval for, they couldn't get support from the neighbours. And then with the issues with my daughter having, with personal issues, I have to say. And, and then she made the request. That's why the request was made and I kept it, I kept it confidential from, from Mr
10 Stavis that she was related to me, or it's my, my son-in-law. As you can see, yes, I declared interest, but I wasn't expecting it to come back because it was a deferred approval. It was completed, deferred commencement, and then the stormwater came back afterwards, because they had issues with it.

It having come back, why didn't you disclose the interest you disclosed to council when the DA was being considered?---Because you only, you only, you only do that at the council meeting, you declare interest. And that's why I didn't - - -

20 Why should there be a different approach, though, if you are influencing the way council deals with assessing an application in relation to property?

---But I kept it confidential from Stavis that there was any relations. I mean, you can, you can see from that, he's talking about here and, and there. It wasn't no, it was just like a normal, an enquiry regarding the issue of the stormwater. I'd didn't say that was my son-in-law and daughter, and help them, and all this. I kept it confidential because I did declare interest at one stage. I wasn't expecting it, for it to come back, because of the issues they had. He could, he still could have, he, he could have taken it to court. He
30 would have won in court, because within the Act, he's allowed to do it. But he, he, he preferred to try to find an alternative solution to it. It's not something that I control, or he controls, or my daughter controls.

So why is it that on 5 January, 2016, Exhibit 109, you told Talal to tell Stavis that you were Talal's father-in-law in relation to the 23 Willeroo Street development?---Because it was completed probably from, from, I wasn't expecting him to come back with a, another DA in regards to Penshurst, Penshurst Road, or – it wasn't expected, this thing. I kept it confidential. I said, "Just go and tell him if there's any issues." I mean, I don't recall him telling him. But then he, he put in his application for
40 Penshurst. I declared interest which was based on approval, final, finish. And then he had issues with the stormwaters later down the, down the track. It's beyond my control, I think beyond anyone's control. I wasn't expecting him to come back and seek help in regards to the stormwater.

The application in respect of Willeroo Street wasn't completed until after amalgamation?---No, but you saw the assessment was, yes, we're happy with the outcome, there was, there was a text message I was reading yesterday, it says, we are happy with the solution and that was it - - -

This is before that occurred, this is when there was complaint by Talal El Badar that Spiro was being harsh in relation to his, the view he was taking of the potential for a study to be turned into a bedroom in the plans for Willeroo Street?---Correct.

In other words, there was a problem - - -?---Yes.

10 - - - and the solution you proposed was tell him, I'm your father-in-law.
---No, solution was after it's finished, they said he's happy, there was laughing in the text message if I recall it from yesterday, that both parties are happy with the outcome and the result and then he said that should be all good. He said, I hope I don't have any more issues, I said, well, I hope you don't but tell him if you have to, just as a passing - - -

You're just telling us nonsense aren't you?---No, it's in a text message, I'm reading it from yesterday, it's in there.

20 Turning then to volume 7, page 284 please. 29 October, 2015 you texted your son-in-law to say, "I'll speak to you tonight re Penshurst, it's resolvable. Phil Brown will inspect hoarding tomorrow." I'm not focusing on the third sentence, I'm focusing on the first two sentences of that text message. Do you see that?---Yes.

What was it that you meant by, "it's resolvable"?---I don't recall it but just guessing from memory is it's to do with if he can come up with consultant's report regarding the stormwater then that could be resolved.

30 We've seen that volume 7, page 155 at 9.04am on 27 October, Stavis texted you, "Hi Mike, I don't think he's telling you the whole story but I'll advise you ASAP." He then asked Mr Gouvatsos to prepare a response, you recall seeing that?---Yes, yes.

40 Then there is you can assume some discussion in the planning division and on 28 October, the day before this text message we're looking at now, volume 7, page 156, Mr Stavis emailed one of his staff asking her to call an internal meeting with me, then he named a person who was one of the, who was a different development engineer in the division and a man called Paul ASAP. Then he said, "I want to resolve this ASAP." Is it possible that you had some contact with Spiro Stavis before the text message at 5.01pm on 29 October, 2015 in which he said, look I've, there's going to be a solution, it's going to be approved we've sorted it out, and that was what you meant by saying to you, saying to your son-in-law the next day at 5.01pm, "I'll speak to you tonight re Penshurst, it's resolvable." In other words, you had some news for him and it was good news.---No, the news is to get the consultants on board and to get the report that whatever he's doing in the stormwater, it works, that's what written.

That's not the evidence before the Commission. The Commission has before it a very clear evidence that what was occurring was that Mr Stavis was moving things in his division to, at the very least, prioritise the assessment of the plans and the proposal for how to handle the stormwater and the section 96 application and he clearly wanted to, "resolve it as soon as possible", his words to his staff.---Of course he wanted to resolve it because we made an enquiry to find a solution to it and the solution is to get an independent consultant to see how the stormwater works. That's what, that's the basis behind approving the stormwater is that specific report saying it will work with a pump-out system. That's what makes it resolvable, nothing else.

And when Mr Stavis told his staff, volume 7, page 156, on 28 October, 2015, "I want to resolve this ASAP," you know, don't you, looking back now, that he was doing that because you had intervened with him?---As I said, whenever a councillor makes an enquiry, we get priority. This is the culture of council.

Is that fair on other ratepayers?---This is the way it is, we represent the ratepayers, we don't represent the - - -

The way it is, is unfair but that's the culture, that's your view of the matter, is it?---It's, no, that's the way it is, that's the culture that's been going for many, many years. We represent the people.

They say the same thing about the Mafia.---If someone calls you for assistance and you know somebody else is, and I'm going to give you priority, that's the way it is in politics. You ring any politician, you'll go, you'll get the priority if you call a politician that doing it yourself. That's the way it is, that's the way it is. You ring any politician in State Government, in Federal Government, you'll see your priority is, will be addressed much quicker than you making a direct response or an enquiry on this. So that's, that's normal, that's the nature of politics. That's how it works. That's democracy.

Now, can I take you to a text message on 3 December, 2015. Volume 7, page 284, number 36. Can you see that your text message to your son-in-law at 10.57pm on 3 December, 2015, consists of two words and an exclamation mark, the two words being, "All done."---Correct.

Given the time at which that text message was sent, does it mean that you had had a conversation with Spiro Stavis in which he had told you something to indicate that as far as you were concerned, it was all done?---I, I don't recall this. "All done," it could be, it could mean anything. "All done," could mean I spoke to him. "All done," could have been he's happy with the, the consultant's report. "All done," could have been, yeah, there's a solution. I, I just, I, I don't know how to answer that. It's, I, I just don't recall exactly what the, the meaning behind "All done," is.

If we can go to volume 7, page 214, please. I'm going to show you an extract from Mr Stavis's notebook in which he made handwritten notes and on the top of the page that we're showing you, there is a date, 4 December, 2015, and inside a rectangle, Mr Stavis wrote, "Councillor Hawatt requests," and the second request seems to be 51 Penshurst Road and then there's the name of the development engineer concerned, Milad, M-i-l-a-d. Was there a meeting that you had with Mr Stavis around 3 or 4 December, in relation to 51 Penshurst Road?---Well, with Milad?

10

Milad Rouhana was the name of a development engineer that we know was assigned to look at this particular project.---I don't recall meeting Mr Milad.

No, I'm not suggesting you did. Sorry. I'm asking you, having regard to these notes, having regard to the text message where you sent your son-in-law quite late at night on 3 December, "All done," had there been some contact, perhaps a meeting, perhaps some other contact between you and Mr Stavis around this time involving 51 Penshurst Road that led you to think that you could say to your son-in-law, "All done"?---I mean, I, I don't recall but if I met, if I met with him on that date, then I would have discussed all these issues with him, I presume, if that's all my issues, and I might have asked him what's happening with that, if, if I met with him. I don't recall meeting him but that's normal. I, I just can't see where, where - - -

20

No, it's only something that's been written by Mr Stavis for his own purposes.---I don't recall. I don't recall. But I met him a lot over, I go through all the progress of what's happening. I just, I just can't recall.

30

The progress of the matters in his division in which you had expressed an interest?---Yeah. Whatever inquiries I make I follow up with him sometimes.

