

**RECORD OF INTERVIEW**

CRIME & MISCONDUCT COMMISSION  
No. 2005-5 Date 9/14/05  
IN THE MATTER OF:

*OP GRAND*

**TAPE NO:** 1 (of 2)

EXHIBIT No. 201  
.....CLERK

**DATE:** 04-11-2005

**PLACE:** BUNDALL

**TIME COMMENCED:** 0935

**TIME CONCLUDED:**

**INTERVIEWEE:** EDGARD (EDDY) SAROFF

**INTERVIEWER/S:** CRAIG HAWKINS

**LEGAL OFFICER:** ANNA MCDONALD

**RE:** OPERATION GRAND

**FILE NUMBER:** MI-05-2482

Complainant:	OPERATION GRAND
Subject(s):	OPERATION GRAND
Investigator:	CRAIG HAWKINS
Statement Of:	EDGARD SARROFF
Legal Officer:	ANNA MCDONALD
File Number:	MI-05-2482
Directory :	

COPY TAPE 1 OF 2 - RECORD OF INTERVIEW BETWEEN EDGARD (EDDY) SAROFF AND CRAIG HAWKINS FROM THE CRIME AND MISCONDUCT COMMISSION ALSO PRESENT DETECTIVE SERGEANT STEVE WHITELAW

LEGAL OFFICER: ANNA MCDONALD

RE: OPERATION GRAND

ES = EDGARD (EDDY) SAROFF  
CH = CRAIG HAWKINS  
SW = DETECTIVE SERGEANT STEVE WHITELAW  
UI = UNINTELLIGIBLE

- 1 CH Ah, today is Friday the 4<sup>th</sup> of November 2005 and the time by my watch is 9:35 am ah my  
2 name's Craig HAWKINS and ah we're at the Gold Coast City Council offices at ah  
3 Bundall on the Gold Coast Bundall, sorry, speaking with Councillor Mr Eddy SAROFF  
4 ah and just for the purposes of voice recognition for the tape ah I'll get everyone to  
5 introduce themselves by name starting with myself Michael Craig HAWKINS I'm an  
6 investigator with the Crime and Misconduct Commission in Brisbane, Steve  
7  
8 SW Steven Allan WHITELAW, Detective Sergeant of Police and I'm also at the Crime and  
9 Misconduct Commission  
10  
11 CH Mr SAROFF  
12  
13 ES Ah, Councillor Eddy SAROFF, Councillor for Division 10  
14  
15 CH Now, Mr SAROFF, we're ah here today interviewing you in relation to ah an inquiry  
16 undertaken by the Crime and Misconduct Commission into the Gold Coast City Council  
17 elections and the lead up to the elections ah in March 2004 ah we've discussed with you  
18 prior to turn the tape on the terms of reference for the inquiry um and you've indicated  
19 that your ah happy to undertake the interview ah and have that interview recorded  
20  
21 ES Yes, I am, Yes I am  
22  
23 CH Is that true now just for a start we might look at ah some personal details and background  
24 in relation to yourself so could I have your full name ane correct spelling  
25  
26 ES It's ah Eddy E d d y SAROFF S for Sam, A Double R O Double F for Fred  
27  
28 CH So no middle name  
29  
30 ES Um no middle name

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Directory :

31 CH And it's not it's Eddy not Edward  
32  
33 ES Um, Eddy SAROFF is the name that um I'm appears on ah during the ah ah, it's my  
34 known name um um my ah passport name is Edgard E d g a r d  
35  
36 CH Edgard SAROFF  
37  
38 ES Edgard SAROFF that's with a y  
39  
40 CH With a Y e double d y  
41  
42 ES Yep  
43  
44 CH And your home address  
45  
46 ES Home address is 16 Joan J o a n Street, Southport  
47  
48 CH And your contact phone number  
49  
50 ES At the office is 55816171  
51  
52 CH Do you have a mobile  
53  
54 ES 0414 180 926  
55  
56 CH And you're a councillor with which division  
57  
58 ES Division 10  
59  
60 CH Is that a full time ah position for yourself  
61  
62 ES Ah, it is full time ah  
63  
64 CH Do you have any other ah business interests or  
65  
66 ES Yes, ah my family has a um wholesale distribution business which ah I spend sometime  
67 um in when, whenever I can ah accommodate it within this job  
68  
69 CH And, are, are you a director of any of that at all  
70  
71 ES No my wife is a director  
72  
73 CH OK, and what's the name of that company  
74

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Directory :

