

REPORT OF PROCEEDINGS BEFORE

**JOINT STANDING COMMITTEE ON THE OFFICE OF
THE VALUER-GENERAL**

8th General Meeting with the NSW Valuer-General

At Sydney on Monday 2 April 2012

The Committee met at 3:42pm

PRESENT

Mr M. J. Kean (Chair)

Legislative Council

The Hon. S. MacDonald (Deputy Chair)
The Hon. E. M. Roozendaal

Legislative Assembly

Mr C. G. Barr
Mrs L. G. Williams

CHAIR: Valuer-General, good afternoon and thank you for attending this public hearing of the Joint Committee of the Office of the Valuer-General. The Committee monitors and reviews and the exercise of the Valuer-General's functions with respect to land valuations; in particular, the Committee can monitor valuation methodologies, the arrangements under which valuation contracts are negotiated and proceeded into and the standard of valuation services provided under such contracts.

PHILIP WESTERN, NSW Valuer-General, Level 3, 1 Prince Albert Road, Queens Square, Sydney, affirmed and examined:

CHAIR: I now declare the hearing open. I welcome the witness, Mr Philip Western, the Valuer-General. Thank you for appearing before the Committee today to give further evidence. Before we proceed, do you have any questions concerning procedural information previously sent to you in relation to your earlier appearances before the Committee on 26 March?

VALUER-GENERAL: No I do not.

CHAIR: Would you like to make an opening statement before the commencement of questions?

VALUER-GENERAL: Yes I would Chair, if I may. I just want to reaffirm to this Committee and carry on from where I did last Monday in respect of the New South Wales valuation system. Over the last week there have been a number of allegations made within the media about the valuation system, about the integrity of the system and there has been talk about the lack of transparency, the lack of fairness and the lack of quality and consistency in the valuations. I want to reiterate to this Committee that the New South Wales valuation system is one of the stand-out systems in the western jurisdictions as far as mass valuation systems go. It is highly regarded here in New South Wales and to the extent that a number of other states have adopted either parts or, in terms of the statute which it resides under, to use some of the definitions within there.

We have had visits from South Australia, visits from Queensland, a lot of our procedure manuals which are used within Land and Property Information have been used either in whole or in part within the Northern Territory and Western Australia.

As far as transparency and fairness goes we have endeavoured to ensure over the last six or seven years that in actual fact there is far more transparency in the system. We have through our own continuous improvement program ensured that the landowners of New South Wales can have greater confidence in the system by providing them with access to information what has not been available in other states and is being implemented there now as a result of the work that we have done.

I refer specifically to being able to access a raft of sales information associated with their individual properties and the valuation that has been arrived at. I refer also to the fact that they can now look at land values back historically of their property. Landowners can also see free of charge in between valuations what is happening with their property. We provide a raft of information out to them to assist them with understanding what the valuation is all about. We provide an objection kit and other associated information when people object, is online or via a call centre. All this has assisted greatly in ensuring that the system here in New South Wales now has far greater acceptance and the public have far greater confidence in it than they did seven years ago.

I think this is reiterated in a number of ways, one, in regard to the amount of correspondence we now receive through my office and through the minister's office. We encourage people to give us feedback. We provide open forms of communication and either they can write by letter and we advertise that all throughout our brochures or they can contact us directly by email. All that correspondence has fallen off considerably over the last wee while.

The number of objections that we are now receiving to the valuation system, as I reiterated last Monday, is now down to around about a third of what it was seven years ago. All this, I believe, is helping to make the valuation system more transparent.

It is a system that I have been proud to be associated with and it is a system that I am happy to showcase to the rest of the world in terms of how it stands up.

CHAIR: I would like to start the questioning following on from the affirmation you took earlier about telling the whole truth. Valuer-General, why do you think it is important that you are truthful with this Committee?

VALUER-GENERAL: One because I have given an affirmation that I am going to do that and secondly, my own personal integrity.

CHAIR: When you provide information to the Committee, you obviously would like to ensure that that is truthful, accurate, fair information?

VALUER-GENERAL: Absolutely.

CHAIR: You have always undertaken to provide accurate information to this Committee?

VALUER-GENERAL: I always have, correct.

CHAIR: I would just like to move onto another line of questioning for a moment, to the questions on notice which we provided you on 9 March and you responded to on 26 March I believe, so we gave you three weeks to provide that information. I would just like to draw your attention to one of the questions on notice where we asked you for valuations subject to objections. You provided a list of valuations subject to objections to the Committee. At the general meeting before the Committee you provided objections where the variance was over \$5 million from your original valuation and then we agreed that you would provide us all differences, so where objections to your original valuations were sustained, below that \$5 million threshold. You provided a spreadsheet to this Committee last week and it only went back to 2008. When are you going to provide the Committee with all the variances between 2000 and 2012 like the Committee asked for?

VALUER-GENERAL: My understanding was that in terms of the question I was asked by the Committee, was to provide information back to 2008 and the question on notice that has now been provided to me, there were a number of questions, as I said that arose out of that meeting.

CHAIR: Yes.

VALUER-GENERAL: One of those questions was to provide all the objection data back as far as we could possibly go. That will be provided in response to that question on notice.

CHAIR: When will that be provided to this Committee?

VALUER-GENERAL: We have been working through, even this morning, having a look at how quickly we can provide that. The Committee will recall that there were a number of questions asked of me as a result of that meeting and additionally there were also a number of supplementary questions that I was asked as well.

As I said, we are in the process of responding to the vast majority of those questions and we will be able to give a response on those by the required time of this Wednesday, 4 April close of business.

CHAIR: This Committee can expect responses to all the questions it has asked?

VALUER-GENERAL: No, that is not correct. I have not finished. If I might finish; there are several questions where we have got to extract it out of the data base and some of that is going to require going back sometime. Obviously one of those is to be able to provide you with all the objections where there have been changes to the valuations.

An extract query is being prepared currently. The expectation in regard to that and the supplementary question in regard to contractor information will not be available until early next week. The reason for this is it simply—

CHAIR: What date is that?

VALUER-GENERAL: We are hoping to be able to provide that, realising that Easter is falling in between here, by close of business next Tuesday.

CHAIR: Is that the 10th?

VALUER-GENERAL: I have not got a calendar in front of me.

CHAIR: Thank you Valuer-General. Just another question on notice that we asked, going through the questions on notice from 14 to 18, we asked for information regarding private valuations that you had undertaken as a private agreement between yourself and a private entity. That is not the information you provided to us. Can I ask you to go back to those questions between 14 and 18 in the questions on notice and provide us with the details to questions asked where you have undertaken work as a private agreement between yourself and a private party?

VALUER-GENERAL: That information, as I understand it, will also be provided in terms of the question on notice that has been asked of us, we are working on that currently. That is one of the ones that will be delayed until Tuesday, that and the objection ones.

CHAIR: It was with alarm that I read this morning's *Sydney Morning Herald* article and I would like to go through and explore the tender process that occurs when selecting private contractors. You were appointed Valuer-General in which year?

VALUER-GENERAL: September 2003.

CHAIR: Could you tell us about the tender process in place in September 2003?

VALUER-GENERAL: Do you want me to go through the whole process?

CHAIR: I would like to understand how private contractors were selected to undertake private valuation work on your behalf in 2003 when you came in.

VALUER-GENERAL: Basically the process is such that all the procurement for rating and taxing work at that stage was undertaken through the state contracts office within the Department of Commerce. It was headed up by a probity officer, a contracts officer, who had expertise in that particular area as far as the tendering and the contracting out of work.

That is extremely important, I am sure the Committee will appreciate, for ensuring that there is absolute certainty and probity around the whole process; absolutely imperative. That was in place when I came into the role and it is still an integral part of the role as far as tender evaluation selection goes today; that has not changed.

CHAIR: Did you have a say in the selection of private contractors when you became Valuer-General in 2003?

