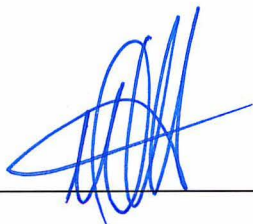


**INDEPENDENT COMMISSION AGAINST CORRUPTION****STATEMENT IN THE MATTER OF: Op Dasha****NAME:** Matthew Stewart**OCCUPATION:** Interim General Manager of Canterbury Bankstown Council**DATE:** 28 March 2017**States: -**

- 
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. Wherein this statement I have referred to words that I have heard or spoken, I have set out the effect of the words that have been spoken or heard.
  3. I am 43 years of age.
  4. I am the Interim General Manager of The New City of Canterbury Bankstown, being appointed by the State Government on 12 May 2016. Previous to that time, and since 2011, I was the General Manager of Bankstown City Council.

Signature



Witness

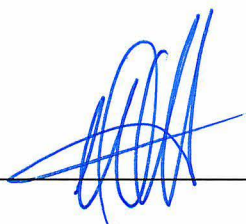


**STATEMENT IN THE MATTER OF: Op Dasha**  
**NAME: Matthew Stewart**

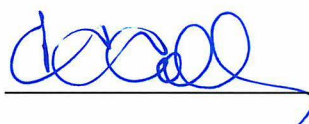
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5. The primary purpose of my current role is to lead the efficient and effective operation of the new council through a period of transformational change, advise the governing body of council and implement its decisions.
6. The key accountabilities of my current role are:
- a) Provide effective day to day management and leadership of the council organisation.
  - b) Ensure the operational plan is implemented with a focus on service continuity, reporting regularly to the governing body on progress and other significant matters.
  - c) Oversee financial management of the council.
  - d) Build a culture, and active staff commitment, to improvement and change.
  - e) Appoint, dismiss and manage council staff; consult with the governing body regarding senior staff appointments and dismissals, ensuring that staffing decisions are aligned with the approved budget.
  - f) Lead, monitor and ensure the Implementation Plan achieves its targets including identification of measurable benefits.
  - g) Contribute significantly to the development of council's strategic direction, guiding the preparation of the draft community strategic plan, delivery program and operational plan.
  - h) Provide the governing body of council with information including strategic advice, business papers, management reports, and reports on significant issues

Signature



Witness



**STATEMENT IN THE MATTER OF: Op Dasha**  
**NAME: Matthew Stewart**

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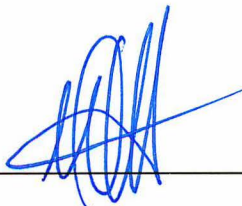
(such as financial, industrial, and litigation), ensuring that the governing body can make informed decisions and perform all governance and civic duties.

- i) Undertake functions delegated by the governing body within guiding policies and governance frameworks, reporting regularly to the governing body on performance.
- j) Communicate, liaise and consult with key external stakeholders and the community about service continuity, strategic planning and the opportunities for change.
- k) Ensure all statutory and proclamation requirements are met.

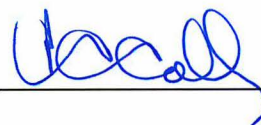
**Telephone call from Mr Montague**

- 7. On or about 30 March 2016 Mr Jim Montague the General Manager of Canterbury City Council contacted me by phone requesting a meeting to discuss Council amalgamations. Mr Montague advised me that he would invite the Mayor of Bankstown City Council and some Canterbury Councillors. Mr Montague didn't say which Councillors would be attending.
- 8. I told Mr Montague that the meeting could be held at Bankstown City Council offices if he wanted to meet to discuss Council amalgamations but I did not see the point as there had been prior discussions about Council amalgamations. To the best of my recollection, these prior discussions occurred on at least four occasions, on or about September 2015, October 2015, December 2015 and March

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Witness \_\_\_\_\_



**STATEMENT IN THE MATTER OF: Op Dasha**  
**NAME: Matthew Stewart**

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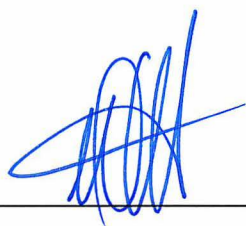
2016. It was not uncommon to meet with Councillors and senior employees from other Council's to discuss issues in relation to the fit for the future process.