75 ES It's called Eelwear E e l w e a r  
76  
77 CH And your date of birth  
78  
79 ES 13<sup>th</sup> of the 5<sup>th</sup> '56  
80  
81 CH And place of birth  
82  
83 ES Um, Sydney  
84  
85 CH Sydney, now you're a councillor with division 10 at the Gold Coast City council ah how  
86 long have you been a councillor with the Gold Coast City Council  
87  
88 ES I was elected in ah March 1995 at the time of the amalgamation and maybe what is  
89 relevant with this here is at that time there was the old Gold Coast City Council and the  
90 old Albert Shire ah they amalgamated the two councils and um there was seven councils  
91 that were elected from the Gold Coast seven that were elected from the Albert and then  
92 there was myself which became very controversial at time  
93  
94 CH OK and again you were re elected ah at the 2004 elections  
95  
96 ES Re elected in 1997  
97  
98 CH Uhmm  
99  
100 ES And then elected ah unopposed ah in 2000 and then ah elected again in 2000  
101  
102 CH And 4  
103  
104 ES 2004, I beg your pardon  
105  
106 CH Yep, so you've constantly been ah a councillor from the first time  
107  
108 ES Yes  
109  
110 CH That you were elected  
111  
112 ES Yes  
113  
114 CH And ah within the council do you hold any specific ah portfolios or interests, committees  
115  
116 ES No, I, I, have indicated um in ah when I step down from finance ah I was Chair of  
117 Finance until um, um the budget of '90 of 2004 I, I, stepped down as ah Chair of Finance  
118 for many reasons and um, um, I was at that time the Chair of Chairman of the Audit

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119 Committee I was subsequently ah um um removed from the Committee of ah following  
 120 the council resolution that no councillors be appointed on the audit committee to the  
 121 disappointment of ah much to the disappointment of the audit branch itself  
 122

123 CH So that was the first time in your time as a councillor that no councillors had been on the  
 124 audit committee  
 125

126 ES Um, I, I, had yes it's the first time ah we did a survey of councils ah around ah  
 127 Queensland only to find that ah ah a very few don't have councillors represented the  
 128 majority have ah at least two or three councillors and some councils have all of the  
 129 council ah members of the audit committee  
 130

131 CH Now, in relation to ah do you have any political alliance or affiliation to any political  
 132 party  
 133

134 ES No, no, and I have, I've never had  
 135

136 CH So you consider yourself an independent councillor  
 137

138 ES Yes, yes  
 139

140 CH Now as I mentioned when we started the, the Crime and Misconduct Commission is  
 141 holding a, a commission a public commission of inquiry ah into the Gold Coast City  
 142 Council elections for 2004 and the lead up to those elections um and allegations of  
 143 misconduct by ah officials suspected official misconduct by councillors of the Gold Coast  
 144 City Council relating to the build up of those elections um, including electoral bribery  
 145 with respect to the Gold Coast City Council ah for those elections ah returns about  
 146 election gifts with respect to the council and declaring and dealing with conflicts of  
 147 interest or material personal interests since the Gold Coast City Council election and any  
 148 criminal offence involved in the performance of their functions with the Gold Coast City  
 149 Council um now in relation to ah the elections and post elections ah in April this year you  
 150 forwarded a, a letter of complaint to the CMC and ah I'd just like to canvass that with you  
 151 your, your firsthand knowledge that ah complaint related to ah ah financing at the  
 152 elections of one ah specific councillor could you just run through me your concerns with  
 153 that and, and your first hand knowledge of those concerns  
 154

155 ES Hmm. My, my concerns were not specific to the funding of one councillor it was in  
 156 relation to the funding of candidates um it ah had ah been brought ah to our attention um  
 157 some of it ah indeed was ah second hand knowledge that there's an attempt to raise a  
 158 substantial amount of funding um to be able to um assist ah ah certain individuals in their  
 159 um election campaign um it was at one stage ah um mentioned that there could be as  
 160 much as half a million dollars that is being ah directed for that purpose and um it was of  
 161 um obviously ah, ah concern as um um these, these issues ah um have been highlighted in  
 162 previous elections in terms of um aah I suppose the, the major the major concern is the

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 Directory :

163 amount of money that is being ah used to support candidates and, and, and the purpose of  
164 the funding ah I recall um ah following then an early election could be the '95 election ah  
165 that I moved in council ah some changes to the law to, to ensure that um, um the, the, the  
166 election funding is all ah being made ah, ah available prior to election or some changes  
167 which I can't specifically um ah point to at the moment but but if we go back to the  
168 record we can we can check and see what changes were mooted at that time I think ah it  
169 was an important issue and it all arose from the fact that ah substantial amount of funding  
170 is poured in election and um ah the community wanted to know that ah there, there are no  
171 strings attached ah normally there is this perception that if if there's a, a um a donor that  
172 there, there is a favour required at the end of it and, and ah following one of the earlier  
173 elections ah or, or one of my early elections um we, we um I moved successfully we  
174 moved a resolution to start to deal with the, the election funding  
175