VALUER-GENERAL: I was on the evaluation committee for tenders that commenced as at 1 May 2004. The normal process prior to my coming on board was that the Valuer-General would chair that committee. As the Committee will be aware by publicity this morning in the *Sydney Morning Herald*, I previously worked for a New Zealand Government—

CHAIR: Valuer-General, we can get to that a bit later on. I just want to understand the process in place to select private contractors when you became Valuer-General. You are saying it was the Office of Strategic—

VALUER-GENERAL: No, it is state contracts and procurement within the Department of Commerce at that stage. I may have the name slightly wrong but it was within the Department of Commerce.

CHAIR: From your understanding in 2003, was there a panel in place?

VALUER-GENERAL: I cannot speak to prior to me coming on board what was there.

CHAIR: When you became the Valuer-General.

VALUER-GENERAL: When I became the Valuer-General there was no panel in place obviously because the contract process only occupies—

CHAIR: There was no panel in place.

VALUER-GENERAL: Sorry, can I—

CHAIR: Who selected the contractors Valuer-General?

VALUER-GENERAL: Sorry, can I just go back a step. There would have been a panel in place for the previous tenders that would have been evaluated prior to my coming on board for the prior year. When I came on board in September 2003 a new panel was put in place simply because I was new to the job; it was not the same panel.

CHAIR: Were you on the panel in 2003?

VALUER-GENERAL: Yes I was, in late 2003 I was on the panel.

CHAIR: In 2003 you were on the panel that selected private contractors to undertake rating and taxing valuations?

VALUER-GENERAL: That is correct, yes I was.

CHAIR: What was your role on that panel?

VALUER-GENERAL: I was simply one of six people on that particular panel. I was not the chair of that panel.

CHAIR: What was your role on the panel?

VALUER-GENERAL: I was one of six people who were evaluating tenders for contracts for rating and taxing services.

CHAIR: Who chose the people on that panel?

VALUER-GENERAL: It was chosen by the Deputy General Manager for Land and Property Information, which was Mr Des Mooney, myself, Simon Gilkes, who was the chief valuer and it also involved the other people who had been on the panel previously, a representative from the Local Government Shires Association and a representative from the Office of State Revenue. As part of that panel we also had available to us representatives of each of the council areas where the tenders were being let.

CHAIR: In 2003 when you first became Valuer-General, how were successful tenderers chosen? Was it by vote of the panel?

VALUER-GENERAL: It is quite a complicated process in terms of going through. From memory, the initial stages of the process involved looking at whether or not the tenders were complying. In other words, before the tenderer can actually get across the line for the tender to be evaluated, it has to meet certain criteria. That is no different from any other state procurement policy or procedure in respect of that.

CHAIR: Would the tender panel review each of the contractors to make the assessment as to whether they have met the—

VALUER-GENERAL: They are not contractors at that stage; they are simply tenderers for contracts.

CHAIR: I rephrase my question. With the tenderers, who makes the assessment of whether they meet the criteria in place?

VALUER-GENERAL: The tender evaluation panel would do that.

CHAIR: You were part of that panel?

VALUER-GENERAL: I was part of that, as I said before, under the guidance of state contract—

CHAIR: When the committee, the tender panel assessed the tenderers, was there a vote when selecting the successful tenderer?

VALUER-GENERAL: There is not a vote as such. What happens is, as I said, the process is quite complicated in that there is a number of criteria when evaluating the tenders themselves, that needs to be looked at and they include looking at the management plan. In other words, looking at what resources are going to apply to the contract; also to have a look at what the experience and the capabilities of their staff are. In other words, they have to submit effectively resumes for each of the staff who are to be involved in it.

As I said before, it is really important to make sure in terms of the integrity of the system, that we have the right people doing the job for us with the right skills.

CHAIR: It was the panel itself that assessed each tenderer against the relevant criteria in assessing whether they were compliant?

VALUER-GENERAL: That is correct.

CHAIR: Who wrote the criteria against which the tenderers were assessed?

VALUER-GENERAL: The criteria in terms of that are agreed by the evaluation committee.

CHAIR: Of which you were on?

VALUER-GENERAL: Of which I was a member, yes, one of six people, correct.

CHAIR: How did you agree on the criteria which were used to assess tenderers? Was there a vote?

VALUER-GENERAL: That is by working through discussion and getting and seeking agreement between the panel members as to what would be the criteria.

CHAIR: Was the consensus formed?

VALUER-GENERAL: Consensus was formed in the end, absolutely.

CHAIR: Was there a formal vote?

VALUER-GENERAL: No, there was agreement, there was consensus as opposed to a formal vote.

CHAIR: What if there was disagreement with the choice of a tenderer, what would happen in that instance?

VALUER-GENERAL: Hold on, you go back here; you were talking about the process of actually evaluating the tenders. The process in terms of actually putting together the list of who would be the successful tenderers, as I said, it is quite complicated. Each of the attributes in regard to the tenders have a specific weighting and each panel member then would go through individually and evaluate the tender documentation on the basis of each of those attributes. They would reach a conclusion based on that. As I said before, they would do that independently. It would come to the evaluation group as a whole to work through those in terms of the individual considerations. That part of the tender process was conducted by the contracts officer from Department of Commerce and we would go through and look at where the difference is in terms of the score that they had allocated based on the weightings. Then we would talk through until we could get some form of consensus as to what the appropriate weighting for that was.

That was quite an involved process. These meetings—

CHAIR: Would you have a say in that process Valuer-General?

VALUER-GENERAL: I was one of six people that had a say in that.

CHAIR: But you had a say?

VALUER-GENERAL: I need to point out Chair—

CHAIR: I am just asking if you had a say, I am not asking you to expand on your answers, I am just asking you if you had a say Valuer-General?

VALUER-GENERAL: If I may Chair, I would like to expand on that.

CHAIR: I am asking the questions here. I want you to treat this Committee and the questions that I am asking with the respect that the Committee and the people of New South Wales deserve to be treated with. So I want to stay focused on the questions. You will have plenty of time to expand on the answers later.

Valuer-General, you had a role in writing the guidelines on which tenderers were to be assessed, is that correct?

VALUER-GENERAL: That is correct.

CHAIR: Valuer-General, you were a member of a committee in 2003 which consisted of several people of which you had a vote, am I characterising this correctly, a vote to decide who would be a successful tenderer, is that correct?

VALUER-GENERAL: That is correct.

CHAIR: I take you back to your testimony to the Parliamentary Committee Overseeing the Valuer-General in December 2004 where you said that the power to award tenders remains with the Valuer-General. How does that accord to the testimony that you have just given this Committee?

VALUER-GENERAL: That is simply reiterating what is required under the Valuation of Land Act. In the end the contract in regard to rating and taxing work is between the Valuer-General and the individual contractor as provided within the Valuation of Land Act.

CHAIR: At the end of the day you make the final decision on who a successful tenderer is?

VALUER-GENERAL: No I do not.

CHAIR: Who does?

VALUER-GENERAL: The Tenderer Valuation Committee made that decision back in 2003 in the example you just gave me.

CHAIR: Valuer-General I note that you reviewed the way tenders were assessed and you changed the way tenders were evaluated in 2005. Can you tell the Committee what changes you made to the tender evaluation process?

VALUER-GENERAL: I can explain part of it, I have not got the detail and my memory does not go well back to 2005. One of the things that we wanted to ensure we were emphasising within the tender evaluation process and indeed to make sure it flowed through to the valuation system is that the integrity and the quality of the information within the system itself are of most importance. To do that we had to look at trying to work to try and get a balance between the pricing component of the tender process and the qualitative side of things. In particular what we found very early on is that the pricing component was tending to over-weigh the quality attributes. So it was really important to us to try and find a balance in that.

From memory one of the things we looked to do was to reduce the pricing component of the tender itself and increase the qualitative component in terms of weighting.

CHAIR: Valuer-General I am just reading your testimony to the Committee in 2004. I just want to understand exactly what you said. You changed the criteria on which tenderers were to be assessed giving more weighting to quality and less weighting to price, is that correct?

