

INDEPENDENT COMMISSION AGAINST CORRUPTION**STATEMENT IN THE MATTER OF: Op Dasha**

PLACE: ICAC
NAME: Morris Iemma
DATE: 13 July 2017
States: -

1. This statement made by me accurately sets out the evidence which I would be prepared, if necessary, to give in Court as a witness. The statement is true to the best of my knowledge and belief, and I make it knowing that, if it is tendered in evidence, I shall be liable to prosecution if I have wilfully stated in it anything, which I know to be false or do not believe to be true.
2. I am 55 years of Age
3. I am the District Commissioner of the Southern District under the Greater Sydney Commission. The Greater Sydney Commission is leading the planning for the metropolitan to make it more productive and sustainable. This involves strategic planning, realising key initiatives and sitting on planning panels. My Roles and responsibilities were to form a district plan for the land use in the southern district and to sit on a planning and approval panels within the local government area within the district

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4. This recently changed and the Commissioners now have been removed from the planning panels to focus of strategic matters and land use matters.
5. I was a member of the New South Wales Legislative Assembly for the period 25 May 1991 to 19 September 2008 and the Member for Hurstville and Member for Lakemba.
6. During the period 3 August to 5 September 2008, I was the Premier of New South Wales.
7. During the period that I served in the New South Wales Legislative Assembly I held the following positions;

Minister Assisting the Premier of Citizenship (8 April 1999 to 2 April 2003)

Minister for Public Works and Services (8 April 1999 to 2 April 2003)

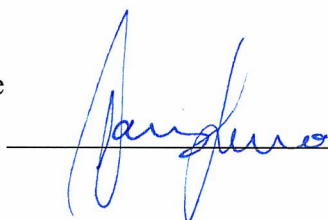
Minister for Sport and recreation (21 November 2001 to 2 April 2003)

Minister for Health (2 April 2003 to 3 August 2005)

NSW Treasurer (3 August 2005 to 5 September 2008)

Minister for Citizenship (3 August 2005 to 5 September 2008)

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Minister for State Development (17 February 2005 to 5 September 2008)

Parliamentary Secretary assisting the Attorney - General and the Minister for Industrial; relations (6 April 1995 to 1 December 1997)

Parliamentary Secretary assisting the Premier (1 December 1997 to 8 April 1999)

Member of the Regulation review Committee (2 July 1991 to 5 March 1995);
and

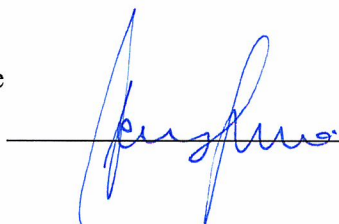
Member of the Joint Select Committee upon the Constitution (Fixed Term Parliament) Bills (31 October 1991 to 23 September 1992)

8. I have been a member of the Australian Labor Party ("ALP") since 1977. I am the president of the Lakemba state electorate council.

Michael Hawatt

9. I know Michael Hawatt ("Hawatt"). I am aware that he was a former councilor at Canterbury City Council. Hawatt started as a member of the Labor party and I think it was in the punchbowl area. After a period of time he left the Labor party and joined the liberal party. During my time in Parliament we were political opponents.
10. We did not have a social relationship, however, we were cordial and when mutual functions occurred, we would speak generally about politics and family.

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Pierre Azzi

11. Pierre Azzi ("Azzi") and I have a friendly relationship. I have known Azzi, as he is the westward councilor for Canterbury Council and have met him at a number of functions over the years. I did socialise with Azzi from time to time and discussed local political matters and personal matters.

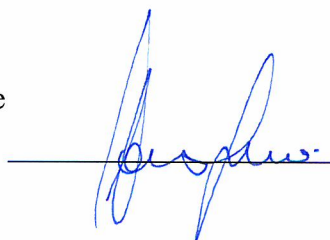
Jim Montague

12. I have known Jim Montague ("Montague") as the General Manager of Council. I have a good relationship with Montague. He is efficient, diligent, displays an easy manner and is very approachable when we worked on local matters. He has been a very long standing General Manager at Canterbury. He was very well respected.