How often did you meet with Mr Stavis and with Mr Azzi, with Councillor Azzi, the three of you?---Oh, not that often. Not that often. When I deal with Mr Stavis - - -

40

Sorry, I should be a bit more precise in fairness. I withdraw that. How often did you meet with Councillor Azzi and Mr Stavis in order to review sites in which you and Councillor Azzi had expressed an interest?---Not that often. Not, not that often.

So the meetings that you had with Mr Stavis to discuss sites in which you had an interest were much more frequent when you were alone with Mr Stavis than the ones where you're with Mr Stavis and also going through Councillor Azzi's list?---Correct. Because I had much more inquiries, I was receiving much more phone calls and inquiries than, than Mr Azzi. That's why I was meeting - - -

Is that so?---I was getting a lot of calls in regards to matters and issues.

And how did you know that, how did you know that there were more that you were getting?---Well, I'm just guessing because everybody's complaining and say you've got so much - - -

10 No, no. I'm sorry, sorry, sorry. What I mean is, you say that you got a lot more inquiries and you had many more meetings with Mr Stavis about sites in which you expressed interest than Councillor Azzi did. How do you know that? I'm not - - -?---Because people were saying you get a lot of, they're telling me from, from, from staff in council that I, I make a lot of requests, inquiries because it's like a busy person, everyone calls me and that's regular.

20 Did Stavis tell you that?---I think he might have mentioned it as well because everybody says like, you know, like, they might get one from one councillor and I get six from myself and that's why I follow up in order to finish off any inquiries that I have and I just follow it through with him. Sometimes say what's happening with this, what's happening with that, and just go through it.

So what we've looked at in relation to Penshurst Road is we've seen a late night text on 3 December, 2015 by you to Talal saying all done. We've seen what appear to be Mr Stavis's handwritten notes about Councillor Hawatt request. It's dated 4 December, 2015. It might mean there was a meeting but it might be possibly a reference to a contact he'd had with you about various requests.---Correct.

30 Can I take you to volume 8, page 283, please. Maybe I've got that wrong. I have got it wrong. Thank you. Volume 7, page 284. And it's text message number 37. So looking at number 37 you can see that it's from you on 4 December, the same date as the notes that Mr Stavis had made, at 1.36pm and you say to your son-in-law, "Everything is okay now. Just stop talking." And then a series of exclamation points. Do you see that?---Yeah.

40 What were you referring to when you sent that message?---I just don't want him to, to talk to his friends and mates that he had issues and it got resolved and, and then them calling me for help and assistance. I just, I don't want to go through that. Stop talking is like please, you know, I don't want to go through this process again.

What gave you to understand that you needed to ask to convey to him that he was not to talk to other people about what he had achieved through intervention?---I just don't want people to give me a call, I just really, sometimes you get so much and I don't want to be pressured by the individual saying, to make it personal, you helped your son-in-law and you didn't help me which, you know, I don't want them to know that, you know, I just made the normal enquiry, went through the normal process even

though he was my son-in-law and Mr Stavis I kept him ill-informed of that relationship. I just don't want him to talk about it, sometimes you've had enough.

10 Did you say to him, "just stop talking", many exclamation points, because you wanted to confine to as few people as possible the knowledge that you, that he had obtained preferential treatment as a result of the intervention of you, a councillor?---That's incorrect because I do not want him to talk to people, spread word, like it normally happens, when I help someone, then
10 that person tells another and that's why I get so many calls and that tells the other Councillor Hawatt helped, he assisted me and he did a great job. So the next one will call me for the same things and just sometimes, you say, look enough, I don't want to, I've got enough on my plate I don't want to continue, just don't tell your friends, don't talk anymore. That's how it is.

20 If I could show you, please, volume 7, page 217. This is an email conversation but I really want to focus on the top email if I just take you through them very quickly. First of all, at the bottom on 7 December, 2015 at 4.27pm, Spiro Stavis speaks to the solicitor acting for Talal El Badar,
20 saying he had instructed his staff to finalise the report as the report on section 96 application, his staff tell him that the report had been drafted, that engineering comments were awaited. Then on 11 December, 2015 at 9.51pm, Mr Stavis said to the staff handling the matter, "Has this DA been finalised, super urgent." With three exclamation marks. Do you have any understanding about why Mr Stavis would have used the words, "super urgent" and three exclamation marks?---Unless my son-in-law might have called him and said, look, it's urgent, that they need to finish unless my daughter might have been already packed up and wanted to move out, I just don't recall exactly. I might have asked you know, get the report finished.

30 Wouldn't a more honest answer be that, well, it was because I'd intervened and I was hassling him and I'm pleased to see that he was moving this along in response to my intervention. Wouldn't that be a more honest answer?
---Well, no, it could be any answer that I mentioned, I can't give you one specific answer because it's, I don't recall calling Mr Stavis in this regards, as far as I'm concerned it's all finished and I don't recall unless there's some text messages but I don't recall asking him to, to finish it off. I don't recall talking to my son-in-law to, to lodge it, finish it quick but the only
40 thing I can suggest is that yes, my daughter was in turmoil, my daughter had issues and she probably wanted to move out and packed up and ready to go. That's the only thing I can, I can think of at the time.

As a result of that you were pressured by your daughter to intervene, is that what you're saying?---Well, no - - -

Why are you raising this all the time?---Because she had personal issues - - -

Why does it matter, why does it matter to the question of, how come Canterbury Council Staff appear to be treating a matter in which you had expressed interest as super urgent?---All I'm saying is from, again, just guessing at it, I'm just guessing this situation, I know there was a number of issues.

10 I'm not asking you to guess. I'm asking you to draw on your knowledge of your relationship with Spiro Stavis, which by this stage, had been over a number of months, over numerous matters, over much contact between the two of you, you understood, didn't you, that Spiro Stavis would invariably respond favourably if you asked him to in a particular matter, favourably to the interest of the applicant?---Favourably, Mr Stavis, if he doesn't like something, he has to, I mean he can't just give you something favourably without doing his homework and, and ensuring that it meets the, the, the council's codes and – he can't just make decisions up but he will help, he will give you priority and he will assist and that's, and that's the way he operates. I, I can't just say he's giving me favourable things. It's not that he came up his own decisions. He's got to have, you know, backup and proof and, and, and assessments and work can be done on this. So he gives me priority, like any other councillor, and I might have said to him, look, 20 can you have this done quickly, there's some personal issues. I don't know. I just can't recall exactly.

But you know what the pattern on conduct was, the pattern of your relationship with Mr Stavis at this time, from the factors that I've drawn your attention to, and you would know that Spiro Stavis, generally speaking, acted as promptly as he could to achieve a favourable outcome, as favourable an outcome as he could, for the applicants whose matters you took to him?---He's just doing his job and he might have gave me priority, 30 as he normally does in doing his job. That's all I can say.

If we could look please at Exhibit 98. This is the transcript from Exhibit 98, of a telephone conversation between you and your day on 14 December, 2015, commencing at 1.44pm. It's only two pages long. Have you had a chance to read that?---Yeah.

Thank you. You, looking at the four line entry after halfway down, attributed to Laila, would understand that when she used the words, "Well, get this letter for the thing," she was talking about a letter from council or notice from council of approval of the section 96 application for 40 modification of the DA?---Most likely.

And when she says, "But Talal said we can't buy it until we get the letter," do you understand that to be a reference to another property which the El Badar's were considering purchasing but couldn't put in a bid for until they knew that the section 96 application had been approved on their house? ---Well, my daughter was looking for a home to live in and presumably that's the case.

And then you offered to find out, that's the third last entry on the page.
---Yep.

And on the second page when your day asked you, "Do you know roughly when we'll get it?" You said, "Okay, let me, let me find out. I'll send him," that would be a reference to Spiro Stavis, is that fair to say?---Yeah, yep.

- 10 And then the fourth last entry on that page, where your daughter says, "Cause if, if we do get it, we can bid on a house on Saturday."---Correct. It could be an auction, I don't know.

Then that same day at 1.54, very shortly afterwards, volume 5, page 293, message number 478. Where the cursor is you can see that the text message was to Spiro Stavis at 1.54pm. "Hi, Spiro. Is the approval letter ready for Penshurst Street re stormwater. Thanks. Michael."---Yeah.