VALUER-GENERAL: I need to point out it was not me that made this decision, it was made in conjunction with—

CHAIR: Is that correct, what happened?

VALUER-GENERAL: That would be one of the components. As far as I can recall that is one of the components we looked at, yes.

CHAIR: You said you did not make that decision, who made that decision to change the weighting of the criteria on which tenders would be assessed?

VALUER-GENERAL: That was made in conjunction with members of the Tender Evaluation Committee for that particular year.

CHAIR: Were the members of the Tender Evaluation Committee the same members who were on the Tender Evaluation Committee in September 2003?

VALUER-GENERAL: I cannot recall if the individuals were exactly the same, but certainly the members of that committee would have been the same as far as the organisations that they were representing. I seem to recall that around about 2005, it might have been 2006, we also introduced a further representation from Local Government onto that committee, but I am not certain of the precise year.

CHAIR: On whose advice did you accept an additional representative to the committee?

VALUER-GENERAL: That was the Evaluation Committee themselves decided that.

CHAIR: Everyone got around the table and sang Kumbaya and came up with this?

VALUER-GENERAL: No.

CHAIR: How did you decide to accept another person onto the committee?

VALUER-GENERAL: It was important, as I said, in terms of the integrity of the system to have a range of skills. There was one particular person who we felt within Local Government had a very good knowledge of both the rating evaluation system itself but also the ways, particularly it was used within Local Government and that person was brought onto the Tender Evaluation Committee. But as I said, I cannot recall exactly what year that was.

CHAIR: When did you become chair of the Tender Evaluation Committee?

VALUER-GENERAL: The tenders we evaluated in 2004.

CHAIR: How did it come to pass that you became the chair of the Tender Evaluation Committee?

VALUER-GENERAL: Basically what happened was, as I said, the prior year it was felt that because I had been involved with Quotable Value Australia, who were a tenderer and because the chief valuer had also been involved with property valuation services within the Department of Commerce, who were also a tenderer, that there should be an independent chair in that first year.

When it came to 2004 the Tender Evaluation Committee met and decided that because of the presence of the probity officer and that because both my previous role with Quotable Value Australia and the role of the chief valuer within property valuation services Department of Commerce was well known, that we felt that any perceived conflict would have disappeared at that stage. It was particularly reiterating around the fact that we had a probity officer there overseeing the whole process.

CHAIR: Did you disclose to the committee your relationship with Quotable Value Australia?

VALUER-GENERAL: It was widely known my relationship.

CHAIR: Did you disclose it to the committee?

VALUER-GENERAL: Verbally I did, yes.

CHAIR: Each time that you made an assessment of Quotable Value Australia?

VALUER-GENERAL: Each time we mentioned it, no, I declared that at the start of each of the processes in terms of—

CHAIR: Is that documented?

VALUER-GENERAL: Not to my knowledge, no. As I said, it was widely known.

CHAIR: Not to your knowledge?

VALUER-GENERAL: No.

CHAIR: Were there minutes of these meetings where you would assess tenderers?

VALUER-GENERAL: Yes there were.

CHAIR: Can we have copies of all the minutes of the meetings where assessments were made for tenders to undertake land and taxation services?

VALUER-GENERAL: How far back do you want to go?

CHAIR: From 2003.

VALUER-GENERAL: Until where, until now?

CHAIR: Sure, yes; thank you.

The Hon. Eric ROOZENDAAL: I just want to clarify in my own head some of the timeline stuff here, if you do not mind Valuer-General. So you started work in 2003?

VALUER-GENERAL: Correct.

The Hon. Eric ROOZENDAAL: The tender process happens annually?

VALUER-GENERAL: That is correct, it happens annually.

The Hon. Eric ROOZENDAAL: When you started in 2003 there was a certain style of process in place?

VALUER-GENERAL: Yes.

The Hon. Eric ROOZENDAAL: Did you go through a tender process in 2003 after you had started or had that process happened before you arrived in 2003?

VALUER-GENERAL: No, the process at that stage started in late 2003 and continued on till early in 2004.

The Hon. Eric ROOZENDAAL: You were on board for that process, in your seat as Valuer-General?

VALUER-GENERAL: Yes I was, that is correct.

The Hon. Eric ROOZENDAAL: Then the tender process is annual after that?

VALUER-GENERAL: Yes, basically every year we have got a staggered process where we award contracts and so each year there are a number that come up that we evaluate.

Mr CLAYTON BARR: Am I incorrect in thinking that they are three year contracts?

VALUER-GENERAL: They are now, that was different back early on in that the contract process, from memory, and I would prefer, if I could, to take the question on notice, simply because I cannot recall exactly what it was. I know what we changed it to.

One of the issues we had was that the length of the contracts was too short. I will go back a step. We wanted to encourage new people to get into the market, that was really, really important to us because we wanted to get coverage right across New South Wales. Now one of the impediments to doing that was that there is a reasonable amount of cost involved in actually moving in, in terms of capital investment as far as data bases go and I guess in terms of bringing uncertainty onto employees who have a good rating in taxing expertise. So with the initial contracts they were slightly shorter than three years. What it meant was, there

was no certainty and so people were saying, I do not want to invest all this money and then find out I am going to lose the contract in a couple of years time; it is not good.

So what we did was to introduce a contract period where we would have three year certainty, but then we would have one year rights of renewal. If a contractor was meeting our expectations and if that particular contract was fitting in well in terms of the cycle and we did not need to alter it for any particular reason, then they would get the contract for a further year and they would probably get it for a further year beyond that. So it was more to provide certainty to the individual contractors.

CHAIR: Can I just jump in there for a second please. You talked about these extensions of contract; I am just referring to your testimony to the Committee in December 2004 where you said that the extension will solely be at my discretion. Is that correct Valuer-General?

VALUER-GENERAL: That is correct, yes.

CHAIR: A tenderer, hypothetically Quotable Value Australia, the option to renew their valuation or their contract was solely at your discretion for the two by one year extension; is that correct?

VALUER-GENERAL: In theory I look after the Valuation of Land Act, it is my responsibility, so yes, it is my immediate discretion.

Mrs Leslie WILLIAMS: I just had a question with regard to the Tender Evaluation Committee. When you became a part of that panel in September 2003, how many people were actually on that panel?

VALUER-GENERAL: I said there was no panel in place when I first came on because that process had already—

Mrs Leslie WILLIAMS: When you—

VALUER-GENERAL: Prior to that; the prior period?

Mrs Leslie WILLIAMS: I am asking when you became part of that panel, how many people were on that panel?

VALUER-GENERAL: There were six people on that panel.

Mrs Leslie WILLIAMS: Prior to you coming on that panel, how many were on there then?

VALUER-GENERAL: I would need to take that question on notice but I understand there were still six at that stage.

Mrs Leslie WILLIAMS: You spoke before about the fact that you elected an additional representative to that panel, I think you said it was a Local Government representative, is that correct?

VALUER-GENERAL: Yes, another Local Government representative, that is correct.

Mrs Leslie WILLIAMS: What year was it that the additional representative was elected?

VALUER-GENERAL: I cannot recall. From memory it was either 2005 or 2006 I think.

Mrs Leslie WILLIAMS: That would mean now there would be seven people on the committee?

VALUER-GENERAL: When you say now, as in back then, yes, that is—

Mrs Leslie WILLIAMS: When you elected that additional representative; that meant the committee went up in number to seven?

VALUER-GENERAL: That is correct, because prior to that, as I said, we had six people on the committee but we also had representatives from Local Government from each contract area on there. They only came on the panel for that particular contract for that particular area.

What we thought was a better process, because we were bringing them from all over the state you will appreciate, would be to have someone that Local Government had faith in who had the skills and expertise right across all of the rating and taxing areas as implemented within Local Government. We talked to the Local Government and Shires Association about who the appropriate person would be and they put forward a name.

Mrs Leslie WILLIAMS: Can I just clarify that, once the additional person was elected and it was a Local Government representative, he was the only Local Government representative on the committee then?