Brian Robson

13. I have a good relationship with Brian Robson ("Robson") who was the Mayor at Canterbury Council who was popularly elected. I believe that I encouraged to become active in politics many years ago. I worked closely with him when I was elected. We became friends from that time and he joined the Labor Party. I found him to be of good character and a very reliable Mayor.

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The Engagement of Spiro Stavis and subsequent motion to dismiss Jim Montague

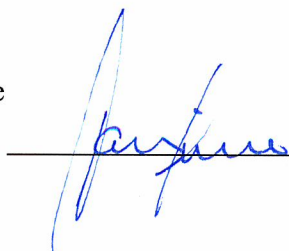
14. I have some knowledge concerning the engagement of Spiro Stavis ("Stavis") to the role of Director of City Planning. My knowledge on this matter comes from various conversations I have had with Azzi, Montague and Robson.

15. In Late December 2014 I recall a conversation with Robson. I cannot recall if it was from a phone call or a personal visit to my home. In that conversation he said words to the effect "*there was a notice to start a process of sacking the GM*" in the same conversation Robson said the notice was supported or signed by Councillors Azzi and Hawatt.

16. He went onto explain that this was in relation to a matter concerning a person called Spiro Stavis ("Stavis"). He outlined it involved the withdrawal of a job offer to Stavis after it he had won the position. Robson was seeking support from me. I undertook to make some enquiries about what had been going on. I called Montague.

17. I was shocked by what Robson had told me. I was not aware of any issues with Montague prior to this event. I had not heard anything through political circles, media or anyone else about issues concerning Montague.

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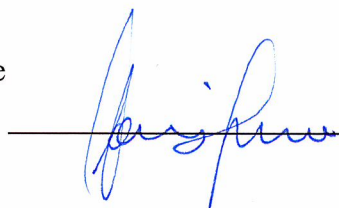
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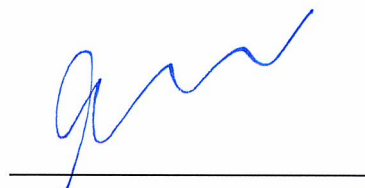
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18. As a result of speaking with Montague I became aware that the appointment of Stavvis was withdrawn due to conflicts with Stavvis references after the offer had been made.
19. I recall Montague saying, "*Information had come to light which I needed to act on*" or words to that effect. This information had caused him to stop the appointment of Stavvis, which led directly to the attempted removal of Montague.
20. I also spoke with Azzi about this matter although I cannot recall exactly when but it was either late in 2014 or early 2015 but it was on the phone.
21. He confirmed what Montague had said. I recall Azzi saying words to the effect of "*Stavvis was the preferred candidate*", "*Montague withdrew the offer to Stavvis without reason*", "*and we have to remove Montague*". He also said that he and Hawatt were on the panel to conduct reviews.
22. To have councillors sit on a panel to conduct interview of council staff is unusual. For the position to which Stavvis was, being recruited to, I would regard it as unusual. Certainly inadvisable.

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23. Azzi told me that he and Hawatt had concluded from the interview process that Stavis was the most suitable candidate and that Montague's intervention was inappropriate.

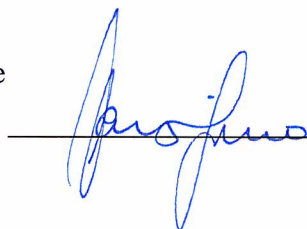
24. I had further conversations with Robson and Montague. In those conversations, Montague confirmed that he had made and subsequently withdrawn, the offer of employment to Stavis. He reiterated the information was of such a nature that he had to act on it. I understood from these conversations the information called into question the appointment of Stavis. I was told by Montague that there were conflicting references concerning Stavis appropriateness. He said words to the effect "*I should have looked as these earlier*". It appeared that the appointment of Stavis was a rushed decision.

25. As a result of the move by Hawatt and Azzi the proposed sacking of Montague had to go before council for a vote. Robson asked me to speak to Karl Saleh ("Saleh") who is a councillor at Canterbury Council to seek support for Montague.