- 20 So you're just following up on your daughter's request for assistance there. Is that right?---Yeah, that's right. It looks like it.

And then 2.09pm message number 480 you said to Stavis, "If you can have it done by tomorrow it will be greatly appreciated." Looking also at 481.
---Yeah.

Then on 16 December item 484, 9.45am you ask Spiro, "What's the progress on section 96 Alha, Penshurst Road?" So two different items from each other. Is that right?---Section - - -

- 30 Some section 96 application in which Mr Alha had an interest and the Penshurst Road section 96 application.---Maybe. I can't, maybe. I don't recall exactly but probably but I don't recall.

Excuse me a moment. Can I ask you some questions about the property that you told us about yesterday that you were engaged in trying to sell in the Penrith area.---Yes.

31 Santley Crescent, Kingswood.---Yes.

- 40 What – I withdraw that. You made efforts to sell the property. Is that right?---Correct. Yes.

And you made those efforts in 2015/2016, those two years?---Yeah, probably around the period I was spreading the word if anybody is interested in buying a development site.

Who did you talk to to try to sell the property, who did you try to interest in buying the property?---From memory three, three people. One was some

real estate in, in Penrith. I recall he spoke to me about, she wasn't sort of, didn't have anyone particular it was just a discussion. Get some ideas in regards to prices and all that. And the second one was I, I remember meeting Marwan Chanine and I said look, if you got anyone that you know is interested in buying, and my son-in law. So they're the three from what I recall.

10 Can I take you to volume 8, page 202. Volume 8 in Exhibit 52, page 202. I'm told it will be page 201. This is a schedule of text messages extracted from your mobile phone and can you see that the first one is sent by you on 29 April, 2015 to Jo Alha?---Yep.

It's got the address 31 Santley Crescent, Kingswood.---Yes.

Was he a person that you were trying to interest in buying property?---I don't recall talking to him, honest, I don't recall, I'm surprised that I sent this.

20 It looks as if you were trying to interest him in buying the property?---I was spreading it to everyone that I saw, I just can't recall so that's - - -

You knew that Joe Alha was a developer with interests in the Canterbury local government area?---Well, it's not necessarily to him if he has anyone else who may be interested, that's when I spread it, it doesn't mean I'm asking him to buy it, I'm just saying do you know anyone who may be interested in buying a site in Penrith.

30 But if Jo Alha had said, yes I'll buy it, you wouldn't have said, no I don't want your money, would you?---No, if he's interested then I will look at it, correct.

And that notwithstanding the fact that he had matters before council in the Canterbury local government area?---Well, if he did then I'll have declare interest in anything that he ask me and request.

I'm not suggesting that was wrong, but why would you have had to declare an interest?---I'm having a financial discussions with him, that would be the right thing to do.

40 Then the next text message is number 2, it's on 2 July, 2015 it's to Talal El Badar.---Yes.

You say, "call me when you are ready re Kingswood."---Yeah.

What did that mean?---He was talking to his partners because I asked him and he went to talk to the people that, to see if they're interested in another site.

So, Talal El Badar was a property investor?---Small, he is more fruit, he's involved in wholesale fruit but he does that on the side.

You told us that, yes, that's right.---He does that on the side with his partners.

On the side he was interested in investing properties?---With his partners.

10 With his partners, thank you. This suggests that you had been talking to him and he had indicated, perhaps, that he would do some research into whether it would be worthwhile to invest, would that be fair to assume?
---Yes, yes, yes.

This is when is, perhaps, you were trying to hurry him along a bit and saying, "are you interested?" Would that be a reasonable construction to place on it?---That's reasonable, yes.

20 Excuse me a moment. Now you knew a solicitor called Tom Zreika, is that right?---Yes, he's my lawyer.

His firm was called Sterling S-t-e-r-l-i-n-g Legal?---Correct.

They had offices in, amongst other places, Bankstown?---Yeah.

The evidence before the Commission, is that on 22 September, 2015 Sterling Legal opened a file on this property with a view a potential sale?
---Yes.

30 Do you have any understanding about what would have caused them to do that as at that date?---Well, I must have told them to prepare a contract of sale.

If I can tell you that the material before the Commission from Tom Zreika and their documents, Sterling Legal's documents, do not indicate purchaser or a price at that stage.---You must have asked him for an option, contract, definitely preparing himself for some sort of a sale.

It doesn't say option it simply says, "to prepare a contract for sale."---Yes.

40 He would have done that pursuant to instructions from you, he wouldn't have done work - - -?---Correct, correct - - -

- - - without receiving instructions.---Correct.

Who was the purchaser you had in mind at that time?---I think the first enquiry I had, the first one, was from someone that Mr Chanine knew was interested in it. That's the first - - -

Who was that person?---Oh, oh, I don't, I don't recall the name of them, he -
- -

This is Marwan Chanine?---Yeah, he said he, he said he had someone that
he'll talk to.

So this is something that - - -?---But - - -

10 - - - Marwan Chanine told you?---Yeah, this is what he's saying, yes,
because I, I, I must have seen him somewhere and, and I mentioned that,
and he said he had someone he'll talk to. And I told him, I gave him a price.
I said, "Based on my estimates, it should be worth around one point five."

You gave Marwan Chanine a price?---No, telling him to tell the person that
he's going to talk to, I don't know who he was, that I was interested in a, in
a price of one point five. That was my figure that I had.

Well, you gave that price to Marwan Chanine.---Yes.

20 Of one point five million?---That's what it's worth, the property, my, my
estimates.

And, but why would you have incurred fees by way of legal costs in causing
your solicitor to prepare a contract for sale, unless you were pretty certain
that you had a purchaser - - -?---No, no, there was - - -

30 - - - at that stage?---Nothing was a hundred per cent at the, at the time there
was (not transcribable) enquiries, and I needed to have a contract, from my
understanding that you can't make a sale unless you prepare the contracts
first and (not transcribable)

Oh, I see. Oh, I see. So it was something that you could provide to an
enquiring purchaser.---Yeah, correct, yes.

A, sorry, a purchase - I'll start again. Someone you could provide - - -?
---Someone's interested, yeah, yeah. Somebody may be interested.

Thank you.---Yeah.

40 Did you get a response from that person that Marwan Chanine knew, or
from Marwan Chanine?---Oh, look, he dragged on. He didn't come back to
me for a while. Then I spoke to my son-in-law.

And when you say "it dragged on," what happened?---Like, I wasn't getting
a, a, any response from him. Like, he's, he found someone, or he spoke to
the guy, were you still interested or not interested, he never came back to
me on that.

I note the time, Commissioner. I'm about to launch into - - -

THE COMMISSIONER: Something different.

MR BUCHANAN: Yes, well - - -

THE COMMISSIONER: Or on the same topic.

MR BUCHANAN: Yes.

10

THE COMMISSIONER: All right, we'll adjourn until about 10 to 12.00.

SHORT ADJOURNMENT

[11.27am]

MR BUCHANAN: Mr Hawatt, can I show you please, volume 8 in Exhibit 52, page 201. Item 4 on that page is a text message of 17 September, 2015, from Marwan Chanine. "Michael, can you please resend me the address for the property in Kingswood. Thanks and regards, Marwan." I apologise if I mispronounce Mr Chanine's name. Mr Hawatt, that suggests that you had provided the address to Mr Chanine sometime earlier than 17 September, and Mr Chanine's come back and said look, can you give me the address again please.---I might have, yes.

20

You then provided that address, that's item number 6 same day. Two days later on 19 September, item 7 at 12.37pm, you get this text message from Mr Chanine. "Kingswood can work at \$1.5 million with terms as a hold for me. Let me know if you'd like to discuss further." What did you understand Mr Chanine to mean by saying, "With terms as a hold for me"? ---Just that he calculated, he made his own calculations to see if it achieves what, what, what he think will, will work for that figure. I mean, he went back, he, he looked at the address, presumably, and got the information on the size and the, the, the controls on, on the particular property, which is the 3:1 FSR and the height, and made his calculations to see if that figure that, my sale figure, works for them. That's, that's what they normally do. So he must have done his calculations saying, yes, 1.5 works.