VALUER-GENERAL: He was directly representing council. The other representative was from Local Government and Shires Association, who you will appreciate, represented councils throughout New South Wales.

CHAIR: I just wanted to continue my questioning about how tenderers were selected by the panel. You have said that everyone formed a consensus, is that correct?

VALUER-GENERAL: Once we had gone through and evaluated, as I said, the process is quite detailed in terms of going through and evaluating that. As I said, there would be generally different interpretations of—

CHAIR: When there are different interpretations or differences of opinion, how would those have been resolved?

VALUER-GENERAL: Exactly what I said before, that would be discussed amongst the group. The probity officer would put how much each of the individuals on the group had scored and it would be looked where the extremes are. We would get some discussion going around why people thought that one was over here and one was over there. We would work through and discuss that and eventually we would start to move towards some form of consensus.

CHAIR: Were there people who disagreed with the majority view? Were there instances where that happened Valuer-General?

VALUER-GENERAL: I cannot recall.

CHAIR: Would that be reflected in the minutes?

VALUER-GENERAL: That I cannot recall?

CHAIR: No, will that be reflected in the minutes of the tender panel meetings that there were disagreements?

VALUER-GENERAL: Once again I am not certain, I have not read the minutes, so I cannot definitively say that that would be the case, but certainly it has got in there how each of the individual tenderers were scored against each of the individual criteria.

CHAIR: Was the group consensus ever overturned?

VALUER-GENERAL: I would have to take that question on notice, I cannot recall.

CHAIR: Have you disclosed your interest in Quotable Value Australia on the disclosure of interests register?

VALUER-GENERAL: No I have not.

CHAIR: As required by the Independent Commission Against Corruption's contracting services from the probative perspective?

VALUER-GENERAL: No I have not.

CHAIR: I would just like to move you to the questions on notice and in particular question 19. I will just read you the question for your benefit:

Can you provide a list in an Excel of all service contracts for valuation since 2002 including the date, the size of the contract(s), the payment provided to the valuer, the valuation services provided, which properties and for what purpose land tax valuations compulsory private acquisitions, et cetera and the name of the service provider. This includes any service contract, whether it was terminated, the valuation was or was not issued, et cetera?

In response to that question you provided this spreadsheet which I have put up.

VALUER-GENERAL: Can you just tell me which attachment number that is?

CHAIR: Attachment G. Do you have the questions on notice in front of you?

VALUER-GENERAL: No I do not.

CHAIR: Would you mind reading your response to the questions on notice and I will pass them around to you.

VALUER-GENERAL: My answer, valuation service contract details since January 2008 are provided in attachment G. Prior to 2008 information on these contracts was not recorded by Land and Property Information in the same manner. It is understood the information has been archived.

CHAIR: My first question is why did you not provide that was archived when this Committee asked you for that information?

VALUER-GENERAL: It was in regard to the timeframe that was involved in terms of it. I spoke with the Parliamentary Secretariat and they—

CHAIR: Which Parliamentary Secretary?

VALUER-GENERAL: In terms of this Committee.

CHAIR: What did you inform this Secretariat?

VALUER-GENERAL: As I recall, I said that we could provide the information back to 2008 and the timeframe that was required.

CHAIR: When did you have that conversation with the Secretariat?

VALUER-GENERAL: I cannot recall exactly when, no.

CHAIR: Valuer-General when this Committee asks for information, if it is in archive, then I want that information. I do not want the answer that we cannot get it because it is in archive.

VALUER-GENERAL: Okay.

CHAIR: Valuer-General, this Committee would like that information going back as requested to 2002. When can we get that information?

VALUER-GENERAL: I do not know that you will appreciate what is involved in terms of extracting information out of archives. I do not know how long that will take.

CHAIR: Valuer-General, with respect, we asked you these questions on 9 March. You had three weeks to provide that information. In that three week period you never once let this Committee know that that information was in archive or that it could not be provided in time.

VALUER-GENERAL: Sorry, I dispute that.

CHAIR: I do not want you treating this Committee with disrespect and not providing that information or not letting me know. It is unfair to the Committee, it is unfair to the Committee Secretariat and it is unfair to the people of New South Wales.

VALUER-GENERAL: My understanding was that my communication with you was to be through the Committee Secretariat and that is what I have been doing. If you wish me to communicate directly with you—

CHAIR: No, no, I want you to continue communicating through the Committee Secretariat but you did not inform the Committee that you were unable to provide that information until you provided that information in your answers on notice on 26 March. In future, I would like you to keep the Committee Secretariat informed if there are going to be delays. This Committee is relying on this information so it can make recommendations and decisions which will affect the valuation system in New South Wales and I would like you to treat this Committee with the respect it deserves, thank you.

VALUER-GENERAL: And I will sir.

CHAIR: Thank you. Valuer-General I draw your attention to the information you provided in attachment G and I have got it up on the screen. Can you see that Valuer-General?

VALUER-GENERAL: My eyesight is not that brilliant Chair so I am looking at it on my computer.

CHAIR: So you have got a copy of that document you have provided?

VALUER-GENERAL: Of attachment G I have, yes.

CHAIR: I just want to walk you through each of the headings. The first column, column A it says Date. What date does that represent?

VALUER-GENERAL: That would be the date that the extracts in this Excel spreadsheet is commenced from.

CHAIR: Beg your pardon Valuer-General, I do not understand?

VALUER-GENERAL: I understand it would be—I will take the question on notice.

CHAIR: I would like to suggest that if you have provided a Parliamentary Committee with information that you would know what that information is.

VALUER-GENERAL: With respect Chair, there were many hundreds, if not thousands of pages which we actually provided in terms of the Excel spreadsheets. I do not know them all by detail.

CHAIR: I am just asking what the date represents Valuer-General, that is all. It is not a complex question. It is not a trick question. I am asking what the date represents in the spreadsheet you are providing this Committee.

VALUER-GENERAL: I understand the date is the date that that extract would have started from. We would have started back in 2008, but I will confirm that by question on notice.

CHAIR: The date corresponds to an amount. Let us take cell A2, 29.1.2008 per the table up there. It corresponds to an amount of \$156,250. Does that represent a payment?

VALUER-GENERAL: I do not know sir.

CHAIR: I refer you to column C, it says a contract.

VALUER-GENERAL: Correct.

CHAIR: Quotable Value Pty Limited. Is that a contractor that has been paid? Is that what this spreadsheet is telling me?

VALUER-GENERAL: As I pointed out, this particular spreadsheet is incorrect.

CHAIR: When did you point out that this spreadsheet was incorrect?

VALUER-GENERAL: When I found out that it was incorrect.

CHAIR: To whom did you point out that this spreadsheet was incorrect?

VALUER-GENERAL: Late on Friday night to the *Sydney Morning Herald*.

CHAIR: I am sorry, when did you find out this information was incorrect that you provided under oath to a Parliamentary Committee?

VALUER-GENERAL: As I said, the error was discovered late on Friday night. I advised the Department of Finance and Services' Director General and I had a phone call from the *Sydney Morning Herald* at the same time.

CHAIR: This is the first time you have made the Committee aware that this data is incorrect, is that correct?

VALUER-GENERAL: That is, yes.

CHAIR: Let me get this straight. You worked out that this data was incorrect and before telling a Parliamentary Committee, before telling the people of New South Wales, you saw it more important to tell a journalist at the *Sydney Morning Herald*, is that correct?

VALUER-GENERAL: I did not see it as more important Chair.

CHAIR: So why did you not tell a Parliamentary Committee that there was an error in the data you provided a Parliamentary Committee?

VALUER-GENERAL: That was an error on my part in not informing you first.

CHAIR: If that is an error on your part, if you cannot provide correct information to a Parliamentary Committee representing the interests of the people in New South Wales, how can those people in New South Wales expect you to provide the data to get their valuations right?

VALUER-GENERAL: Because I can show that we are getting the valuations almost right.

CHAIR: You could not show it because you showed a billion dollar difference between your valuations and those determined by a court.

VALUER-GENERAL: No that is—

CHAIR: We will come back to this spreadsheet Valuer-General. You said the data is incorrect, is that right?

