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INDEPENDENT COMMISSION AGAINST CORRUPTION

THERESA HAMILTON ASSISTANT COMMISSIONER

PUBLIC HEARING

OPERATION CRUSADER

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TRANSCRIPT OF PROCEEDINGS

AT SYDNEY

ON WEDNESDAY, 1 FEBRUARY 2012

AT 2.00PM

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This transcript has been prepared in accordance with conventions used in the Supreme Court.

ASSISTANT COMMISSIONER: Thank you. Please be seated. Yes.
Now, who was - you, you can go first.

<MICHAEL JOHN QUINLAN, on former affirmation [2.02pm]

10 MR WATSON: Mr Quinlan, you were involved in the approval process of
the tender in 2004 by Quad Services Pty Limited (not transcribable) the
letters at page 160 of volume, folder 3 or Exhibit 3 to Mr Siebert on 10
February, perhaps if that could be put up on the screen. Just take a moment
to have a look at that if you would, please. Do you see that was a letter
from you to Mr Siebert dated 10 February confirming that agreement had
been reached for the tender, for the cleaning services to be provided to the
University by Quad Services for three years commencing on 14 February,
2005?---Yes.

20 And that agreement was said to be evidenced by a number of different
documents, A to E and listed there in your letter?---Yes.

And as often happens at the beginning of the year I suggest the references in
B and C to 2005 were clearly intended to be references to 2004 given that
your letter is dated February 2005?---Could well be, yes.

30 You refer to a letter of clarification in C dated 12 December, 2005 and I
want to suggest to you that that is in fact again a typo and that it should have
been 21 December, 2004 and if you could perhaps have a look at, be shown
page 155 of Exhibit 3 to see if that jogs your memory. It's a letter from
Mr Siebert to Mr McCallum relevantly dealing with the possibility of
reducing the price of the tender by Quad Services by \$12,000?---Yes.

And turning back to your letter, you've indicated that the principal, which is
the University of New England, will provide a motor vehicle which the
contractor shall use to facilitate the provision of cleaning services at the
University. The cost of providing and running this vehicle will be borne by
the principal subject to all care being taken by the contractor of the use of
the vehicle, and then there's some provisions dealing with what would
happen if they were to damage the vehicle?---That's what it says.

40 So it was clear that from the outset of the tender in 2004 the University was
to make available to Quad Services a vehicle and it was to bear the cost of
it?---As I read that letter, yes.

And do you recall the details of that tender now, is it- -?---I'm struggling.

I'm sure you are?---2004.

Could I ask you this. There was an arrangement within the University for the motor pool in effect to operate as a cost centre, at least as from 2006?
---Yes.

And part and parcel of that process would be, involve the University's motor pool invoicing other departments for the cost of vehicles made available?---Some vehicles, yes.

10 Yes. One of the vehicles, and the one with which I'm concerned is a van that was utilised by Quad Services in line with your letter to Quad Services of 10 February, 2005. Do you recall that there was such a van provided?
---Yes, there was.

And I think the campus us an area of about 110 hectares or thereabouts?
---It is.

20 And that van was to be utilised by Quad Services in the course of performing the duties of some cleaning arrangements with the University?
---Yes, primarily to deliver materials around the campus, yes.

It's been suggested by another witness in this hearing that the van was utilised most of the time for two full-time cleaning staff who did the external cleaning at the University. Do you have any personal knowledge of that?---Utilised by two staff. I don't know whether external cleaning was a correct statement.

30 Right. Well, the suggestion was that use of the van would involve amongst other things blowing the grounds, picking up and removal of rubbish, picking up recycling and leaf matter, taking it to a dump point, carrying and leaving equipment around the campus, carrying chairs for set-ups and so forth, that sort of thing?---Yes. But mentioned the term external clean, I actually mean cleaning windows on a building- - -

Right---?- - -and the building exterior. I take your point about cleaning up the courtyard and removing things.

External cleaning could be a number of possible- - -?---It could, but it's just what I use in my mind. Yes. Okay.

40 It's been suggested to you by Counsel Assisting I think in the course of asking you some questions earlier today about whether or not, whether or not you were aware of an arrangement for there to be falsely, invoices issued to the University of New England falsely describing the use as for external cleaning?---Yes.