30

Does, "With terms as a hold for me," suggest that it might have been - - -? ---It's an option.

40

Yes, a request for an option or an extended settlement date?---Yes. Either one but I think it's an option, so, because - - -

And what – I withdraw that. Did you have any understanding as to what Mr Chanine was looking at doing with the site in his own mind?---No, I think Mr , Mr Chanine does, he does sites, he goes and collects sites and put them together and, and gets approval and sells them. That's what I think he does.

But to develop, in other words, as what?---What he said, like, from, sort of coming back, memories saying that they were, they were, at one stage, he had people or himself or other people were interested in such a site because it was small and it's only suitable for them to develop.

Excuse me a moment. So that's preceding – I've just taken you to 17 and 19 September. I told you that 22 September was the date that, on evidence before the Commission, Exhibit 181, pages 176-212, it appears that Sterling Legal opened a file and had received instructions to prepare a contract for sale.---Correct.

So you would have, is this the inference you draw, that you would have, shortly after that text from Mr Chanine, said, okay, well I'm going to need to give the guy a contract?---Most likely, most likely because we, we've got to have a contract anyway.

Can I show you an additional document, please, that it to say it's not in the brief. It's in Exhibit 52. And this is an email conversation. The first page is the relevant page. The email at the bottom is on 22 September, at 3.41pm, "Dear Michael, please find attached a contract for the sale of the land as requested. I also attach our invoice." You responded, "That's quick," in about the middle of the page, do you see that, at 8.17pm?---Yeah, sorry, I'm just (not transcribable)

I'm sorry. So the bottom of the page is an email from Tom Zreika to you. ---Yep. Correct. That's attached.

22 September, at 3.41 - - -?---Yeah. Yeah (not transcribable)

- - - saying, "Here is a contract for sale as requested."---Yeah, I can see that, yep, yeah. The next one after - - -

And then you responded with one line later that night, "That's quick." That's all. Oh, that's not important, I'm just working up the page with you. ---Yep, yeah.

And then the next email in this conversation is from Mr Chanine to you at 8.40pm, shortly after your two-word email to Mr Zreika, in which he says, "Thanks, Michael. That was quick," and that he just says he needs to know about the lease in place and a section 149 certificate. And then he goes on to say, "Once I have this, I can then meet with you to work through the commercial terms and proceed to a formal agreement and exchange."---Yep.

You see that?---Yep.

You responded that evening at 9.07pm, “I requested the 149 certificate. The lease is with my agent in Penrith. I think there may be three month left max or less. This is not a big issue.” Do you see that?---Yep.

Commissioner, I tender that email conversation on 22 September, 2015, involving the witness and Mr Zreika and Mr Chanine.

10 THE COMMISSIONER: The email chain on 22 September, 2105, commencing with an email from Tom Zreika and Mr Hawatt and then forwarding to Marwan Chanine will be Exhibit 287.

#EXH-286 – EMAIL CHAIN TITLED ‘RE: CONTRACT – 31 STANLEY CRESCENT KINGSWOOD’ COMMENCING WITH AN EMAIL FROM TOM ZREIKA AND MICHAEL HAWATT THEN FORWARDING TO MARWAN CANINE DATED 22 DECEMBER 2015

20 MR BUCHANAN: Now, the next day, if I could take you back to Exhibit 52, volume 8, page 71, excuse me. This is simply, at the bottom of page 71, an email from you on the 22nd, saying you needed – to Tom Zreika – saying you needed the 149 certificate that was missing from the contract, and Mr Zreika responding on 23 September, saying it’ll take a week to come. You then forwarded that the same day to Mr Chanine. Do you see that?---Yep.

30 And then if I can take you to page 89, in volume 8, in the middle of the page, there is an email from Mr Zreika to you on 30 September, saying he attached a section 149, and you forwarded it to Mr Chanine, that’s towards the top of the page, at 8.39pm that day.---Ah hmm.

And then on 1 October, Mr Chanine responded, “Thank you, will be in touch next week.”---Yeah.

Do you see that?---(No Audible Reply)

Did Mr Chanine have matters before council at this stage?---I don’t recall, I don’t recall.

40 Can I take you, please, to page 201 in volume 8. It’s a report of messages extracted from your phone that we’ve looked at before but this time, we’re going to message number 10 on 28 September, where you received a message from Marwan Chanine, “Hi, can we catch up for coffee on Wednesday regarding Kingswood?”---Yep.

And I think there was a mix-up that occurred around this time. If I take you to Exhibit 69, volume 25.

THE COMMISSIONER: Sorry, what was the reference again?

MR BUCHANAN: Volume 25, page 254. I'm sorry, I might not have given the page number. Items 32 and 33 is an exchange of text messages on 29 September, where Mr Chanine is asking where you are and you responded, "Sorry, got the wrong day. See you tomorrow." Do you see that?---Ah hmm.

10 But then on item 34, 30 September, Mr Chanine says to you, "Hi Michael, I am at the club when you're ready." You responded, message number 35, that you were parking. Do you see that?---Yep.

So it looks as if that meeting did go ahead. Do you remember where that meeting was held?---I think it's the Bulldogs Leagues Club, most likely.

And what happened at that meeting?---It was just to discuss, I think he's got someone to, to buy it and what the interest is and they want a contract, they want the option. I think he wanted 12 months option, from memory.

20 But what did you learn that you didn't know before at this meeting?---Well, I, I thought it was going to be a, a straight sale but it works out to be, it's, he wants an option associated with it.

So is that what he told you?---For 12 months, yeah.

Is that what he told you on 30 September at this meeting?---Well, from memory, from memory, that's, that's what I think happened because there was an option and it sort of followed that.

30 Well, I just want to slow down a bit here. I don't want you, as it were, making up evidence to fit the evidence that you know is before the Commission, Mr Hawatt.---I'm just giving you from memory what, what I think.

Yes. And I'm asking you to picture, if you can, the meeting at the Bulldogs Club with Marwan Chanine, was anyone else present?---No, just him. No.

And was anything discussed apart from Santley Crescent, Kingswood?---I can't recall. I can't recall.

40 Was Santley Crescent, Kingswood discussed?---Well, definitely, that's why we were meeting.

Yes, but can you remember discussion about Santley Crescent, Kingswood at a meeting with Mr Chanine on this day at the Bulldogs Club?---Yeah, from memory, it's regarding the, the option that he, he wanted on, on that site. That's the only thing I can remember from, from memory.

Well, a small problem with this is that we haven't had a reference to an option before in the documents we've seen.---Correct.

You understand that. How do you know that it was at this meeting that Mr Chanine said something about an option?---Well, that's the only time he would have mentioned it. That's when I first met, that's when I met him, to discuss the issue with Santley Crescent. So most likely that's when.

10 So you are saying, are you, that this occurred, that is to say that he said to you at a meeting on 30 September, 2015, at the Bulldogs Club, that he wanted an option, not because you remember it but because you believe there is evidence that an option was created?---There's no evidence but that's my recall but I'm not a hundred per cent sure. I don't recall exactly but I'm just guessing on this one.

What did Mr Chanine say as to why he wanted an option?---I think that's the way he operates, he takes options and puts DA and sells them, that's the way he does things I think.

20

And what, did he say anything as to what the length of the option period should be?---The option that I had with him was twelve months.

And how do you know that?---Because there was an option.

So you don't have a memory of this, your referring to evidence that you know is before the Commission?---I'm referring to an option that I had through his connection.

30 And at this meeting, surely there must have been a fair – if he said he wanted an option, he must have enquired of you as to how much it would cost him?---I don't know the figures, there's a percent that they calculate at the time.

Do you have a memory of Mr Chanine asking you about what the cost would be to him of an option agreement for 12 months on the property?
---I'm only - - -

40 I'm asking you whether you have a memory?---I don't have a memory.

Okay. Now having established there's not a memory, was there a stage at which, not confining yourself to 30 September, there was an agreement for an option with a fee for that option for Mr Chanine to exercise if he felt like it on the Santley Crescent property?---Look, I don't recall, just all I know is there was an option and there was a fee based on the percentage of the value
- - -

How do you know the fee was based on a percentage?---Because that's the calculation that they work out.