VALUER-GENERAL: When we are talking about the data, we are talking about the information and the amounts that are credited into the particular years and the contractors are incorrect.

CHAIR: Can you explain to this Committee what is incorrect about the data or would you prefer to do that to the *Sydney Morning Herald*?

VALUER-GENERAL: No, I would prefer to do it to this Committee, Chair.

CHAIR: Can you explain to this Committee what is incorrect about this data?

VALUER-GENERAL: This particular spreadsheet was taken as a summary of information taken out of the SAP system within Land and Property Information.

CHAIR: The SAP system being the accounting system?

VALUER-GENERAL: That is the accounting system within Land and Property Information.

CHAIR: What is the data that was taken out of the SAP system?

VALUER-GENERAL: That data that was being extracted was, as I understand it, the payments that were made to contractors who were undertaking rating and taxing work for Land and Property Information.

CHAIR: That was the conclusion I had reached when going through the data as well, even though we had asked for contract values given to each contractor in New South Wales. Valuer-General, the pivot table here, is that pivot table that I am showing you, aggregating the base data correctly?

VALUER-GENERAL: No it is not.

CHAIR: Why is it not aggregating the base data correctly?

VALUER-GENERAL: That is exactly what Land and Property Information are endeavouring to find out for me right now.

CHAIR: I would just like to draw your attention to the screen. Firstly, I want to show you how the pivot table works. You are correct; the pivot table that you have provided does not correspond. I found a difference of \$150,000 in the pivot table on here versus the pivot table that I have compiled. I have audited this pivot table as well. Your concern is with the pivot table, not the underlying data?

VALUER-GENERAL: No, talking with Land and Property Information this morning and working through the issues, I understand that the underlying data from their point of view as far as payments that have been made is correct. What is incorrect is how it is summarised up to this sheet at the top.

CHAIR: Why do we not do the exercise of checking the underlying data to see that that pivot table corresponds to your pivot table? We will do it altogether so we can agree that it is working. I will just

walk you through what I am going to do. I am going to take all this data. I am highlighting all those payments that have been taken from the SAP system and I am going to copy that. I am going to create a new spreadsheet and paste that.

Then I am going to create a pivot table. I have just done the pivot table based on the underlying data. For Quotable Value Australia I have got \$37,849,577 and per the pivot table that you have got \$37,849,577. It appears that pivot table is working Valuer-General.

VALUER-GENERAL: The information that I have been told is that it is not working.

CHAIR: I have just proved, I have reconstructed exactly the same pivot table based on the data that you said was correct; exactly the same. We could go through each number if you would like to.

VALUER-GENERAL: I would need to take that on notice because the information that I have been told by Land and Property Information is that over that period between 2007 and February 2012 the aggregate amount of contractual payments for rating and taxing work to Quotable Value Australia is \$13.6 million.

CHAIR: I will just ask the Hansard to note that we have reconstructed the pivot table based on the data which the Valuer-General agrees is corrects, which represents payments.

VALUER-GENERAL: Sorry, Chair, that is unfair. I have been advised by Land and Property Information that it is correct.

CHAIR: That the pivot table is incorrect.

VALUER-GENERAL: I have been advised that the information in behind the data, sorry, in terms of within SAP is correct.

CHAIR: Is correct.

VALUER-GENERAL: Yes, within SAP.

CHAIR: Let me be very clear, because I think the record needs to reflect this. That we all agree that the data pulled from SAP is correct.

VALUER-GENERAL: I am going to have to—

CHAIR: Do you agree that the underlying data pulled from SAP representing payments to contractors is correct?

VALUER-GENERAL: The SAP system contains that information. My understanding, I am going to repeat this again, is that Quotable Value Australia have only been paid over that period in terms of rating and taxing work through to February 2012, \$13.6 million, not what is represented on that table.

CHAIR: We can discuss that later but what I am saying and I just want everyone on the Committee to understand, that the underlying data provided out of the SAP system, which represents payments to contractors effectively, that the pivot table that I constructed reconciles to the pivot table provided by the Valuer-General on his question on notice in section 19. Valuer-General, I want to be very clear for the purposes of the Committee, is the issue with the pivot table, as you said earlier, your advice from Land and Property Information is that the pivot table is not correct?

VALUER-GENERAL: My information was that the information is recorded correctly when you drill down into the SAP system. It is when it is bringing up to a summary at the top of the SAP system is where this error is occurring.

Mr CLAYTON BARR: If I could indulge both of you a little bit, because I am not fantastic with this stuff. To me the way these systems work, these spreadsheets and what-not are one of two things. The data and the information you have put in is either correct or incorrect. The formula in the cells and the structure of the computer system is either correct or incorrect. So I am struggling at the moment to understand, is the data that was put in correct or incorrect? Can you answer that or is the spreadsheet and the table and the formulas and the columns—

VALUER-GENERAL: That is what they are investigating for me now. They are drilling down and having a look to find out where the problem with the SAP system is in terms of extracting the correct information out.

Mr CLAYTON BARR: Land and Property Information have informed you that the data, the information that is being pumped in is—

VALUER-GENERAL: Sorry, the information that is sitting in terms of the payments that have been made to Quotable Value Australia residing within the SAP system itself at the base level is actually correct.

Mr CLAYTON BARR: But the summary—

VALUER-GENERAL: Coming up to the summary level; that is where there is a problem occurring, where it is being extracted, but they are investigating that.

Mrs Leslie WILLIAMS: Can I just clarify this, the information put in originally for, let us say, Quotable Value Australia, is correct?

VALUER-GENERAL: In terms of the payments that are actually made to Quotable Value Australia, yes they are.

Mrs Leslie WILLIAMS: But when we have got to the summary table it is not correct?

VALUER-GENERAL: That is when it has come out.

Mrs Leslie WILLIAMS: Is it only for that particular one?

VALUER-GENERAL: No, it will be for all the contractors will be incorrect, because it is coming up onto the summary table for everyone.

Mrs Leslie WILLIAMS: They are all incorrect?

VALUER-GENERAL: Sorry, I know that Quotable Value Australia is, I suspect in terms of looking at the other numbers that are in attachment G on that summary page, that they are incorrect as well.

Mrs Leslie WILLIAMS: Can I just clarify that. You suspect that they are incorrect but you are not sure? You are saying that Quotable Value Australia is incorrect.

VALUER-GENERAL: Some of the others look incorrect to me and certainly the information that Land and Property Information have now given me saying that there is an aggregate amount of \$13.6 million been paid to Quotable Value Australia and the next highest one is the contractor, Crown Valuation Services at \$9.3 million is far more reflective of what the payments were and I would go with using this information that they have now provided to me as opposed to what is in attachment G.

CHAIR: Why is that?

VALUER-GENERAL: I have to apologise to the Committee, that that was provided in error.

Mrs Leslie WILLIAMS: You are saying that the information that you have now given us, not just for Quotable Value Australia but for all of them is now correct?

VALUER-GENERAL: I have not provided you with that latest information yet, that is what they are doing at the moment in terms of extracting that out of the SAP system but working around in terms of that summary sheet that is incorrect at the moment, trying to get a new total so the Committee can have those.

CHAIR: Why would you provide the Committee with incorrect information?

VALUER-GENERAL: I did not know I had provided the information incorrectly.

CHAIR: Why would you not check it before you give it to the Committee?

VALUER-GENERAL: I relied on Land and Property Information to do that for me. I cannot go through individual spreadsheets and—

CHAIR: I think relying on Land and Property Information has got you in a bit of trouble, as we saw the other day, with those compulsory acquisitions. I would submit that if you are providing information to this Committee or to people whose livelihoods depend on the valuations you provide, that you should be checking things that go out under your name.

The Hon. Eric ROOZENDAAL: Mr Western, what was your relationship with Quotable Value Australia originally?

VALUER-GENERAL: I was previously the general manager for rating in Australia.

The Hon. Eric ROOZENDAAL: For how long?