176 CH OK, so you want a more an even playing field for everyone so there's no as you say there  
177 couldn't be a favour return for money put in  
178

179 ES I think it needed this um there wasn't as much transparency as, as in the previous days  
180 and there was um you know some outcry from the public that they needed to be able to  
181 see a bit more um um information about how the elections are operated  
182

183 CH OK, now in relation to the candidates and receiving ah funds that they haven't declared  
184 ah or, or if funds from this fund that you ah had heard about  
185

186 ES Yeah  
187

188 CH Do you have any first hand knowledge of hearing any candidates ah state that they were  
189 self funded when in fact ah you believe they may have received money from ah, ah a  
190 separate fund  
191

192 ES The um the information that I would have received in relation to the candidates  
193 statements ah would have ah come out of the media reports ah those media reports would  
194 have been driven by questions both myself and other candidates put to the media so um  
195 um we would have taken that to be their ah their um their response to our question ah the  
196 media was very um, um, very ah pro active in, in pursuing this, this issue and I certainly  
197 called a press conference um at in front of the council chambers only a, a week or so prior  
198 to the election when we were when it was confirmed that there was now a trust fund that  
199 is being ah put together solely for the purpose of ah assisting those candidates so when  
200 our fears were confirmed ah we called a press conference and at that press conference the  
201 challenge was put to all candidates to come forward and, and ah acknowledge whether  
202 there had ah received funding from that um, um trust fund which was referred to as a the  
203 slush fund um the media articles after that revealed ah and you would have copies of  
204 those sort of a, a, a had statements made from the candidates in terms of ah their position  
205 and um and um after the election I was certainly quite um, um disturbed ah when, when it  
206 was revealed that it was substantial funding provided to successful candidates and

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Directory :

207 unsuccessful candidates when all those candidates denied ah receiving any funds ah or,  
208 or, or basically when they ah acknowledged that ah they weren't ah receiving anything  
209 from that particular ah trust fund um there's nothing more you could do at that time and  
210 um ah it was ah at that point in time that ah myself Peter and Dawn um um compiled our  
211 complaint to the CMC in relation to that we felt that the public was being mislead we felt  
212 that the public ah, um, was entitled to know whether um a specific slush fund was being  
213 or a, a, a, trust account was being raised to fund certain ah candidates and we felt that the  
214 community would ah be entitled to ask more questions about um um why these  
215 candidates are being funded and um what they stand for um at the end of the day um if  
216 this was um a liberal party or labor party they would stand up before the election and they  
217 would say we are standing in this coming election we are intent in our term if we're  
218 elected to do A,B, and C you elect us and this is what you get we felt that in this case  
219

220 CH Yep

221  
222 ES Here the candidates and the successful councillors ah owed it to the public to say that ah  
223 we are ah um, um, being funded by the same source and this is what we believe we're  
224 going to achieve um I, I, I, feel that if they were of the view that they could achieve some  
225 good outcomes for the community then they should have highlighted that  
226

227 CH Just to confirm or clarify for the benefit of the tape when you say ah Peter and Dawn  
228 could you just ah clarify (ui)  
229

230 ES Yeah, Councillors Peter YOUNG and Councillor Dawn CRICHLLOW  
231

232 CH OK now you, you said that we the media report started as a result of questions you had  
233 put to candidates how, how were they put to candidates were, were you actually  
234 specifically put in person question to candidates or did you advise media questions to ask  
235 how, how did that ah come about  
236

237 ES Um, um, I recall when we'd had the press conference ah we specifically said it's  
238 important that the candidates come forward and, and um, um inform the community ah  
239 whether they're being funded from there there's a lot of concerns with what was referred  
240 to as a slush fund  
241

242 CH Uhmm  
243

244 ES And the reason why there was a lot of concerns is because on many occasions um when  
245 the question was asked of certain individuals are you aware of the, the slush fund and  
246 there was all this denial so given that there was all this denial that the slush fund existed  
247 ah when we were able to establish that it did exist and with the help of the media the  
248 media were very pro active in pursuing this they, they know how to how to do their job ah  
249 when it was confirmed that there was a slush fund we thought that it was important for  
250 people ah that are being funded from that to at least come forward and, and acknowledge