So it's not, you're going on a practice are you not a memory?---I'm just trying to recount if, if, I don't recall, I don't know how that, there's a formula they used, I can't recall what the formula - - -

When you say they, you mean property developers?---Yeah.

10 Is there base figure, the contract price, that's to say the price of a - - -?---It's a percentage of the contract.

- - - the purchase of the?---It's a percent of the contract price but I can't recall what the percent is.

20 What did you, was there anything else that happened as far as you know or that you imagine occurred knowing your involvement in this matter at this meeting with Mr Chanine at the club on 30 September?---I don't recall, I just recall meeting him and the details, I don't recall, that's as far as I remember.

Would there have been discussion about anything else?---I don't recall, I just can't recall.

30 What was the next thing that happened in relation to Mr Chanine's interest, by which I mean, concern with the property?---It seemed to have died out from memory, it sort of died out, there was delay and I wasn't sure whether he was going to go ahead with it and that's when my son-in-law came into the picture.

And how did that happen?---Well, I said to him, look, I don't, I think, I think the other guys interested in but if you want it, I'll give you a discount but I need to remove the caveat on the property and I have a, a liability I need \$300,000, I'll give you a discount, I'll sell it to you for \$1.5, I can't remember if it was \$1.2 or \$1.3 around that figure but I need a payment to remove the caveat and shift, and shift that to a unit on the Gold Coast. Then the person who had the caveat on it, she agreed to that and then she removed the caveat and her interest was moved across to the unit on the Gold Coast.

40 Now, the person who had the caveat, that was a woman by the name of Martha Robson?---That's correct.

No relation to the mayor?---That's correct.

When you say that you said to Mr El Badar that you need a payment to remove the caveat and shift her interest to the unit on the Gold, or a unit on the Gold Coast, what was the payment exactly for, as you understood it at

that time, at the time you were talking to Mr El Badar?---For the sale of the Santley Crescent.

No, well, sorry, the payment would be made by the purchaser, Mr El Badar, as you were contemplating it?---Yeah, and his, his team, whoever they were.

And his colleagues?---Yes.

10 To you, is that right?---The sale from me to, to, to him. From - - -

Oh, you would pay him?---No, no, was selling him. He's paying me the 300 as a down payment of the, the price, at a, which is getting it for a discounted, instead of one point five, I discount it to, I think it's one point two, one point three, from memory (not transcribable)

A down payment on the price?---Yeah.

Like a deposit?---Yep.

20 And did the \$300,000 figure at all – and I'm just talking about your thinking at this time that you were talking to Mr El Badar about it – did the \$300,000 have to be paid in order for the caveat to be removed?---Well, the, Martha Robson agreed that if I, she'll remove it if I bought another – she was happy to have a, an apartment on the Gold Coast. And the 300,000 was the average price that I can get for a unit on the Gold Coast, which is a, probably a, a bottom price that, that's going to be around it for, for that.

So was \$300,000, as you understood it - - -?---It's what I targeted.

30 - - - the contract price for the purchase of a unit on the Gold Coast?---Yeah, well, that's the figure I, I made in my mind as being a figure that I could get a, an apartment for that price.

And so the \$300,000 performed the function – please tell me if I've misunderstood this – performed the function of putting a unit in the Gold Coast into the names of you and Martha Robson - - -?---Correct.

40 - - - in exchange for which she would lift her caveat that she had on 31 Santley Crescent, Kingswood?---That, that's correct. Correct.

And what did Mr El Badar say to that?---He said the, they did homework and they're happy to move with it, because they, they, their calculations was, yes, they can get what, achieve what they wanted. They, they spoke to the architect, and they're happy to, to do that.

Can I just ask – you said that there were others involved with Mr El Badar, as you understood it.---Mmm.

How did you come to understand that?---Oh, through, through - - -

Through him?---Through him, yeah.

And did he indicate who his partners were, or did you already know?---No, I didn't know. No. I didn't.

10 Did you find out from him as to who they were?---Oh, well, even if he gave me a name, I would have, I wouldn't even thought of it, remember him, because I wouldn't know how, who they were. No, I didn't know them, and I don't know who they were, no.

And had you known Mr El Badar at that stage to, before that date, operate in partnership with particular people?---No, I, I - - -

Named people that you knew, or knew of?---Well, all I knew, he dealt with his brothers, his father, and other people. But anyone specifically? Nah.

20 Now, did you chase up Mr Chanine, and say, "Well, are you still interested?"?---Well, no, I wouldn't, because of, I'm, I've already changed my mind, basically, if I'm going ahead with Talal, or Mr El Badar, to, to buy it, so I didn't pursue Mr Chanine. I said, I've let, I thought it was going to die out.

30 I'm sorry, I understand what you're saying there, but I shall rephrase my question. Before you made the approach to Mr El Badar as to whether he would be interested, did you find out from Mr Chanine whether he was still interested?---I just didn't hear from him. I'm, oh, from memory, I'm just trying to recall, he wasn't responding and he never came back with a commitment in that regard, and I wanted to move on to get this caveat removed either way, and to me the best option wasn't, wasn't Chanines, the best - because if he wanted to have an option, I'm not going to get the 300,000 to remove the caveat and buy another apartment. So the best option was to go ahead with Mr El Badar and his, and his group, because that way I can get a payment and remove the caveat, and achieve what I wanted in regards to buying the unit.

40 What was the problem, as you understood it, about the deal from Mr Chanine's point of view?---Oh, it's, there wasn't any money going to come through. This, with Mr El Badar, it would have been a, a much quicker settlement. As soon as they found out what they can do with it, they were going to settle on the property quick. With Mr Chanine, it was like a 12 months option from my understanding. So my preference is to go with the, the immediate sale than going with the long-term option which may not happen anyway because it's an option, we don't know what could happen.

So you were never paid an option fee by Mr Chanine?---It's, when they, when, when, when Mr El Badar and his group changed their mind and that

collapsed, then I was committed to pay these guys their money back. I made a commitment to paying back and then Mr Chanine, by the time all this has happened, he came back and exercised, and, and then he asked for the option, which I thought, well, that's, that's fine. As soon as, after 12 months, I will pay these guys back their 300,000 and, and that was a condition that was like a 12 months but up to 12 months. So there could have been an earlier settlement if they achieve what they want with their applications to the council and then I would have paid back the \$300,000. That was the way I was thinking.

10

But that didn't occur until early 2016, did it?---What's that, for, with Mr Chanine?---

Yes.---Well that happened later.

Yes, early 2016.---I don't know the date but that happened after.

20 Did you receive an option fee before 2016 from Mr Chanine?---No, no. I only received it once he actually went ahead with the, with the contract. We went through the lawyers, I just can't remember the dates.

Can I ask you for your response to this evidence. Mr Zreika has told the Commission that after providing you with a contract for the property, that's to say, at some stage after 22 September, 2015, and before 14 November, 2015, you rang him and told him that Talal El Badar will be organising a purchaser for the property?---Could be, could be. Purchaser, that's him, and his partners. Unless he, he was talking about other people but anyway, yeah, of that's the case.

30 And did you say to Mr Zreika that you needed to tell the property and you were trying to find a buyer locally in that area?---Maybe, I can't recall a hundred per cent.

And did you say to Mr Zreika words to the effect that, "The boys may provide me with a purchaser," or, "The boys have found a buyer"?---I can't recall the boys or the girls or anything like that. I just don't recall.

Had Talal El Badar ever done work for you in your office in Lakemba?
---No, never.

40

Had he done Liberal Party work for you?---Never. He's never got, never got involved with politics.

Did he ever get involved in helping you in your office, in your business?
---No, never. My daughter used to work for me many years ago but Mr El Badar, never seen him. He, he might have dropped in to say hi when he goes to his bank underneath where my office is but he's never used my office.

You understood though, this is late 2015, that Mr El Badar, your son-in-law, conducted a small, relatively small, property investment business on the side and did so as a member of a consortia, a consortium comprising him and colleagues of his.---Different colleagues, yes, his relatives, his mother, I'm sorry, his father or brothers and that's my understanding he has.