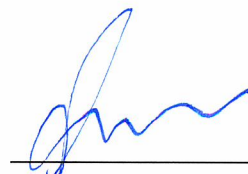
26. I recall the conversation with Saleh although the exact date I cannot recall but it was more than likely very early 2015.

27. Saleh expressed to me he was not sure if he could attend the vote and whether or not to support Montague. I recall saying to Saleh words to the effect that "*it was wrong to sack Montague over the Stavis issue*" and doing so at Christmas time was "*a bad look*"

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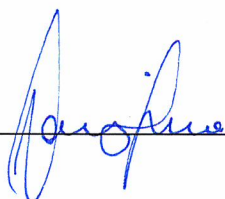
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28. I recall recent media report about the sacking of General Manager John Neish at Ryde. I told councillors and others that the immediate sacking of GM in these circumstances was not appropriate. I recall reminding councillors and Montague how the Neish matter had been referred to the I.C.A.C.
29. There were discussions with Robson and Montague in 2015 about planning and development matters in the Canterbury area. As they had concerns about the integrity of these developments then it warranted reporting go to the ICAC. I supported this action and encouraged them to do so. I was aware that such action would provide protection to Montague
30. Later in 2015, Robson or Saleh spoke with me and told me there had been a change in circumstances. Stavris was to be employed and this would alleviate the need to proceed with the removal of Montague.
31. Robson or Saleh informed me of a meeting that would take place at Council concerning the Montague and Stavris matter. To the best of my recollection, this meeting was to take place in February 2105. I recall Robson or Saleh informing me that the meeting would discuss a proposed resolution to the conflict. The proposal was for Stavris to be employed and for Montague to remain as GM. I have a recollection that Saleh was surprised by the turn around and complained at not being aware of the change in circumstances.

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32. Saleh blamed Robson for not keeping him abreast of developments in the matter.

He complained that having supported Montague in December, he was not informed of the proposed resolution to the conflict.

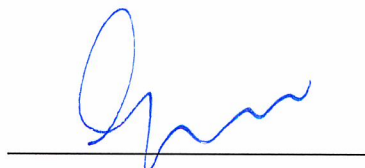
33. Robson spoke with me shortly after this and confirmed the matter was being resolved. I recall him saying that Council had received legal advice which demonstrated that its legal position was not strong. As a result, Council could be exposed to significant damages if Stavis pursued legal options.

34. In a further later conversation in 2015, Montague again informed me that he should have considered the negative reference material more carefully regarding Stavis. I recall Montague saying words to the effect that he had *"made an error in withdrawing the offer of employment."* I also recall Montague saying words to the effect that *"Council's legal position was not strong, as such there was little option other than to re offer the position to Stavis"* I recall Montague repeated the point Robson had made concerning possible damages in legal proceedings brought by Stavis. In a further conversation, I recall Montague saying words to the effect that *"Stavis was performing well and that he had erred in withdrawing the initial offer of employment."*

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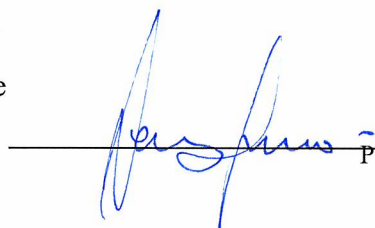
35. I have known Montague a long time it is uncharacteristic for Montague to make a rash decision concerning the offer of employment to a person without reviewing all of the information.

36. Azzi and Hawatt were close and had strong influence in Council. I am also aware that they are opposed to the Mayor.

37. In relation to the media articles concerning Montague using Council credit cards to eat at Il Bucco. I recall conversations with Robson and Montague where both believed the media articles were misleading. They both felt they had been targeted because of the Stavis matter. This was being done with a view to placing pressure on Montague. I also recall conversations in which Montague complained that the media articles were also retribution for him having undertaken scoping work on possible Council amalgamations. Montague believed that opponents of amalgamations at Bankstown and Canterbury Councils were responsible for leaking information to the media.

38. I cannot recall if an offer was made to Montague to resign and that a gratuity payment or offer of some advantage to him to resign had been made although if it had it would be inappropriate.

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