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File Number: MI-05-2482  
Directory :

251 that they, they had received it and, and um ah we feel that um and, and I'm, I'm quite  
 252 certain the message that was coming back from the community is yes we want to know if  
 253 there is um an attempt to form a party an attempt ah for people outside of council ah to  
 254 have been supporting individual candidates then we should know um, um what  
 255 candidates are being ah, ah handpicked and, and why and what they will be standing for  
 256 and there were and we must, must highlight that there were some major issues facing the  
 257 city the issue of infrastructure charges was a huge debate leading into the election it was  
 258 almost

259

260 CH Uhmm

261

262 ES An election issue ah given that council had spent three years ah putting together it's  
 263 infrastructure charges ah during the process we involved the industry we involved ah the  
 264 community ah there was an involvement of, obviously council officers and the state  
 265 government was involved in formulating those charges and it took three years to  
 266 formulate the charges and those charges were intended to ah ah to reflect the fee charged  
 267 ah so that we can start to address some of the major infrastructure items so for arguments  
 268 sake um I mean I'm, I'm giving you all of this so you can head it (ui) you like

269

270 CH Uhmm yeah

271

272 ES Ah, for arguments sake if you had a high rise that is um planned in, in the south in the in  
 273 um in Surfers Paradise precinct ah that high rise prior to the introduction of the  
 274 infrastructure charges did not have to pay a contribution to the upgrade of the roads the  
 275 big debate that we were having in council is we can't fix up Surfers Paradise roads  
 276 because the project

277

278 CH Hmm

279

280 ES Blew up from forty ah from twenty million to forty five million dollars and here's all this  
 281 debate about you know do we how do we proceed with it and, and there was other side  
 282 issues that went along with it but but with the implementation of the new charges it, it  
 283 meant for each one of those units this is a ball park figure

284

285 CH Hmm

286

287 ES We would now be able to ah lawfully charge five thousand dollars for each unit as a  
 288 contribution to the road network and we couldn't do that before as we're heading towards  
 289 the election the same councillors that were involved and embraced the charges five  
 290 minutes before the election were all of a sudden saying the charges unreasonable the  
 291 charge is unfair the charge is gonna put ah pressure on, on the industry the first home  
 292 buyers are gonna pay more and there were in my opinion in, in, in my opinion there were  
 293 reflecting the views of certain individuals because it certainly wasn't as Chairman of  
 294 Finance it was not the message that I was receiving

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 File Number: MI-05-2482  
 Directory :



295  
 296 CH So for that project your position was as Chairman of Finance at the time  
 297  
 298 ES Was Chairman of ah Finance at the time the Deputy Mayor was heading the infrastructure  
 299 charges  
 300  
 301 CH And who was that at that time  
 302  
 303 ES That was Alan RICKARD. He was the previous ah Chair of Finance um and both Alan  
 304 and I were very, very um, um, aggressive in making sure that, that the, the whole regime  
 305 isn't overturned and all that was happening as we were leading into the election the  
 306 concern and the reason why my concern and my I was so vocal about this issue is because  
 307 we had on one hand um ah some councillors trying to over turn the, these policies but on  
 308 the other hand we had um ah. ah this so called trust fund building up and we had no  
 309 knowledge of where the funds were coming from we had no knowledge what, what it was  
 310 being driven why, why it was all being um ah pursued I mean ah with interest in  
 311 Councillor POWERS ah statement  
 312  
 313 CH Hmm  
 314  
 315 ES That the, the industry and the business wanted to see del-delivery of infrastructure  
 316 charges ah the delivery of infrastructure um now how can you on one hand be arguing  
 317 that you know we need to provide infrastructure and then on the other hand you're saying  
 318 the infrastructure charges policies are, are unfair and um unreasonable ah so all those in  
 319 my mind started to um point to, to ah something seriously wrong and, and um, um  
 320  
 321 CH Can, can you identify any specific councillors that you would say had that had turn  
 322 around on their, their where their stand was in relation to those charges  
 323  
 324 ES The, the main driver for the ah ah infrastructure charges was ah, ah to ah the, the main um  
 325 aah ah object or, or ah  
 326  
 327 CH Or, opposition to  
 328  
 329 ES The, the main, the main opposition came from Councillor POWER and um and obviously  
 330 as time progressed there was other councillors that, that um didn't there, there was other  
 331 councillors that obviously started to put up similar arguments so ah, ah to the best of my  
 332 knowledge Councillor SHEPHERD was. was um not very much in favour of what the,  
 333 the charges was um as, as ah sorry for the best of my knowledge Councillor SHEPHERD  
 334 echoed some of the, the same concerns raised by Councillor POWER and, and I should  
 335 point out that, that ah this lead to a number of agenda items where, where the council  
 336 officers were now bringing forward some recommendations ah to review the charges and,  
 337 and I have to say that one or two of those recommendations ah, ah um, um left some of