10 Could you have in discussions with Mr Zreika indicated that those people, including your son-in-law, were the boys and that they or Talal would find you a purchaser?---That's, that's the wording doesn't comprehend property, it just doesn't make sense, I don't recall that but the wording doesn't fit from what I would have said.

Well, did Talal ever indicate to you that he would find you a purchaser?
---He was the one who was working on, on, on getting the investors to buy the property, he's the one who I'm dealing with.

20 So he is looking for a purchaser for you?---Well, he's working in regards to, talking to his colleagues in regards to the site, he never indicated originally that he was going to be interested in it but then he got interested in it, but that's my understanding.

Did you ever have an understanding as to what Talal and his colleagues saw in the site?---I think it was up to who they gave it to the architect to make the decision, that's my understanding or their - - -

Their architect?---Their architect or planner or somebody to look at it and come back and make a decision on their behalf.

30 Did you send a copy of the contract for sale for 31 Santley Crescent to Talal El Badar or give it to him in any other way?---I'm not sure whether they picked it up directly from Tom because they were, they visited his office, I remember, in Bankstown because he, Tom told me they coming to see me but I don't recall giving him direct the contract but most likely, I'm not a hundred percent, they could have picked it up from Tom because they were there.

40 When you say they were there, what was your understanding at that time?
---Well, I think Mr El Badar and his partners they did, they were interested in the property.

Yes, but what was their connection with the Bankstown office at Sterling Legal?---They were using the same lawyer, they didn't, I don't think they had a, at that time, any legal other legal representatives, they were doing it themselves.

Excuse me a moment. Now, we can see from a text message in volume 8 in Exhibit 52, page 202 number 12, that by the 13, I'm sorry my mistake. By 9

November, 2015 you were in a position to say to Tom Zreika, see signed agreement from Martha re the removal of caveat against 31 Santley Crescent, Kingswood, I have original, I have your payment with me today to give you but you didn't show up.---Yes.

10 Then there's a document that is before the Commission and I can show it to you, volume 8, page 131, which has printing and handwriting on it and at the moment I'm only talking to you about the printing on it. It's a sort of empty email from Talal El Badar to support Sterling Legal, in other words Sterling Legal staff as it were, and then they sent it to Toms Zreika and this happened on 11 November, 2015 although the email looks as if it's empty of content, in fact it had an attachment, the attachment is described as 441.jpeg. Do you see that?---Sorry, four where?

Look, it's just against the word attachments at the top of the page.---Yeah, yeah, yeah, yeah.

20 And the evidence that the Commission has been given is that that was a photograph of a driver's licence of a man called Alae, I apologise again if I mispronounced the name, A-l-a-e, Osman.---Yeah.

Does that name ring a bell with you?---No, I didn't know him.

And the evidence that Mr Zreika has given the Commission is that what happened there was that Talal El Badar said here is the purchaser. Here are the details of the purchaser.---Maybe, yeah, maybe.

30 Well, does that fit with your understanding of your dealings with Talal El Badar at this point?---Yes, could be. Yeah, yeah.

Now, we have before the Commission two documents that I want to show you now. First of all the document that we showed you a moment ago, page 131, which is that empty email on which someone has written handwriting and the evidence is that that is Mr Zreika's handwriting. And the other document is the preceding page, page 130, which has got the same style of handwriting against Mr Zreika's handwriting.---Yeah.

40 And can you see it says on page 130, "Conference with Michael Hawatt" And the date is 1411/15 and it says, "Remove caveat forthwith." And provides the address 31 Santley Crescent, Kingswood?---Correct.

You see that?---Yes, I can see that.

And then on page 131 again the word Stanley conference with Michael Hawatt 14/11. Price: \$half million. Dep for deposit \$50,000. Purchaser: Alae Osman and then it gives an address down the coast for Mr Osman. Do you see that?---Yeah, I can see that.

We've been told that this is a set of notes or two sets of notes that Mr Zreika made during a conference that he had with you at your residence.---At my residence?

Yes. He came to your place and you and he discussed Liberal Party business and as well you provided him with instructions in relation to what to do for the sale of or attempted sale of 31 Santley Crescent, Kingswood.
---Well, there's definitely, well, definitely something wrong in that. I don't know where he's got his half a million because there's no way on this planet
10 I would have said to him sell it for half a million. The guy's in gaga land if he put half a million. So I don't know where he got this half a million so he's recollection is, is not clear and just doesn't make sense.

Well, the difficulty is that it's not his recollection you see. It's Mr Zreika's evidence that it's his contemporaneous handwriting. That is to say, he wrote this at the time you were talking to him - - -?---No, this - - -

- - - and he is recording what you said to him at the time you were talking.
---There is no way on this planet I would have said to him sell it for half a
20 million. You think I'm crazy?

Well, unless there was something else going on.---Like what?

Well, I'm asking you. Why would you have - - -?---This one - - -

- - - sold it or attempted to sell it for half a million - - -?---That's - - -

- - - to your brother-in-law - - -?---That is - - -

30 - - - where the purchaser was Alae Osman?---That is 100 per cent incorrect because there's no way in the world I would have told him to sell it for half a million. No way in the world. So I don't know where, this, this figure is probably from an old offer that I might have received years ago. I don't want to sell this for half a million. I don't know where he got that from. It doesn't make sense. There's no way in the world I would, I would have. I would question, yeah, I don't know where he came, I don't know where he got these figures from. I think he must have been in gaga land on that moment.

40 Mr Zreika has told the Commission that on this date in this conference you instructed him to prepare a contract for sale of Santley Crescent to Alae Osman for \$500,000, deposit of \$50,000 and said to Tom Zreika we're going to exchange.---That figure is, is not correct.

Is it right though that you gave instructions for the preparation of a contract for sale to Alae Osman to Mr Zreika on 14 November by way of contract for sale?---I told him to prepare a contract but that figure is incorrect.

Can you see the deposit, it's for \$50,000?---Again, I, he had, I don't know where he got that figure from but it wasn't, could be - - -

Well, it doesn't look like a mistake, does it?---I'm telling you, I'm a thousand per cent, it's no way in the world I would have gave him this figure. I will put my life on it.

10 But do you understand that there is a relationship, isn't there, between the quantum of the deposit and the quantum of the price?---I'm sorry, Mr Buchanan, I will repeat it - - -

THE COMMISSIONER: No, no, no, no, no.---It's not correct.

Mr Hawatt - - ?---This is wrong figures.

20 Mr Hawatt, you're now being asked a specific question about looking at the figures that Mr Zreika wrote down, whether there is a relationship between a price of half a million and a deposit of \$50,000? Now, can you see that there is a relationship between those two?---Could be, yeah, 10 per cent or something it looks like, yeah maybe.

MR BUCHANAN: And that's a standard deposit, isn't it?---A 10 per cent, yeah, correct.

So if it's a mistake, then he mistakenly heard you say half a million and he mistakenly heard you say for a deposit of \$50,000, is that right?---I, no. It's incorrect. A hundred per cent incorrect.

30 It's not likely that Mr Zreika made a two-fold mistake in respect of the price for the sale of the land and also the deposit, is it?---It's a total mistake, a hundred per cent mistake. He must have been sitting there thinking about he got his half a million which is incorrect and calculated we, we need to collect 10 per cent on half a million. That's his own figures, not, that's not my figures. I mean, the 10 per cent, yeah, links to the, to the 500,000 but that 500,000 is incorrect. So therefore, the deposit he calculated is incorrect.

And so what did you tell him the price was?---1.5 was to Chanine - - -

40 No, no. What did you tell Zreika at the conference with him on 14 November, 2015, at your house when you instructed him to prepare a contract for sale to Alae Osman. What did you tell him the price was?---It, it would have been 1.3 by memory.

Did you ever find out that a contract was prepared, pursuant to your instructions?---Oh, it's just presumptions, if I asked him to prepare a contract, I, presumably he did it.

Did he send a copy to you?---Id I would have seen a figure like that on, if, if, if we would have sent me a copy and that figure was on it, there's no way in the world I would have accepted it. I would have responded to him immediately saying, "This is incorrect." So therefore, there was no figures, I have never seen that figure before. This is his own figure, not mine.