9. Mr Montague did not want to meet at the offices of Bankstown City Council and advised he would get back to me. He did not tell me why he did not want to meet at the offices of the Council

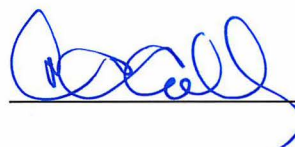
**Discussion with Mayor**

10. I advised Mayor Asfour about the contact and informed him that I did not want to have the meeting as we have had these discussions previously and I had made the position of Bankstown City Council clear to Mr Montague that it wanted to remain as a stand-alone Council. I had also informed Mr Montague that any decision to amalgamate the councils was ultimately a matter for the Minister and that we would have to accept the decision made by the NSW Government.
11. I also advised Mayor Asfour that if there was any meeting that I would be quite blunt in responding to any approaches to voluntarily amalgamate with Canterbury City Council as this was contrary to the decision of the Council who we served. Mayor Asfour was equally frustrated and advised me that he supported my position. He suggested that starting a dispute with our neighbouring Council is unnecessary given that as separate entities, Bankstown City Council could not influence the views of Canterbury City Council on amalgamations and Canterbury

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Witness \_\_\_\_\_





**STATEMENT IN THE MATTER OF: Op Dasha**  
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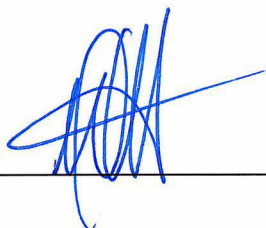
City Council did not agree with our position which was to oppose voluntary amalgamation. Mayor Asfour suggested we politely listen, then reinforce the position of Bankstown City Council that it did not wish to amalgamate.

12. At this point I should note that while Mr Montague has always been of the view that Canterbury City Council should amalgamate with Bankstown City Council, he often expressed that his Councillors were inconsistent in their views about whether they favoured amalgamation of the councils or not. However, it is my recollection from a conversation with Mr Montague at Campsie on 3 March 2016 following a meeting of the Southern Sydney Regional Organisation of Councils (SSROC) that by the time he requested this meeting in late March 2016, both Mr Montague and the Canterbury City Council was keen to push for a voluntary amalgamation between Canterbury City Council and Bankstown City Council.

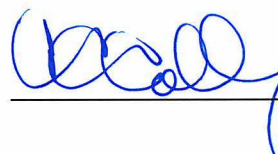
**Second Telephone Call from Montague**

13. Mr Montague subsequently contacted me again later in the day on or about 30 March 2016 requesting Mayor Asfour and I attend a meeting at the home of Bechara Khouri in Enfield. Mr Montague gave me the address of a home in Hunt St, Enfield.

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Witness \_\_\_\_\_



**STATEMENT IN THE MATTER OF: Op Dasha**  
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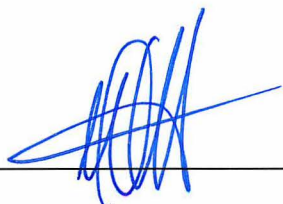
14. I had never been to the home of Mr Khouri prior to being invited on this occasion.

I recall meeting Mr Khouri at the 2012 Australian Local Government National General assembly in Canberra where Mr Montague hosted a number of councils for dinner in Mr Khouri's restaurant. My recollection is that the name of the restaurant was Saffron but I cannot recall with certainty. Subsequent to that time he would on occasion attended the offices of Bankstown City Council with applicants in relation to Development Applications and Planning Proposals. I recall seeing Mr Khouri at meetings with Dyldam, Charlie Demian and both Ziad and Marwan Chanine (where they were applicants). At any meeting I was present Mr Khouri made introductions, sat in the meeting but did not participate in discussions. I assumed he was some type of consultant to property development companies. I do not determine development applications or assess planning proposals and therefore never had to make any decisions in relation to matters of Mr Khouri's associates.

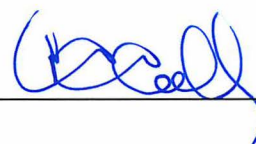
**Meeting on 30 March 2016 at the home of Mr Khouri**

15. Mayor Asfour and I left the Bankstown offices around the same time in the late afternoon and went to Hunt Street, Enfield. We took separate cars to Mr Khouri's house.