VALUER-GENERAL: I commenced that role in, I think from memory, early 1999 through till June 2003.

The Hon. Eric ROOZENDAAL: Did you have any equity in the organisation?

VALUER-GENERAL: No.

The Hon. Eric ROOZENDAAL: You were just an employee?

VALUER-GENERAL: I was just an employee with the organisation, correct. I was one of a number of divisional heads.

The Hon. Eric ROOZENDAAL: From the information you have in front of you, what was the amount of work that Quotable Value Australia were receiving from the Valuer-General in 2003?

VALUER-GENERAL: I cannot tell you the quantum of the work in terms of the dollars but they only had one contract and that was for the City of Sydney.

The Hon. Eric ROOZENDAAL: That is not awarded through you, is it?

VALUER-GENERAL: Sorry, I may have misunderstood your question. You are saying when I came on board as Valuer-General how many contracts and the amount did Quotable Value Australia have?

The Hon. Eric ROOZENDAAL: Yes.

VALUER-GENERAL: At that stage they had one contract only and that was for the City of Sydney.

The Hon. Eric ROOZENDAAL: And the value of that?

VALUER-GENERAL: I cannot recall.

The Hon. Eric ROOZENDAAL: The next year, and we will go by financial years, we have just done 2008-2009, let us do 2009-2010 what were the number of contracts?

VALUER-GENERAL: I would have to take that on notice, sorry.

The Hon. Eric ROOZENDAAL: That should be in that information should it not Chair?

VALUER-GENERAL: Not by year though.

CHAIR: That is what we asked for.

The Hon. Eric ROOZENDAAL: So they started with one contract in 2003 from your memory?

VALUER-GENERAL: From 2003, they started off with that initial contract, from memory it was in 1999 and had that through to 2003. I might also say that over the period that I have been here Quotable Value Australia have won contracts to levels and lost contracts as well.

The Hon. Eric ROOZENDAAL: In the minutes of your meetings where you assess every tenderer, there would be some indication of when they have lost contracts?

VALUER-GENERAL: Yes, absolutely.

The Hon. Eric ROOZENDAAL: Was there ever an occasion while you were sitting on the panel that you objected or did not agree with the majority of the panel on the allocation of a tender?

VALUER-GENERAL: As I said, there would be times when the panel members would have a difference of opinion as far as they have interpreted things. Without making specific reference, there would have been times that every member on the panel would have had a difference compared to the majority.

The Hon. Eric ROOZENDAAL: Were there times when you were on the minority in the panel and the panel took a decision that you did not agree with?

VALUER-GENERAL: I cannot recall that.

The Hon. Eric ROOZENDAAL: You cannot recall on any occasion disagreeing with the panel or perhaps the panel disagreeing with you?

VALUER-GENERAL: I certainly had at times disagreements with the panel in terms of where I was compared with some other members of the panel.

The Hon. Eric ROOZENDAAL: Would that be reflected in the minutes?

VALUER-GENERAL: From memory I do not think it is. Where we have gone through and done the evaluation on the boards and those sorts of things, it is only the final outcomes and the consensus that has been agreed that went into the final minutes. I would have to check that though.

The Hon. Scot MACDONALD: I just want to get a better understanding of the probity, the probity officer and how that works. Who is the probity officer now and how long have they been there?

VALUER-GENERAL: There are different people involved now. A few years ago and I cannot remember the specific year, the contracts board I am going to call them—I am not certain of the exact

name—we went through an accreditation process and effectively we were allowed to look after our own tender process. But what we did as part of that, we continued with ensuring that we had on the committee an independent probity officer from outside of Land and Property Information.

The Hon. Scot MACDONALD: From my understanding the probity officer is one of the six or seven later on?

VALUER-GENERAL: Yes, they are.

The Hon. Scot MACDONALD: How would you identify that person as having extra skills or the best person in the room to be the probity officer?

VALUER-GENERAL: Because they are skilled in that job. That is their career; that is what they are involved in. They have specialist skills in probity, the evaluation of tenders, all those areas.

The Hon. Scot MACDONALD: They are brought onto that board for that—

VALUER-GENERAL: For that very reason, absolutely.

The Hon. Scot MACDONALD: When does that person jump in at a meeting, does he jump in, as Matt was sort of alluding to there, at the start of most board meetings you say does anybody have a pecuniary interest; does anybody have a conflict of interest? How and when does that person jump into the meeting?

VALUER-GENERAL: Very early on in the process in terms of doing the tender evaluations. From memory, while I was involved with the process itself, I can recall one occasion several years into the process where there was a conflict of interest brought to our attention by a member of the board in regard to a particular person that they knew within a firm, had a close relationship with a firm; they declared that conflict and they did not take part in that particular tender for that particular contract area.

Mrs Leslie WILLIAMS: Would that have been minuted, that conflict of interest that was declared?

VALUER-GENERAL: Yes, in that case it was, yes, correct.

Mrs Leslie WILLIAMS: So it was in that case but the testimony you gave us before, you are suggesting that probably was not always the case?

VALUER-GENERAL: As I said, certainly in the early stages of the process when I came on board, that was verbally talked about within the evaluation team. As I said, it was also widely known that I was formerly with Quotable Value Australia. It was also known that the chief valuer was with Property Valuation Services.

Mrs Leslie WILLIAMS: But the testimony you gave us before was suggesting whilst it might have been widely known, that it was not minuted?

VALUER-GENERAL: No it was not minuted, that is absolutely correct.

CHAIR: I just want to come back to the spreadsheets and my pivot table. I have done a bit of an analysis of this and the dates look like to be a schedule of payments that have been paid. For example, if I have just taken Quotable Value Australia at the top and I will refer you to cell D4.

VALUER-GENERAL: You will have to excuse me, as I said I am having trouble reading it off there.

CHAIR: D4 says 20,833. I can actually reconcile these payments back to your original pivot table. The reason I believe it is a schedule of payments is because it is a similar amount at the end of every month.

VALUER-GENERAL: Chair, you remember I did say that this is what it was, it was payments that were made to—

CHAIR: Schedule of payments to contractors.

VALUER-GENERAL: That is correct.

CHAIR: I would like to carry on from the Hon. Eric Roozendaal's line of questioning about Quotable Value Australia and your involvement. I note that you worked for Quotable Value Australia between 1999 and 2003. Did you set up Quotable Value Australia?

VALUER-GENERAL: No.

CHAIR: What was your role there?

VALUER-GENERAL: Quotable Value New Zealand came into being in 1998; it was a former government department.

CHAIR: What was your role in Quotable Value Australia?

VALUER-GENERAL: I was the general manager of rating.

CHAIR: Did you have a role with the parent company, Quotable Value New Zealand?

VALUER-GENERAL: I was the general manager of rating and taxing within—

CHAIR: When it was set up in 1998?

VALUER-GENERAL: Correct.

CHAIR: So you were a foundation employee of Quotable Value New Zealand, is that correct?

VALUER-GENERAL: No, Quotable Value New Zealand was the prior company. Prior to that I was an employee of Quotable Value New Zealand and then I was—

CHAIR: So the parent company for Quotable Value Australia, what was that, sorry?

VALUER-GENERAL: The government department changed its name in 1998 from Valuation New Zealand and it became Quotable Value New Zealand.

CHAIR: You were an employee of Quotable Value New Zealand, is that correct?

VALUER-GENERAL: I was an employee of Quotable Value New Zealand.

CHAIR: What was your role?

VALUER-GENERAL: I was the general manager rating and taxing New Zealand.

CHAIR: How long were you in that role for?

VALUER-GENERAL: From 1998 through to 2003; so I was running both the New Zealand rating and taxing operation and the start up with it here in New South Wales.

CHAIR: When did you cease to be an employee of Quotable Value Australia?

VALUER-GENERAL: June 2003.

CHAIR: When did you cease to be an employee of Quotable Value New Zealand?

VALUER-GENERAL: June 2003.

CHAIR: When did you apply for the job of Valuer-General in New South Wales?