10 And you say, do you, that not only did he come up with a note that was wrong in respect of the purchase price and the deposit, but furthermore, he forgot or failed to hear you say 1.3 million, when in fact that's what you said? Is that what you're telling us?---Yes, that's what I'm telling you. That's absolutely - - -

It's not very likely, is it?---Sorry?

It's not very likely, is it?---It's, it's highly likely, highly likely.

20 See, why should Mr Zreika have got that wrong?---Well, I can't work, I can't think of which, where, where he was doing on that particular day or a particular moment. That's, that is incorrect. Incorrect. That is not the figure I gave him. The figures I've had was 1.3, or could have been 1.2 but I think it's 1.3, and, and 1.5.

So do you have a note?---I'm not that crazy to sell it for less than that.

Do you have a note anywhere, did you record the price that you told Mr Zreika you were prepared to sell the property for?---Well, you can see from correspondence to Mr Chanine, it's 1.5. So why would I sell it for half, for a third of that?

30 What I'm asking is, did you make a record of what you thought - - -?---My record is the phone call.

- - - you were asking Mr Zreika to ensure was the contract price for the sale to Alae Osman? Did you make a record?---No, I didn't make any records, because the, the, Mr, Tom had the whole file for me, and he was handling my affairs, so why would I?

40 So you can, can you remember Mr Zreika being at your house when, at your residence at the time you gave him instructions to prepare a contract for Alae Osman?---I, I don't recall that, but we've had meetings at my house sometimes with political meetings, but I've, I don't recall specifically to talk to him about Santley Crescent. I don't recall that. But once - - -

These notes would have been made in front of you.---Mr Buchanan, I'll repeat what I'm saying. There is - you, you can go and check my records. You can check my transcripts. There is - - -

But that's not an answer to my question.---No, no, but I have to repeat it.

Would it, isn't it the case - - -?---It's not the case.

- - - that the notes - - -?---That's wrong.

- - - that were made by your solicitor, at the time you gave him instructions, would have been made in front of you, and you would have been able to see what he was writing?---So it wasn't made in front of me. Definitely not. Because I would have – oh, there's no, there's no way I would have
10 accepted a deal. He, and he wouldn't have done in front of me, because that would have been wrong.

Now, if I can, excuse me a moment, show you page 204, in volume 8, please. And this is not your document I'm showing to you. Again, it's one of Mr Zreika's documents. It's a statement of his trust account in relation to your transactions at this time. And can you see in the middle of the statement an entry against the date 18/11/2015?---Yep.

Received from Alae Osman, an abbreviation for Kingswood, and then the
20 next line, reason, "Deposit funds." Can you see that?---Yeah, one of the, yeah.

And then can you see the amount of the deposit? It's \$50,000.---Correct. That's part of, part of the deposit.

Well, when you say it's "correct," what was correct about it?---Because it wasn't the 300,000 I requested. That, oh, I think that was coming from different sources.

30 Well, are you saying that you told Mr Zreika when he took instructions from you, as you can see on 14 November, 2015, this is on page 131, that you told him that there was to be a deposit of \$300,000?---Correct.

And what relationship did that, the quantum of that deposit bear, to the contract price that you've told us, of one point three million?---I, I said that was if I gave him a discount from one point five to one point three, I gave him a 200,000 or \$300,000 discount of what I believed was the, the market value of the property, in order for them to give me a bigger deposit so I can remove the caveat. That was, that was the whole basis of the sale to them,
40 the payment to remove the caveat with the discount I offered to them.

And is, did you tell Mr Zreika any of this?---Mr, Mr Zreika, I told him I was going to get a deposit of 300,000, that's why it went to his account, not my account.

So we've got another error, you say, in Mr Zreika's contemporaneous notes of your instructions. Not only was the deposit not 50,000, but you had told

him on 14 November that the deposit was 300,000. Is that right?---I told him, oh, it's in his account, so he must know, there's three, three - - -

I'm sorry, is that right - - -?---That's right, it's three - - -

- - - is that what you told Mr Zreika when you gave him instructions about preparing a contract for Alae Osman to purchase the property?---Correct. I said 300,000, and that's why it was sent to his account.

10 And can you give us any assistance as to why it should be that Mr Zreika has made such fundamental errors - - -?---You'd have to ask him.

- - - in the contract price and in the quantum of the deposit for this transaction?---Well, you'll have to ask him, because there's, I can't, I can't, I haven't seen anything, I have never seen anything that shows 500,000. Never seen anything that he had that showed 500,000. The only thing I've seen is this piece of paper. That's the first time I've seen this piece of paper. That's his, his misjudgement and his incorrect figures, not, not mine. There's, I would not accept that, because that's incorrect. Lawyers do make
20 mistakes.

It's still very difficult to understand, Mr Hawatt – I need to tell you and invite you to respond – how Mr Zreika could be so fundamentally wrong about such fundamental matters in relation to a contract for sale of land.--- That's his problem. It wasn't, that figure was not written on any contract that I've seen.

Excuse me a moment, please. So did you tell, did you say anything to Talal about this sale or the purchase he was involved in?---That's the figures I
30 gave them. I gave him the figure. That's why I gave him the discount.

Well, why in that case if you're right and Mr Zreika is wrong about what you said the deposit was to be is the funds, the quantum of the funds paid that are recorded on 18 November, 2015 as going into Mr Zreika's trust account \$50,000?---The 50,000 is one of the, one of the, it's one of the payments coming through. It could have been 10,000, it could have been, it just happened to be 50,000 as one of the payments. I requested 300,000 and that's what I was waiting for. How it was paid I don't, it wasn't up to me how they paid it.
40

But surely you talked to your, surely you talked to your son-in-law about this?---I asked him, I wanted the \$300,000 to be paid in order for them to get the discount. How it was paid it's beyond my control. That was my request based on the discount I gave them. The price is not half a million dollars otherwise it would have been \$200,000 to pay them less that they would have, that would have gave me the 200,000 when it settled. They would have had the bargain of the century. I'm not that crazy.

Excuse me a moment. The evidence that the Commission has from more than one source is that Talal paid what he understood to be a third of the deposit and what he was involved in paying from his part was \$16,600.---I don't recall how it was paid.

10 Where would Talal have got the idea from that the deposit was \$50,000 unless you told him?---I have not made any decisions in regards to selling it for \$500,000. I asked \$300,000. How the \$300,000 was paid it's beyond my control. That was my request based on the price of the 1.3, 1.2/1.3 from memory and how it was paid it's not my, beyond my control. I just wanted the \$300,000. That's the truth.

20 Well, there's no doubt that at some stage you wanted the \$300,000. I'm not questioning you on that, Mr Hawatt. What I'm trying to understand is the evidence that the Commission has from the other parties to these transactions and the written evidence and the fact that there is a clear discrepancy here which is very difficult to understand as to why your solicitor would have got it wrong and why the purchaser to whom you were closest would have got it wrong.---Mr Buchanan, it's incorrect the figure he had. It's incorrect. This is the honest truth. It doesn't matter - - -

But can you assist us as to how the people involved in this transaction, either who were assisting it to occur or who were involved in it occurring and who were actually involved in paying money, would have got this so wrong?---I don't control the, a lawyers thinking, lawyers make mistakes. I had to fix up a lot of mistakes, Mr Thompson - - -

30 And you're saying Talal made mistakes too?---Talal, what mistakes he made? I just, I made a request - - -

For thinking that he was paying one third of a deposit which amounted to, in his case, \$16,600, and if you multiple that by three, you come to a figure that's very close to \$50,000.---That's, that's the way they worked it out. That's not, that's not the figure of 10 per cent on the, on the sale. I would not sell it for 500,000 to my son-in-law or to my daughter or anything. I would never sell it for \$500,000. I'm not that crazy.

40 Unless you had a reason to.---What reason have you got? I wouldn't have, you tell me what reason you've got. I wouldn't have a clue. I mean, you're trying to twist the truth on this one. Well, it's, it's not the truth.

THE COMMISSIONER: Oh, Mr Hawatt. Please - - -?---Come on, Commissioner. This is not fair.

Mr Hawatt, please.---This is not fair, Commissioner.