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 Directory :

338 the officers ah a little more than embarrassed particularly when an officer an officer's  
339 report suggested that the charges be um, um, um be um (ui) charge be um um  
340  
341 CH Dropped or...  
342  
343 ES No, it was, it was, it was, ah ah, ah I need to get the ah proper ah um agenda items and,  
344 and refer to it because it was absolutely outrageous it was suggested that that, we, we ah  
345 ah (ui) might modify the charges in other words ah faze them in and bring the charges  
346 down and, and there was a shortfall that was going to be created by, by that, that process  
347 and it was suggested that we lump that charges onto a future generation and ah myself in  
348 particular took it to the council meeting and, and, and, and Councillor Peter YOUNG and  
349 insisted that we get legal advice in terms of whether we can legally ah (ui) a charge that  
350 is, that is ah um, ah the responsibility of developed of the developer today onto a, a um  
351 future generation  
352  
353 CH So project it forward to allow that  
354  
355 ES Yes, and particularly when the argument now is that the developers today is saying this  
356 charge is unreasonable how can you then reduce their charge and then go to future  
357 developer and say well you're gonna have to pick up the tab for the charges that we didn't  
358 pick up for 2005, 2006 um, um and we insisted on legal advice but legal advice came  
359 forward supporting exactly what we said in that there was not a lawful manner to do and  
360 the report was presented to council with certain recommendations and there was a waiver  
361 in the report which suggested that we um that um that we also seek some legal advice  
362 now if there in, in my view ah those officers should not even have gone as far as wasting  
363 their time and our money in drafting a report which still needed to get legal advice on it  
364 when um um you know when, when, when they themselves are saying to us all along that  
365 the charges are reasonable and are valid and, and  
366  
367 CH Yeah  
368  
369 ES Ah, um yeah and the method, methodology can be um can ah backed up in, in, in court as  
370 to how we achieve that and as I said to you just a few moments ago the process that we  
371 went through was a three year process in that three years there was all sorts of experts and  
372 consultants and state government involvement and what was also quite ironic is, is from  
373 time to time I would ask our officers to give us some comparisons of our charges to some  
374 other cities or other  
375  
376 CH Hmm  
377  
378 ES Major authorities and the response would always come forward is our charges are, are  
379 quite favourable so and, and, and the issue of the infrastructure charge is, is one issue  
380 which myself as Chairman of Finance took a lot of, of offence to it because I was I was  
381 very passionate in saying look you know we've worked so hard on getting to this stage

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Directory :

382 we are lacking with, with the infrastructure such as roads and water and, and with  
383 sewerage  
384  
385 CH Hmm  
386  
387 ES I mean we don't see what's going on underground because the sewerage is underground  
388 but if our roads are clogging up if our water's running out only God knows and our  
389 officers know what's happening ah. ah underneath and um  
390  
391 CH Yep  
392  
393 ES And it was certainly one of those issues that I felt that as Chairman of Finance that I  
394 should have had more support and, and um, um more backing from, from my council it  
395 certainly wasn't the ah only reason why I resigned as Chairman but um it, it was certainly  
396 one of those factors  
397  
398 CH Major factor  
399  
400 ES It was one of the factors  
401  
402 CH Was there has there been a final outcome to that situation  
403  
404 ES The irony of it is the um them the irony of it is the water and sewerage charges have been  
405 reviewed and there have ah the second review now has showed an increase of substantial  
406 increase ah the charges that were established as of ah the time of introduction which was  
407 in March I think the, the, the charges were introduced we have to get the proper dates on  
408 that I'm sorry I can't give it to you here but the charges that were introduced 18 months  
409 ago or so ago have now come back for a review particularly the water and sewerage  
410 charges and, and council officers have established that our charges needed to be further  
411 increased and we've now actually had to increase our charges and there's been some  
412 discussions with industry and how we're going to introduce those increases so ah in, in a  
413 way ah I, I, can say for the record that the officers were certainly vindicated those officers  
414 who, who had worked hard in establishing the, the charges there was officers within our  
415 parks and recreation ah section who, who were ah assisting with what we call policy  
416 number 16, ah go back to the example that I gave you about the high rise previously the  
417 high rise didn't have to pay contribution towards a road network didn't have to pay ah, ah  
418 contribution towards the upgrade of our foreshores and, and um and our parks there's also  
419 a contribution of five or six thousand per unit on those, on those ah, ah parks those  
420 officers were subjected to unreasonable ah, ah and almost intimidation at times when they  
421 were trying to put their arguments forward in terms of why the charges have to be  
422 whatever those charges are  
423  
424 CH And what format was added on  
425