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Witness



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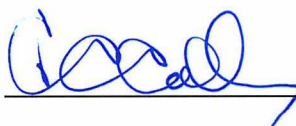
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16. When I arrived around 6.30pm present were Mayor Asfour, Bechara Kouri, Mr Montague, Clr Pierre Azzi and Clr Michael Hawatt.
17. I asked Mr Montague where Mayor Brian Robson, was. I said this sarcastically because I assumed by Mayor Robson not being present, a deliberate decision had been made by the representatives of Canterbury City Council not to invite Mayor Robson.
18. Clr Hawatt responded by saying "Fuck Brian, he's an idiot".
19. Clr Hawatt initially dominated the conversation about the Liberal Government's decision making in relation to amalgamations, particularly asserting that his high level contacts in the Liberal Party had told him they were going to amalgamate Bankstown City Council and Canterbury City Council.
20. I reiterated the process which had been undertaken by Bankstown City Council, its Councillors and community and that Bankstown City Council had a stand-alone position and this had not changed. I said that "Whatever the Government does, it's out of our hands". I asked "What are we here for?"

Signature



Witness



**STATEMENT IN THE MATTER OF: Op Dasha**  
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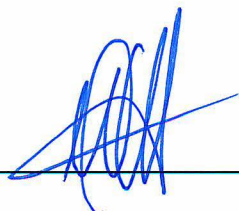
21. Clr Hawatt and Clr Azzi then praised Mr Montague on being the “greatest General Manager” but that he was at the end of his career and that I would be the future when he’s gone and the amalgamation of the Council was implemented.

22. Clr Hawatt and Clr Azzi said that they wanted to work with me, and that they expected Mr Montague would be treated with the respect that he deserved.

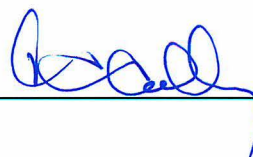
23. Clr Hawatt and Clr Azzi agreed with each other that Mr Montague will retire and that when the Government appoints me that I should bring Mr Montague back as a consultant on the same pay and conditions as he’s on now. I tried to reiterate during this conversation that the process was out of our hands and that there was no guarantee that either Mr Montague or myself would be the General Manager. I also stated that I was not going to commit to doing anything in a role that I may or may not be appointed to in circumstances where I was not aware of the needs of any amalgamated Council. I reiterated that proper processes would need to be followed regardless of who was the General Manager. I said “it could be any of us or it could be none of us”. This was a reference to Mr Montague and myself.

24. Clr Hawatt and Clr Azzi then advised that they had agreed that a new aquatic centre should be built at Wiley Park park (on the corner of King Georges and Canterbury roads), and that aquatic centre was to be named the Jim Montague Aquatic Centre.

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Witness





**STATEMENT IN THE MATTER OF: Op Dasha**  
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25. Mr Montague took over the conversation at this point and spoke of his long career and that he was closer to the end than the beginning.

26. I recall saying to them words to the effect of “this is all very interesting” and then asking “How do you think this is all going to happen?”.

27. Mr Montague advised that he still had a lot to offer in local government and wanted to look after his ‘people’ (being Canterbury employees). Mr Montague also noted that he would like to be a consultant with the amalgamated Council.

28. Mr Montague also asked me to ensure that Christina Lyras (Pettenon) and Janelle McIntosh were ‘looked after’ once the amalgamation happened. I reiterated the comments that I had made to which I have referred to in paragraph 23 above.


29. I asked Mr Montague when he was planning to retire. By his comments in paragraph 27 above it was apparent to me that he did not want to retire.

30. Mr Montague advised he would have a letter of resignation in his pocket and the moment the NSW Government announced it would amalgamate the councils he would tender it to his Mayor a week before the amalgamation became effective.

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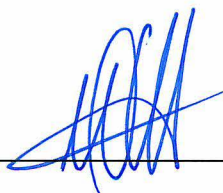


**STATEMENT IN THE MATTER OF: Op Dasha**  
**NAME: Matthew Stewart**

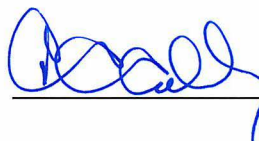
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31. I advised Mr Montague that the history of amalgamations demonstrated that amalgamations usually occurred by instantaneous proclamation, without notice.
32. Mr Montague, Clr Hawatt and Clr Azzi appeared to me to be surprised that an amalgamation could occur without notice once the Minister had made his decision.
33. Mr Montague then suggested to Clr Hawatt and Clr Azzi that he would hand his resignation to his Mayor Robson after the amalgamation, if that were the case.
34. I said that Mr Robson would cease being the Mayor upon the proclamation of the amalgamation so there would not be a Mayor to hand his resignation letter to. However I said that was a matter for him and not a matter of my concern. I stated that ultimately the decision concerning an amalgamation was a matter for the NSW Government.
35. Mr Montague then suggested he would get a resolution from his Council that his retirement be accepted the moment proclamation happened. My recollection is that Mr Montague said he was concerned that he be paid all of his entitlements, especially his accrued sick leave.