VALUER-GENERAL: I do not know, it was certainly after June and before September.

CHAIR: You are not a shareholder of Quotable Value Australia?

VALUER-GENERAL: No.

CHAIR: Are you a shareholder of Quotable Value New Zealand?

VALUER-GENERAL: No I am not.

CHAIR: Do you have any financial interest in Quotable Value New Zealand?

VALUER-GENERAL: I do not.

CHAIR: Do you have any financial interest in Quotable Value Australia?

VALUER-GENERAL: No I do not.

CHAIR: Have you ever received any benefit from Quotable Value Australia since leaving?

VALUER-GENERAL: Any benefit?

CHAIR: Any benefit, any drinks, any Christmas hampers, any tickets to functions, anything like that?

VALUER-GENERAL: Not directly from Quotable Value Australia.

CHAIR: Have you received any benefit, financial benefit or otherwise, from Quotable Value Australia or its parent entity?

VALUER-GENERAL: I have had lunch with people I have known in Quotable Value New Zealand.

CHAIR: Did they pay for that?

VALUER-GENERAL: They may have. I will be honest with you, I am not—

CHAIR: Did you disclose that Valuer-General?

VALUER-GENERAL: Did I disclose that I had lunch with them?

CHAIR: Yes.

VALUER-GENERAL: No.

CHAIR: Have you ever received any travel from Quotable Value Australia since leaving?

VALUER-GENERAL: Travel?

CHAIR: Yes.

VALUER-GENERAL: No.

CHAIR: Do you know people who work at Quotable Value Australia?

VALUER-GENERAL: Absolutely.

CHAIR: Do you know people who work for Quotable Value New Zealand?

VALUER-GENERAL: Yes.

CHAIR: Do you know them from your time as an employee there?

VALUER-GENERAL: Yes.

CHAIR: Do any of employees that worked in the Valuer-General of New South Wales office work at Quotable Value Australia now that you are aware of?

VALUER-GENERAL: I do not know because I am not that close to the operational side now.

CHAIR: I am just asking if you are aware if any of your employees that have worked for you as Valuer-General of New South Wales that have gone to work for Quotable Value Australia or Quotable Value New Zealand?

VALUER-GENERAL: Not that I am aware of.

CHAIR: Is that a no?

VALUER-GENERAL: I cannot be certain, as I said, I am not close enough to the operational side of Land and Property Information to know that.

CHAIR: How often do you correspond with people from Quotable Value Australia?

VALUER-GENERAL: Rarely.

CHAIR: How often do you correspond with people from Quotable Value Australia?

VALUER-GENERAL: As I said, rarely.

CHAIR: Have you had correspondence with people from Quotable Value Australia?

VALUER-GENERAL: Correspondence, I have assisted one employee who asked for a residency application, they asked if I could, as I did for the chief valuer at Land and Property Information, act as a referee in terms of her work commitments. She was not an employee of the company when I was involved with it.

CHAIR: On Friday, 30 March did you or anyone in your office have any contact with anyone from Quotable Value Australia, bearing in mind you are under oath?

VALUER-GENERAL: No.

CHAIR: When you were making decisions about awarding contracts to tenderers did you ever recuse yourself from the committee?

VALUER-GENERAL: No, sorry, other than when we had that first tender process in late 2003, the Valuer-General would normally chair that meeting, the decision was made with the evaluation group that the deputy general manager, the Land and Property Information at that stage, would chair that committee.

CHAIR: In 2003?

VALUER-GENERAL: In 2003, correct.

CHAIR: But whenever you have considered an application or a tender from Quotable Value Australia or one of its related parties, you have never recused yourself from the committee?

VALUER-GENERAL: No.

The Hon. Eric ROOZENDAAL: Just to clarify a few issues, do any of the members of your family or relatives hold any shares or interest in Quotable Value Australia or Quotable Value New Zealand?

VALUER-GENERAL: No they do not.

The Hon. Eric ROOZENDAAL: How many times have you had lunch or been at any other social event with people from Quotable Value Australia in say, the last two years?

VALUER-GENERAL: Probably one occasion.

The Hon. Eric ROOZENDAAL: So you do not socialise with any people from Quotable Value Australia outside of work at all?

VALUER-GENERAL: No.

The Hon. Eric ROOZENDAAL: And you do not socialise with anybody from the New Zealand company either?

VALUER-GENERAL: I am a close friend of a guy that I went to university with back in Christchurch, when I visit New Zealand on leave and stuff we often catch up.

The Hon. Eric ROOZENDAAL: What is his position in the New Zealand company?

VALUER-GENERAL: He is South Island regional manager I think.

The Hon. Eric ROOZENDAAL: How often would you catch up with him?

VALUER-GENERAL: Maybe once a year.

Mrs Leslie WILLIAMS: Valuer-General when the Chair asked you before had you received any benefits from Quotable Value Australia since you had ceased employment with them in 2003, you responded by saying, not directly. What do you mean by that, not directly?

VALUER-GENERAL: That is what I was referring to, that I have had, because of the friendship that I had formed, as I said, the valuation community is very small and you will find that virtually everyone here in New South Wales knows a valuer or has been to university with a valuer in terms of getting their qualifications and those friendships continue.

Mrs Leslie WILLIAMS: When the Hon. Eric Roozendaal asked you a question before you said that you really only have an association with a friend from university that is in New Zealand from Quotable Value New Zealand?

VALUER-GENERAL: That is correct.

Mrs Leslie WILLIAMS: But you do not have any social dealings, even though the valuers circle, as you have just told me is quite small, even in Australia you do not have any association with anyone from Quotable Value Australia since you left them in 2003?

VALUER-GENERAL: I have obviously met them at professional functions. I do not consider that a conflict.

Mrs Leslie WILLIAMS: I am not saying it is a conflict or not, I am just trying to clarify you saying whilst you have had contact with your friend from university who has worked for Quotable Value New Zealand, what is the case with any employees? Have you had any association with any employees from Quotable Value Australia since you ceased employment with them in 2003? Can you just clarify that for me?

VALUER-GENERAL: Yes I have. I have had contact with a woman who used to work for me in New Zealand and that is through, once again, I brought her on as a graduate originally in New Zealand. She has now become the chief operating officer for New Zealand and I think she may also be managing the Australian operation. I purely see her when she comes over occasionally from Auckland and it would only be if we caught up at a function or something to do with valuation, valuers or property or something like that. I have occasionally seen her at conferences overseas, with others who have been there as well. But other than that, the contact has purely been on just that past relationship.

Mrs Leslie WILLIAMS: What was her relationship with Quotable Value Australia?

VALUER-GENERAL: I think her role is that she manages the Australian operation out of New Zealand.

Mr CLAYTON BARR: I want to go back to the original table. I think the sheet I am looking for is R and T contracts. When we were having the discussion here obviously the total amount paid to Quotable Value Australia is listed here at 37,849 and obviously the Valuer-General is respectfully saying that that number is not right.

VALUER-GENERAL: That is correct.

Mr CLAYTON BARR: I think you gave a number at that time of what you think is the correct number for Quotable Value Australia.

VALUER-GENERAL: No I did not. What I might have said to you, I think the Chair asked me a question around what the total revenue for rating and taxing within the Office of the Valuer-General was and I think I talked about \$40 million or \$41 million in total. In fact I do not know specifically what the amounts are that are paid to individual contractors.

Mrs Leslie WILLIAMS: You referred to an amount before of \$13 million. Is that correct?

VALUER-GENERAL: That is correct, yes.

Mrs Leslie WILLIAMS: Can you just explain to us again, what was the reference to the \$13 million that you spoke of before?

VALUER-GENERAL: As I said, that error was discovered on late Friday afternoon. When I say late, it was about five o'clock or just after.

Mrs Leslie WILLIAMS: And the error was?

VALUER-GENERAL: The error was that when I looked at this table and Land and Property Information looked at the table as well, quite clearly the information that was sitting in here was incorrect. I then asked them to go back into the system and reconcile for me what the correct payments to Quotable Value Australia were and they came back with the figure of \$13.6 million aggregate paid out for rating and taxing valuations between 2007 and 2011.