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426 ES It was formatted at meetings where you know, there would be aggression there would be  
427 you know ah, um, ah, some angry exchanges between those councillors who didn't who,  
428 who weren't happy about the charge and the officers who had worked for a number of  
429 years to establish the charges and even as late as recently where there would be you know  
430 debate in relation to that it's obviously taken a different format at the moment because the  
431 charges have been imposed and we've moved on um  
432

433 CH Who, who were the other specific councillors you've mentioned Councillor POWER.  
434 SHEPHERD for that and who else was pro that situation (ui)  
435

436 ES The, the, the, the one of the biggest um ah concerns that I personally have had over the  
437 last 18 months is that in relation to a lot of issues that are being debated in council  
438 infrastructure charges for one, one is an example um some of us there's ah and, and the  
439 real, real min-minority ah and I say ah myself Councillor CRICHLow, and Councillor  
440 YOUNG and at times um, um the odd councillor or two ah would put up very strong  
441 argument as to why we shouldn't be the waving moving away from our policy the other  
442 side would be either very brief in their, in their ah position ah or next to no debate the  
443 items get put up the majority rules and and it would be very, very um distressing to know  
444 that you know we, we've gone out and we've done our homework  
445

446 CH Uhmm  
447

448 ES And we've argued very strongly then the big debate on infrastructure charges was won  
449 for one reason and only one reason we won that debate because we dragged the  
450 community in  
451

452 CH Hmm  
453

454 ES And, and there was front page articles which I'd write saying that this is only going to be  
455 won with people power and that gallery was packed with 200 people on the day they were  
456 looking at undermining their charges and um ah and I think um it, it um we won the day  
457 ah because they could see that in the that this is going to be debated for a long time to  
458 come um now going back to the election and what I was saying to you ah earlier on about  
459 how the infrastructure item started to heat up getting to the election it was a very last  
460 meeting of this council or the previous council  
461

462 SW Previous council  
463

464 ES In 2004 that there was a, a motion drafted that wasn't put on the table and the motion was  
465 that we suspend the infrastructure charges on policy 16 the water and sewerage the, the or  
466 the other charges this is this is straight after we've adopted our charges and at the last  
467 meeting going into council there was a move to suspend the charges now we view that as  
468 a very serious they're given that, that it was appeared to us that it was being driven by  
469 certain parties outside of council and I believe Councillor YOUNG had formulated a few

Complainant: OPERATION GRAND  
Subject(s): OPERATION GRAND  
Investigator: CRAIG HAWKINS  
Statement Of: EDGARD SARROFF  
Legal Officer: ANNA MCDONALD  
File Number: MI-05-2482  
Directory :

470 issues in relation to that ah, again um, um, because um, um myself and, and I think two  
471 others were very angry about the move to, to reduce the charges um, ah the, the, the  
472 motion was withdrawn now the motion was already drafted and it was with the, the, the  
473 in the, the CEO's hand and I walked past and I said so that's the motion and I ripped it  
474 out of his hand I said and I read and I said I want a copy of it I've since passed a copy to  
475 Peter Councillor YOUNG and I think that's made a part of his, his submission but again  
476 going back to what I'm saying about infrastructure charges I found that was a real major  
477 issue and an issue where, where the charges were being undermined at a time when the  
478 community was demanding tht we deliver on infrastructure and ah and ah at a time when  
479 the infrastructure was lagging and ah and people going into an election want to know that  
480 over the next term or the next four years these are the issues that are going to be  
481 addressed now if we are undermining the charges the impression we're given out to the  
482 community is that ah, ah are we giving the wrong impression out

483  
484 CH So as far as that motion ah being drafted who drafted the motion the motion

485  
486 ES There was a lot of debate later on about who drafted the motion

487  
488 CH There was no name to it

489  
490 ES Ah you were we were told later on about the CEO was asked to put together something  
491 and the CEO, CEO has a, ah has a if, if, if he is being um asked to do something he will  
492 do it