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Witness



**STATEMENT IN THE MATTER OF: Op Dasha**  
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36. I said something to the effect "I don't know how that is supposed to work. That is a matter for you to seek advice on. I get the impression that you don't want to retire. I don't think you are going anywhere".

37. Mr Montague responded that "Mate we need to talk about the future, this is an opportunity to clean out the cupboard".

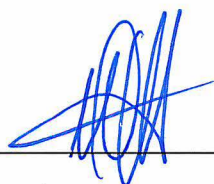
38. I asked Mr Montague what this was supposed to mean.

39. Mr Montague said "the amalgamated Council would need to get rid of all the senior staff except for Spiro Stavis."

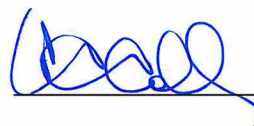
40. I looked at Mr Montague and I said "You didn't want him, what happened to that?"

41. By this I was referring to the fact that Mr Montague had previously spoken to me on 15 December 2014 (following a meeting we both attended with the Office of Local Government regarding the 'Fit for the Future' reforms of the NSW Government) to complain that he did not want to employ a Mr Spiro Stavis but Mr Stavis was being forced onto him by Clr Hawatt and Clr Azzi. Mr Montague had informed me that he did not have regard for Mr Stavis' experience as a

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planner/director of planning. Mr Montague never told me why he employed Mr Stavis despite his misgivings.

42. Mr Montague told me "I was wrong. I know I didn't want him at the start but I was wrong and he's doing really well fixing everything up and making changes."

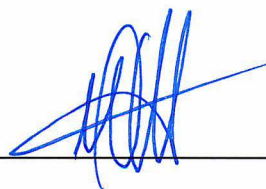
43. Mr Montague said to me that he thought that Andy Sammut (Canterbury Director) "should retire", that Wayne Cooper (Canterbury Director) "was useless", and that Spiro Stavis was "Clearly the best planner and that all the Bankstown people should go and that the councils have an opportunity to have a modern first class organisation".

44. Clr Hawatt added that Spiro Stavis "has to be there because he is forward thinking" and "gets results".

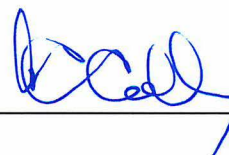
45. At this point I became quite agitated at the issues being raised.

46. I said "Look, the Government is going to decide who the GM is and there will be a process to sort the senior team out. The GM might not be either me or Jim, you have no control over that. I won't have Spiro as my director of planning in my Council. If I'm appointed to any new Council I will go through a process and I will recruit my team. I won't be told who I have in my team".

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**STATEMENT IN THE MATTER OF: Op Dasha**  
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47. I said "I know how it works. If I'm the GM, and if you get on Council and if you have the numbers and you don't like the way I do things or the results then you fuck me off."

48. I said "There's one thing I can tell you, I'm not like him (I pointed at Mr Montague) where I will concrete my feet to the desk and do anything to stay there. I won't have Spiro as my Director of Planning"

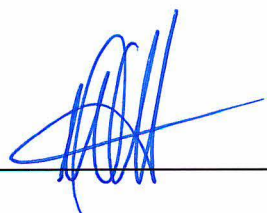
49. Mr Montague was silent while Clr Hawatt and Clr Azzi tried to sell Spiro to me as an experienced Director of Planning.

50. I said "You know where I stand on this. Do we understand one another".

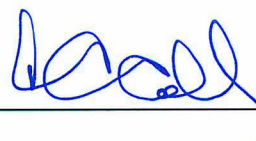
51. Clr Hawatt said "We agree to disagree".

52. At this point I left the meeting.

Signature



Witness



**STATEMENT IN THE MATTER OF: Op Dasha**  
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**Expressions of Interest for Interim General Manager Role**

53. On 31 March 2016 all General Managers of councils subject to a merger proposal received an email from [gmeoi@dpc.nsw.gov.au](mailto:gmeoi@dpc.nsw.gov.au) inviting expressions of interest for the position of Interim General Manager of merged Council's should mergers eventuate.

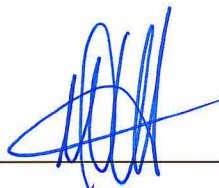
54. Expressions of Interest closed 5pm Wednesday 13 April 2016.