Mrs Leslie WILLIAMS: What you are telling us then is the amount of \$37,949 million should have actually only been \$13.6 million.

VALUER-GENERAL: For that period of time, yes.

CHAIR: Have you quantified that?

VALUER-GENERAL: Sorry? I have asked Land and Property Information to confirm that and they have.

CHAIR: When are we going to get that information?

VALUER-GENERAL: We can provide that for next Tuesday as well.

CHAIR: This is pretty serious stuff.

VALUER-GENERAL: It is.

CHAIR: There is a newspaper report today which says that a firm, Quotable Value Australia, of which you have had a relationship with in the past, has received the lion's share of government work.

VALUER-GENERAL: They have received 13.6 per cent of the work.

CHAIR: The data that you have provided to the Committee, which is payments that have been made to contractors says \$37.8 million; by far and away the lion's share. I think we need that information rather quickly.

VALUER-GENERAL: As I have reiterated to Land and Property Information, and you have just reiterated it to me, I am not prepared to put information across to the Committee in a hurry on the basis that we need to ensure that it is correct. That is the very discussion that I have had with Land and Property Information this morning. Let me absolutely assure you, as you are hauling me over the coals, they have been hauled over the coals as well.

Mr CLAYTON BARR: I just want it noted in Hansard, and I guess this is more of a comment than a question to you sir, the document table G that we have got in front of us is showing payments to Quotable Value Australia per month during 2008 to be somewhere in the vicinity of \$1.2 million. Over that 12 month period, just for 2008, that would suggest about \$14 million. To go back to the comment that you think the total assessment over a five year period is around \$13 million, this table for 2008 is suggesting that it is all in 2008 and that is not even going to 2009 and 2010. Perhaps if that helps Land and Property Information find the problem—

VALUER-GENERAL: I hope that they obviously have some sharp minds.

Mr CLAYTON BARR: I just wanted that noted because I think it is important that the data we have got at the moment is reflecting about \$1.2 million per month.

CHAIR: I would like to know for the record why you did not recuse yourself from the panel when considering tenders of Quotable Value Australia?

VALUER-GENERAL: As I said, the first year the decision was made to put a deputy chair in. The second and subsequent years the decision was made by the evaluation panel that there was no conflict of interest there and the fact that we had on the evaluation committee a senior probity officer from within the Department of Commerce to oversee that project, that that would be the way that it would move forward in the future. That was not a decision that I made, it was a decision that the evaluation group made.

CHAIR: I would just like to read a comment from the Code of Practice for Procurement, which says:

Tenders should be evaluated by people with the necessary skills and knowledge and who are free of any conflict of interest that might undermine the fairness of the process.

You sent a letter to this Committee on 28 March saying:

It has been drawn to my attention that in providing the attachments to you it is possible that I have inadvertently breached section 11 of the Valuation of Land Act which prevents me from disclosing information, breach of the disclosure principle in the Privacy and Personal Information Act and disclose communications that are subject to legal privilege.

Did you receive legal advice before sending us these documents?

VALUER-GENERAL: No I did not.

CHAIR: You were requesting us to destroy documents that you had tabled to a Parliamentary Committee under oath without any legal advice?

VALUER-GENERAL: Sorry, I had not asked that question until I took the legal advice and sent you this letter. I did not do that until—

CHAIR: Did you get legal advice before sending me this letter?

VALUER-GENERAL: Yes.

CHAIR: Can you table that legal advice?

VALUER-GENERAL: No.

CHAIR: Why?

VALUER-GENERAL: Under legal privilege.

CHAIR: This is a Parliamentary Committee.

VALUER-GENERAL: I understand that.

CHAIR: We have Parliamentary privilege. Does your legal privilege—

VALUER-GENERAL: My advice is that it is legally privileged.

CHAIR: Who gave you that advice?

VALUER-GENERAL: The Crown Solicitor's Office.

CHAIR: Who was your contact in the Crown Solicitor's Office?

VALUER-GENERAL: I am not prepared to reveal that at this stage.

CHAIR: Just for the record, before you provided this Committee on 28 March 2012 you received legal advice advising you to send this letter?

VALUER-GENERAL: No, that is incorrect.

CHAIR: Can you tell me the sequence of events?

VALUER-GENERAL: The question was did I receive legal advice prior to 28 March when we tabled the information that was sent to you. No I did not. I received the legal advice post 28 March and before I sent you the letter dated 30 March.

CHAIR: You sent me the letter dated 28 March.

VALUER-GENERAL: Sorry, I am not certain which letter you are referring to now, because the letter I have got in front of me is the letter dated 30 March. Sorry, if I go back a step, the letter of 28 March that I gave to you, I had not at that stage taken legal advice. I had taken it between the 28th and the 30th.

CHAIR: You sent this Committee a letter asking us to destroy information that you had provided to a Parliamentary Committee under oath before you received legal advice, is that correct?

VALUER-GENERAL: I was taking legal advice at that stage; that is correct.

CHAIR: Had you received legal advice before—

VALUER-GENERAL: No I had not received legal advice at that stage.

CHAIR: When did you receive legal advice?

VALUER-GENERAL: I cannot remember the precise day, but it was definitely between 28 and 30 March.

CHAIR: You asked this Committee to destroy evidence that you had provided to it before you had formal legal advice, is that correct?

VALUER-GENERAL: No, that is not correct. I did not ask you to destroy, what I said to you is I asked the Committee if they could please either destroy it or send the information back to me—that is the important bit—and we would redact those parts of the information which we felt breached the privacy considerations and that is in regard to the property identifier and the property address.

The Hon. Eric ROOZENDAAL: Who actually sought the legal advice?

VALUER-GENERAL: Who sought it, I did.

The Hon. Eric ROOZENDAAL: Why did you seek the legal advice?

VALUER-GENERAL: Because I had a concern, previous Parliamentary Committees I have provided information to and generally the information has been kept within the Committee and used obviously for the purposes of which the Committee is charged with doing. I have had a concern in regard to this that some of the information that I have provided has been finding its way outside, for whatever reason from wherever and that was a great concern to me. It was at that stage that I took the legal advice.

The Hon. Eric ROOZENDAAL: Whether or not information from this Committee has found its way into the media, it does not make your actions legal or non-legal, does it?

VALUER-GENERAL: Correct.

The Hon. Eric ROOZENDAAL: You were aware before you provided the information to the Committee that you may be breaching a number of Acts?

VALUER-GENERAL: No, I was not aware of that. As I said, I provided the information in the past and believed that it would stay within and be used by the Committee. I was not aware that it might go elsewhere.

CHAIR: We do appreciate you making yourself available to us today. I just want it on the record when we are going to receive the information from Land and Property Information, the correct information, the correct data?

VALUER-GENERAL: Are you talking about in respect of attachment G?

CHAIR: Yes please.

VALUER-GENERAL: I cannot give you a definitive answer right here. I do not have a watch, what is the time Chair?

CHAIR: 5.30.

VALUER-GENERAL: I will endeavour to contact the relevant people as soon as I go back to the office, hopefully they are good public servants and still there and see how quickly we can provide that. I appreciate the urgency with which you require it and will obviously endeavour to get it to you tomorrow if at all possible. I will do my best.

CHAIR: If in the event that we cannot get that information tomorrow, can you please provide this Secretariat with the date on which we will get the information?

VALUER-GENERAL: Absolutely.

CHAIR: If there are any changes to that date which we will get the information on, I want updates every afternoon at 4 p.m. advising me why we are not getting that information in the timeframe.

VALUER-GENERAL: You will get that as a matter of course Chair.

CHAIR: The Committee may wish to send you some additional questions in writing, the replies to which will form part of your evidence and will be made public. Would you be happy to provide a written reply to any further questions?

VALUER-GENERAL: Yes I will Chair.

CHAIR: I now close the public hearing.

(The witness withdrew)

The Committee adjourned at 5.31 p.m.