493  
494 CH Uhmm

495  
496 ES Ah, when I grabbed it when I grabbed it out of the CEO's hand I said this is outrageous  
497 his response to me was no this is political he says I don't ah look I don't necessarily  
498 support it but I was asked and then was questions on the floor for some prior to a big  
499 debate in relation to who had drafted this resolution and they started to duck for cover and  
500 there was a bit of blame put on, on, on, ah um they're, they're very good sometimes at, at  
501 ah avoiding the issue all together

502  
503 CH At deflecting things

504  
505 ES Oh, absolutely it was, it was a, a, a, classic but um Alan RICKARD at the time after the  
506 meeting approached me and informed me that the previous night he received a phone call  
507 call from a developer ah sorry from a consultant I beg your pardon from a consultant and  
508 the consultant had ah been in the development industry and the consultant had indicated  
509 to him that ah you know um you know your there, there's this is very important that it  
510 goes through ah the indication obviously that I gathered from the discussion is that the  
511 numbers are being worked out to get ah this over the line but that's where you know  
512 sometimes one or two strong voices um can, can derail, derail this but it was happening  
513 at the very last meeting of of the previous council

Complainant: OPERATION GRAND  
Subject(s): OPERATION GRAND  
Investigator: CRAIG HAWKINS  
Statement Of: EDGARD SARROFF  
Legal Officer: ANNA MCDONALD  
File Number: MI-05-2482  
Directory :

514 CH Before the 2004 elections  
515  
516 ES It, it almost gave ah an impression that this um this is um, um a, a, um, aah...how do we  
517 put it...it almost gave an impression that it, it, it ah, ah there was commitment made that,  
518 that the charges would, would be um suspended  
519  
520 CH So someone had to do something to show that was  
521  
522 ES It, it certainly gave that impression there was um, a, a, nervous atmosphere within the  
523 council um and there was all um you know all, all sorts of arguments that, that should  
524 have been raised during the process they should have been raised at the time when the  
525 policy was being adopted because it the, ah, ah, there was some concerns that were  
526 certainly raised by parts of the industry in relation to the charges and, and, look at the end  
527 of the day the industry is entitled to argue against the charges it is business at the end of  
528 the day if business has to stack up so it's in their interest to make sure that they get the  
529 best value  
530  
531 CH And as you say they've had a three year period to get the (ui)  
532  
533 ES They had a three, they'd had a three year and it was being debated during that three year  
534 period and, and um and then a, a position was taken and um many of us ah embraced that  
535 ah position I, I, recall getting up in my last ah, um, when, when I handed down my last  
536 budget in 2004 I made reference to the charges and said how important it is that we all  
537 embrace the charges and we try and, and, and ah, and um promote the benefits of the  
538 charges and, and also see how the industry could see the benefit of receiving a pay less  
539 charge then because we are only spending it to improve the amenity where those  
540 developments are, are created  
541  
542 CH OK, now, I'll, I'll just quickly again go back to the ah comments about ah candidates ah  
543 stating they are self funded and they had no other ah as you put it slush fund or, or trust  
544 fund ah financing, did you attend prior to the 2004 elections any debates or meetings  
545 where candidates were at where questions were put to them in relation to their finance  
546  
547 ES No, I didn't but I'm aware that that there were some meetings and I'm aware that there  
548 was um, um, certainly messages conveyed to me that there were concerns that ah people  
549 have suggested that they funded their own campaigns when in actual fact ah, it, was  
550 revealed later on it wasn't  
551  
552 CH OK, so along with that and reading the ah media reading in the media that's how you've  
553 become ah that, those instances have become known to you  
554  
555 ES So, the, the instances in the main came known to me through questions that we have put  
556 to the under ah to the other candidates through me through the media  
557

Complainant: OPERATION GRAND  
Subject(s): OPERATION GRAND  
Investigator: CRAIG HAWKINS  
Statement Of: EDGARD SARROFF  
Legal Officer: ANNA MCDONALD  
File Number: MI-05-2482  
Directory :

