

Monday 22 March 2021

Investigation into the conduct of councillors of the former Canterbury City Council and others

ICAC FINDINGS

The ICAC found that Michael Hawatt, Pierre Azzi, Jim Montague and Spiro Stavis engaged in serious corrupt conduct. Read the full findings [here](#).

ICAC RECOMMENDATIONS

The Commission seeks the advice of the Director of Public Prosecutions (DPP) on whether any prosecution should be commenced. The DPP determines whether any criminal charges can be laid, and conducts all prosecutions. The ICAC is of the opinion that consideration should be given to obtaining the advice of the DPP with respect to the prosecution of Mr Hawatt, Mr Azzi, Mr Stavis, Charbel Demian, Daryl Maguire and Marwan Chanine for various [offences](#).

CORRUPTION PREVENTION

The Commission found that corrupt planning decisions at the former Canterbury City Council were a consequence of both underlying integrity issues and poor controls, and a NSW planning system that lacks effective anti-corruption safeguards. Factors that facilitated the conduct included poor foundations for corruption prevention at the Council, including a poor “tone at the top” that led to the pursuit of developer interests by some senior staff and councillors, unsound recruitment practices and practices at the Council to appoint senior staff, the failure of the relevant NSW Government department to properly oversee the making and amendment of local environmental plans, and the weak regulation of lobbying in the local government sector.

The Commission has made [23 corruption prevention recommendations](#), to help address the corruption risks identified during its investigation and to help prevent the conduct identified in this investigation from recurring.

BACKGROUND

The Commission received a written complaint in January 2015 about the conduct of councillors Hawatt and Azzi concerning the attempted employment termination of the general manager of the Council, Mr Montague. The complaint included allegations to the effect that Mr Hawatt and Mr Azzi had, while they were councillors, dishonestly or partially exercised their official functions in respect of planning decisions made by the Council. The complaint originated from the then mayor under section 10 of the *Independent Commission Against Corruption Act 1988* (the ICAC Act).

Mr Montague then made a report under section 11 of the ICAC Act about an offer made to him by Mr Hawatt on 13 January 2015 for his resignation. This complaint was referred by the Commission to the former Office of Local Government (OLG) for assessment. The OLG conducted an investigation and advised the Commission that there was insufficient information to indicate deliberate wrongdoing. During the Commission’s investigation into allegations concerning planning decisions at the Council, additional information about the attempt to terminate the employment of Mr Montague and the process of recruiting Council’s director of city planning, Mr Stavis, was located and on that basis the Commission proceeded to investigate that allegation.

The conduct reported to the Commission, if established, would involve a serious misuse of public office. The Commission decided to conduct an investigation and then that it was in the public interest to hold a public inquiry, which ran over 88 days from April 2018 to May 2019. Commissioner Patricia McDonald SC presided at the public inquiry, at which 43 witnesses gave evidence. Read the full report [here](#).