In the context of the use of the vehicle in the manner that I've just outlined to you, would you say, is it fair to say that to all intents and purposes the use of the vehicle was for external cleaning?---Well, for the uses that you put

down as external cleaning, yes, I agree – in terms of the external cleaning that I might think about, which would be window cleans, wall cleans, sills, external of a building on the walls, then I'd say no.

But certainly it would not be a mis-description if that was the final intention?---It could be interpreted like that, yes.

10 All right. And the, as I understand the internal arrangements within the University for the billing in the three departments, one of those arrangements as of at least late 2006/early 2007, was for the cleaning side of the car pool to invoice FMS and it would provide detailed breakdown of costings and then FMS would invoice Quad Services?---On our lease vehicles, that's correct.

And included in the charges that were to be levied against Quad Services was an administration charge, by the university that is, of \$50. Do you recall that?---Well, it well could be but I don't remember it specifically.

20 In terms of the management of that contract as I understand it the position was that Mr McCallum was managing the cleaning contract at that stage and dealings with Quad Services?---That's correct.

And the determination of how the invoices were to be processed and paid was a matter for Mr McCallum?---That's correct.

30 So far as Quad Services were concerned if Mr McCallum tries to designate an arrangement for the re-invoicing of the cost provided to – the cost of providing the vehicle back to the University of New England as being for external clean that was a matter for Mr McCallum's determination?---Well he certainly made that decision. I'm disappointed it was made like that, but it would have been his decision, yes.

It would not have been necessarily really apparent to any external person that that was an inappropriate decision by him, given the use of the vehicle?

MS WILLIAMS: Well I object to that. My learned friend's asking this witness what other people would have thought about this arrangement.

40 MR WATSON: That's a question that seems to have been asked regularly in this hearing, with respect Commissioner.

ASSISTANT COMMISSIONER: Yes, well it's different if you're asking somebody about people they've been dealing with and what they might have thought about certain things because your view would be formed by discussions you've had. I don't know that this witness would know anything about what view Quad may have thought.

MR WATSON: I'll withdraw it, I'll withdraw (not transcribable).

ASSISTANT COMMISSIONER: Yes.

MR WATSON: Given the use of the vehicle that we have discussed for external cleaning in the sense that I have raised, it would not objectively be readily apparent to a third party that to ask the party to invoice the University back for the use of the vehicle by reference to external cleaning that that would be misdescription would it?---It'd be obtuse.

10 Obtuse to whom?---Well I would have thought an invoice would have clarity in terms of what it was and that, if that was the case for a car then I don't see the clarity.

What I'm putting to you is that if Mr McCallum had designated that in that fashion as he already has - - -?---Yes.

- - - it would not have been readily apparent that that was an misdescription. It may have been something that would prefer to be described otherwise, but not necessarily - - -?---If Mr McCallum suggested that and the supervisor or whoever created the invoice thought that was
20 appropriate then I'd be unlikely to find out about it.

What I'm really directing my attention is it does not put the third party who is being asked to invoice this on notice that there was anything irregular given that you submit it.

ASSISTANT COMMISSIONER: I'm sorry, I won't allow that question. This witness can't possibly know what the third party knew, whether they were put on notice or not, how they were asked to invoice in this manner,
30 how could he possibly comment fairly on whether they could have been put on notice or not.

MR WATSON: I was confining my question, Commissioner to the form in which the invoice was being asked to be drawn.

ASSISTANT COMMISSIONER: Well again he doesn't know what was said to them when they were asked to draw an invoice in that circumstances. I don't think his answer would assist at all because he would have to assume a lot of facts which are not in evidence at this time.
40

MR WATSON: With respect Commissioner, the evidence is and the witness has heard that Mr McCallum made a decision to himself to have the invoices drawn in that fashion. My question is simply limited to whether an invoice being drawn in that fashion would necessarily put a third party on notice that there was some irregularity given (not transcribable)

ASSISTANT COMMISSIONER: I'm not sure that the evidence is as simple as that. There was obviously some discussion about why. I can't

recall of the evidence at this stage myself, but I just don't see how it is of assistance to ask this witness whether he thinks it was reasonable for Quad to invoice in this way because you'd have to put to him all of the surrounding circumstances.

MR WATSON: It may be a ground for submission then, Commissioner. In any event, you are aware now I take it, Mr Quinlan, that the process was embarked upon by the University of New England in mid-2006 to rationalise the cleaning department and to make arrangements in respect of the potential disposal of the vehicle (not transcribable)?---That's correct.