558 CH Through the media  
559  
560 ES So in other words in, in many cases some of our debate seems to take place through the  
561 media because they are able to talk to yeah, both sides  
562  
563 CH So they may interview you and you'll put something up and then they'll go and ask for a  
564 ah reply  
565  
566 ES Yes, yes, yes, I'm happy to go over my press conference comments because I do have  
567 them and see what, what issues were raised if, if I do have it ah handy and see if there is  
568 um any specific challenge but I do recall it was the purpose of that press conference was  
569 to put out a challenge for people to come out and tell us um um whether they've received  
570 money from this so called slush fund  
571  
572 CH Hmm  
573  
574 ES Because I have to stress it was made um ah, it, it was mentioned that earlier in the piece  
575 that this slush fund would ah would have something like 500,000 dollars injected into it  
576 which ah, which obviously is again um the feedback that we were receiving  
577  
578 CH That, that's fine we might leave that there for now I think we've canvassed that um as  
579 much as we can to, to find out your first hand knowledge  
580  
581 ES Sure  
582  
583 CH I might just now go to the ah, a situation which ah relates to at a aah council meeting on  
584 15<sup>th</sup> November 2004 do you have any knowledge where ah an issue relating to a rates  
585 discount for the Sunland Group where council allowed Sunland to receive a discount ah  
586 for their rates in past the due date by date, do you recall that situation were you present at  
587 that council meeting  
588  
589 ES Yes, I, I, recall that situation and yes, I was present at the meeting  
590  
591 CH What ah what took place there if you could run through your knowledge of that  
592  
593 ES What, what took place um is that the agenda item was pretty clear that um we cannot  
594 allow the discount now given that I was the um previous cause there wasn't much longer  
595 after that, that I oh sorry ah, ah um I, I, I, had um given that I was the previous Chair of  
596 Finance um I had a very close working relationship with, with the officers in that  
597 Department and from time to time I'd pick up the phone if there is any, any doubt and I  
598 picked the phone and I made some inquiries and, and um and um it was explained to me  
599 the circumstances surrounding the um not allowing the discount and um I wanted to  
600 know whether um the officers themselves were satisfied that, that was the right outcome  
601 and I given that in the past that I don't recall allowing a similar situation particularly

Complainant: OPERATION GRAND  
Subject(s): OPERATION GRAND  
Investigator: CRAIG HAWKINS  
Statement Of: EDGARD SARROFF  
Legal Officer: ANNA MCDONALD  
File Number: MI-05-2482  
Directory :

602 when sometimes we have ah elderly residents that ring up and say look, haven't been able  
603 to pay for whatever reason um, I wanted to know, you know, how, how would you know  
604 whether, whether ah there is any ah circumstances that might ah support these um um a, a  
605 different position I, I'm recall that there was some talk that um there was a move to have  
606 the recommendation overturned and I suppose that's probably one of the reasons why I  
607 went and spoke with the officers it was made absolutely clear by the officers that they  
608 don't believe they're that their circumstances warrant ah ah the granting of the discount  
609 and um and therefore I went to the council to the, to the finance meeting um, um knowing  
610 that the officers had already um made their position clear ah as I said to you earlier on um  
611 there is ah a concern that sometimes we feel that the officers aren't able to come forward  
612 and ah um ah be very um ah and, and rather than saying that ...the concern and, and  
613 certainly this is my ah own perception is that at times the officers are not able to stand up  
614 and put a strong argument to back up their recommendations and there fore by speaking  
615 with the officers before the meeting it in my mind it's established that there is no case for  
616 this to be ah, ah for the discount to be granted um at the meeting the officers um to their  
617 credit still argued that it's um that I recommend the ah the discount be granted um and  
618 then at the meeting at there was still um a motion there to overturn the officer's  
619 recommendation which was carried

620  
621 CH Do you recall who made the moved the motion

622  
623 ES Um, I'm, I'm not quite sure I, I, think the record should show that

624  
625 CH That's alright, I'll just show you the copy of the, the minutes there just for the benefit of  
626 the tape showing a copy of the minutes from the ah 340<sup>th</sup> council meeting 15<sup>th</sup> November  
627 2004

628  
629 ES Ah, yeah, and if that was incorrect it would have been corrected at ah it, it would've. It  
630 would've been mentioned but it, it appears to be um I, I, felt it was either POWER  
631 Councillor POWER or Councillor CLARK but it's in the order that you've got there so  
632 I'm reasonably satisfied

633  
634 CH And, did you oppose that at this meeting

635  
636 ES I certainly opposed to it I spoke about it at that meeting I spoke about it at full council um  
637 and I have to say to you that um I received a call when an article um was in the courier  
638 mail or one of the newspapers in the recent few weeks in relation to that discount I  
639 received a call from the previous chair of finance Alan RICKARD

640  
641 CH Ummm

642  
643 ES Um, and he has indicated that he was quite surprised that that had that ah motion was  
644 overturned and he also pointed out that he doesn't recall in his time ah seeing a, a motion  
645 um being overturned in, in relation to that rates discount

Complainant: OPERATION GRAND  
Subject(s): OPERATION GRAND  
Investigator: CRAIG HAWKINS  
Statement Of: EDGARD SARROFF  
Legal Officer: ANNA MCDONALD  
File Number: MI-05-2482  
Directory :