**Meeting with Mr Montague on 18 April 2016**

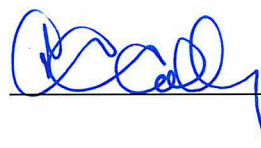
55. Mr Montague attend my office alone on Monday 18 April 2016 at 2.30pm to discuss the Fit for Future (amalgamation) process, specifically how our respective staff might work together to prepare for the possibility of a forced merger. Mr Montague commenced the meeting by stating "I put in my expression of interest". I said "I thought you were going to retire". Mr Montague looked out the window and said "I had to put it in because Michael and Pierre made me do it, I had to". Mr Montague presented as uncomfortable before asking me "What are you going to do when I get the job?"

56. I advised Mr Montague that I would leave. Mr Montague was surprised and said "I wish I had your bravado". I asked Mr Montague what will you do if I get the job? Mr Montague didn't really know how to answer that.

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**STATEMENT IN THE MATTER OF: Op Dasha**  
**NAME: Matthew Stewart**

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57. We went on to discuss how we might commence working with our staff to prepare them for change and to prepare critical transition matters.

58. The meeting finished amicably.

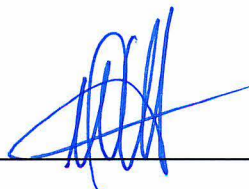
59. On 12 May 2016 Canterbury City Council and Bankstown City Council were amalgamated and formed as The New City of Canterbury Bankstown. On 12 May 2016 I was appointed Interim General Manager of The New City of Canterbury Bankstown.

**Meetings with Mr Khouri after I was appointed Interim General Manager**

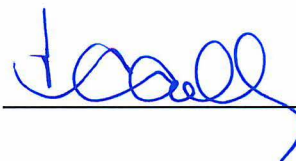
60. In or about June 2016, Mr Khouri called me and asked me to meet Mr Marwan Chanine in relation to the progress of current matters he had before the Council. I recall a meeting on 18 July 2016 and again on 11 August 2016 attended by myself with Director of Planning Scott Pedder. I recall Mr Chanine's matters were a Development Application at 212-218 Canterbury Road (DA168-2015) and the sale of a Council Carpark at 46-48 South Pde Campsie (DA172-2016).

61. In relation to 212-218 Canterbury Road, Canterbury, the former Canterbury Council resolved to delegate approval of this application to the General Manager

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**STATEMENT IN THE MATTER OF: Op Dasha**  
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subject to concurrence from Sydney Trains and RMS. As I recall Sydney Trains required a 7m setback from the boundary to any buildings as part of their concurrence. This required a significant redesign. As part of the redesign by the applicant they relocated Gross Floor Area ("GFA") from the setback area to further extra levels of building on the site. The applicant was of the view that as General Manager I had delegation to approve the application as per the resolution. I did not agree. I said it was my opinion that the resolution was unlawful as Council can only delegate a matter for the General Manager to determine, but it cannot tell the General Manager what to determine (i.e. approve or refuse). The reason I formed this view was that a proper assessment under 79C of the EP&A Act must be undertaken before a decision could be made. Secondly, I was of the view that the design changes required a new assessment. A new assessment was subsequently completed and a report recommending refusal was presented to the former Canterbury Independent Hearing and Assessment Panel ("IHAP"). The IHAP had been given delegation to determine development applications by resolution of The New City of Canterbury Bankstown which determined the application by way of refusal at its 29 August 2016 meeting.

62. In relation to 46-48 South Pde, Campsie, I recall the applicant submitted a DA for approximately 14 stories in an area where the controls provided for approximately 6 stories. The applicant was of the view that this was acceptable and relied on the

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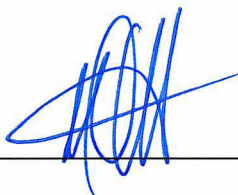


**STATEMENT IN THE MATTER OF: Op Dasha**  
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fact the new Sydney Metro Train line would, in its view, require up zoning in Campsie. I advised that once the Department of Planning released their plans, that that may be the case for a Planning Proposal however we were dealing with a Development Application and that current controls were in place upon which staff were required to make assessments. A report recommending refusal was presented to the Sydney East Joint Regional Planning Panel at its 22 November 2016 meeting where it determined the application by way of refusal. The applicant has not appealed this refusal to date. The applicant is now taking action in the Supreme Court in relation to the contract of sale for the land.

Signature



Witness