No. Mr Hawatt, you can see that there are documents from your lawyer before the Commission that we are trying to understand. Now, you're being

asked questions, answer them but please don't add the gratuitous, and at times, insulting comments, please.---Commissioner, I've given my answer and I don't want to keep repeating the same question because I have given my answer. There's no more, there's no more I can tell. I told you the truth, what I believe is correct. There's nothing more I can give. I'm going to give, repeating the same question, the same answers.

Mr Buchanan, please proceed.

- 10 MR BUCHANAN: Now, can take you please to volume 8, page 204. This is in Exhibit 52 again. No, that can't be right, 202. Thank you. Item number 14 is a text message on 13 December, 2015, at 4.49pm to you from Mr Chanine. "Hi, mate. I'll meet you at 11.00am for coffee at Canterbury Leagues. No need for Ziad at the moment. We can also discuss Kingswood. Is that time okay?" Do you see that?---Yes.

Now, can you assist us please as to what was going on between you and Marwan Chanine at this time? It, it seems as if, as far as he's concerned, Kingswood is still something he wants to talk to you about.---because he's probably still interested in it, yes.

Well, first of all, can you recall, did you meet Mr Chanine shortly afterwards in the Canterbury Leagues Club?---I recall meeting him at the Canterbury Leagues Club but I don't recall what the discussion was.

And it seems as if, when he says, "We can also discuss Kingswood," he thought that the two of you were going to be talking about something else beforehand?---Maybe. I, I don't recall what it was.

- 30 Well, did you know a man called Godfrey Vella?---Yes. He's a - - -

Were you having any dealings with him at around this time with a view to property transactions?---No. He was a good friend of mine. He had a site in - no, nothing in Canterbury. He had, he had a site in, in Greenacre and once on Bankstown and one at Blacktown, from my understanding, yeah.

And were you having, were you negotiating with him in respect of the site at Greenacre for example at around this time?---Well, there's nothing to negotiate because Godfrey wasn't selling anything. Like, there's nothing that Godfrey was interested in selling. Unless he wanted to meet up with Godfrey, maybe to, maybe thinking that Godfrey might sell him something but Godfrey does not sell his properties.

Is it possible that the other thing or things that Chanine thought he was going to talk to you about were property deals?---I, I don't recall. He might, he might want to meet up with Mr Vella and now it sort of, could be Vella was there, I don't remember, and he may be interested in the sites that he had in, in Bankstown or Blacktown but nothing to do - he might have

wanted to meet up with him because he knew Mr Vella was a friend of mine.

Well, just thinking about it, what was your relationship with Marwan Chanine as at 13 December, 2015? Why would you have been having a meeting with him unless it was business?---He, he, he might have found out that Godfrey Vella is a friend of mine, I don't know how, might have seen him somewhere, and he just wanted to meet up with him, and he knows that I can coordinate the meeting with him, so most likely.

10

But this is not an answer to my question. What reason was there for you to meet Marwan Chanine on 13 December, 2015, either that day or subsequently, other than for business?---I, I, I don't recall. I don't recall what, what the meeting was all about.

But you know what your relationship was with Marwan Chanine. What was the relationship? Was it a relationship where you were mates who would have a beer together?---I don't drink.

20

No. Was it a relationship where you would socialise together?---I don't socialise with him.

You don't socialise with Marwan Chanine?---I've never socialised with him unless we meet during work.

Never, ever in your whole life have you ever socialised with Marwan Chanine? Is that right?---I don't socialise with him on a one-on-one unless he was at a gathering or invited to same place as I have. But him and I do not go out and socialise together, no, so - - -

30

And what business or type of business did the two of you do together as at December 2015?---I've never had any business dealing with him except for Santley Crescent that we spoke about.

No other property?---I don't, I've never dealt with him in anything else, no.

You're quite sure about that?---Well, like, I don't recall anything. I, from memory I don't recall having anything to do with him except for Santley Crescent.

40

You're sure you didn't have anything to do with him in respect of the sites at 212-222 Canterbury Road and 4 Close Street?---That's one of his properties he owns?

Yes.---What's it got to do with me?

Well, there were DAs that had been lodged with council for the development of those two sites, with eight-storey, if I recall it correctly, mixed-use development on both sites - - -?---I don't remember if its' - - -

- - - that were in council being assessed.---I don't recall that one. Is it a planning proposal or DA? I don't recall.

10 No, development assessment, development application, two development applications together, side by side.---It's a DA. Yeah. I, I don't – I mean, he might have had a DA.

20 Did you ever talk to Mr Chanine about council involvement in assessing any development application of his?---He might have, he might have requested something like any other person that would have requested some assistance, but one thing for sure, from, from what happened with the options that he purchased, he might have been interested at one stage himself, but someone else bought it from, from, from his contacts in order to distance that relationship or any links that may be financial that I had with him. So there was nothing for me solid to actually say, yes, there was some financial interest and business dealings with him, because nothing happened in that regard.

So in order to put distance between Mr Chanine, the developer, and you, the councillor, in respect of the ultimate purchase of 31 Santley Crescent, a third party was interposed, is that what you're telling us?---Well, no, no, from my understanding he wasn't, he didn't want to have any dealings, direct dealings with me.

30 Yes. So how did he do it?---Well, he couldn't, he couldn't go ahead with it, so as far as he was concerned (not transcribable) somebody else, one of his friends, because he didn't want to buy it and he didn't want to have any association, any business dealing with me because of that DA presumably (not transcribable) continue with it.

40 How did you know that he didn't want to have any dealings with you because of that DA?---Well, like, I must have told him that I can't, that you're going to buy something from me, then I can't be involved in anything that you do in Canterbury, which I would have to declare interest on anything that he has.

Did you ever declare an interest on anything he had at Canterbury Council? ---Well, there was no need for me to declare interest unless - - -

Is the answer no?---No.

You never did declare an interest?---No, I never declared interest, no.

And obviously – I withdraw that. When was it that, as you understood it, Mr Chanine would have got the idea that he couldn't be seen to be purchasing something from you because of your position as a councillor at Canterbury?---Well, it's always been a concern that any dealings that he's going to do with me, if there's anything like that, then I, I can't, I just, I have to put an arm's length from him.

But did you say it's always been, it was always a concern?---Yeah, a concern with anyone. Any, anyone.

10

But we've seen that you were treating with him, in 2014 and 2015, for him to purchase 31 Santley Crescent, haven't we?---Yes. Yeah, but there was - - -

And we haven't seen you saying, "Oh, sorry, I can't have any dealings with you, you can't purchase it, because you're a developer with applications in council."---But if he would have went ahead with it, I would have had to declare interest and not been able to, to, to do any enquiries on his behalf.

20

You don't think you could have, perhaps, been required by the code of conduct to declare an interest in Mr Chanine's matters before council simply because of the fact that you were trying to sell him 31 Santley Crescent?---If that would have went through, I would have done it.

So - - -?---Because it disappeared, it died out, as far as I was concerned, it came in later.

30

And so negotiating with someone to sell them a property of yours isn't something that, as far as you're concerned, requires disclosure of a commercial association with that development proponent when their matter comes before council for decision?---Well, if, to me from, from my understanding of the code of conduct, if there's no, there's no dealings with that particular person, there might have - - -

But you were having dealings with him.---No, I'm talking about financial dealings. There's nothing, nothing happened. There's been talk, and if there was dealings that went through, then by right I would have to declare, just - - -

40

You went so far, you told us, as to require that an option be prepared by your solicitor in order for it to be given to Mr Chanine, in respect of 31 Santley Crescent.---If that would have - - -

Is that right?---If that would have happened, then I would have had to declare the interest on it. So - - -

But why did you go ahead with the instructions to your solicitor to prepare an option for sale to Mr Chanine of that property in circumstances where

there were matters of Mr Chanine's before council?---I had to get the, because I was in the, in the market of selling it, and I had to prepare it, whether for him or anyone else. It had to be ready for anyone, if you're selling the, a property. So my instructions to Mr Zreika is to prepare the contract, not necessarily for, for Mr Chanine or Mr El Badar or anyone. It had to be prepared anyway, because I had the intent of selling the property.

I note the time, Commissioner.

- 10 THE COMMISSIONER: All right, we'll adjourn for lunch and resume at about five past 2.00.

LUNCHEON ADJOURNMENT

[1.03pm]