And those (not transcribable) of alternatives were evaluated by the University?---Yes.

One of them which was to sell it, one of which was to continue as it were, perhaps it wasn't (not transcribable) Was it an option to continue with the previous arrangement?---Oh look I'm not privy to the motor pools view of that lease document. I would not know how their thought process went with that car. My understanding was that a lease had expired. Whether they had the opportunity or the option to extend or whether they took the option to sell, I've got no view.

You had no role in that?---No view at all.

I have nothing further, Commissioner. Yes, thank you.

ASSISTANT COMMISSIONER: Thank you, Mr Watson. Mr Bourke?

MR BOURKE: Yes, thank you, Commissioner.

Mr Quinlan, I appear for Mr McLean of Sydney Night Patrol. I just want to ask you firstly some questions in relation to the mail room contract. That was, as you've said, put out for expressions of interest in early 2007? ---Ah, yes.

And would it be fair to say that the University had some concerns that there may not be too many people interested in tendering for it?---We had those concerns.

And as it turned out Australia Post had put in an expression of interest as did Sydney Night Patrol?---(NO AUDIBLE REPLY)

You need to answer for, on the record?---Yes, yes, they did.

And as it turned out Australia Post didn't appear to be particularly keen on the contract?---Ah, I don't think they were particularly keen on the contract at all.

Now, you've said that this was not a terribly complicated role that was being tendered for here?---No.

And essentially would it be fair to say it was really in the nature of a courier job?---Courier around the campus and with some distribution, yes, correct.

Not something that required a great deal of experience in mail handling?
---We - not around our campus. We had elected not to go for any high-tech delivery or scanning.

10

And when tenders were being assessed SNP was highly rated partly because of their, as you've said, knowledge of the campus?---Yes.

Partly because you, you saw them as being more flexible than certain other agencies?---I certainly saw them more flexible than our own staff.

Was there any an advantage in having increased security visibility by having SNP's staff - - -?---That was one option put to me and as we've heard the other option was that the post, postal staff would be security guards.

20

And that enabled security staff to be brought in potentially to be used during busy times in the mailroom, correct?---It was put that the staff could be interchanged between because of the availability of - if a staff goes off sick you could pull another staff from the guards and vice versa.

Plus at the time you and others at the University were quite pleased with the service that SNP was providing (not transcribable)?---I had no problems with the service SNP were providing.

30

And were all of those matters that I've just gone through, are they all matters which led to SNP being highly rated in the tender process?---Given there was only two, yes, they would have been.

Would it, would it be fair to say that it is not uncommon after tenders have been submitted for there to be further discussions with tenderers about the details of those tenders?---We would normally seek clarifications. It was a fairly rare event for full schedules to be completed on any tender basically.

40

And when seeking clarification that might be done by way of a meeting face to face?---Yes.

Not an uncommon thing?---Not uncommon.

I just want to ask you some questions now in relation to the merger with the mail and the security contracts in late 2008, you understand?---Mmm.

You agreed along with Mr McCallum that that appeared to be a good idea?
---I did.

You saw it as involving potentially some saving to the University, would that be fair to say?---Look, I would have hoped that the savings all would have been generated by the mail contract itself. The merging of the two, I don't know whether there was direct savings that I saw there – I saw it as a convenience issue to extend the, the interchangeability of the staff maybe.

So you saw it as being of some advantage to the University?---I did.

- 10 Easier to administer one contract than two?---We were always trying to reduce the amount of contracts that we had to administer.

And up until that time in late 2008 there had been a continuing theme within the University of merging a number of contracts. Would that be fair to say? ---That's correct, and it was driven by budget pressure and loss of staff.

Now, you were asked some questions about the employment of Jasmine McCallum?---Yes.

- 20 And you agree with me that to your knowledge Sydney Night Patrol were constantly looking for staff to use at the University?---We had staffing issues on the general security front, yes.

And they had, that is SNP had some trouble getting good staff, had they not, to your knowledge?---Yes, especially higher level staff.

In Armidale, not being an overly large city, jobs are fairly hard to come by. Would that be fair to say?---They are.

- 30 And it is not uncommon within that community for a significant percentage of the community to be actually employed at or associated with the University?---No, I'd agree with that.

Well, you'd accept, wouldn't you, from your own knowledge that Jasmine turned out to be a good employee?---From my views and dealings with her as a security guard on the desk of SNP's I would say yes.

- 40 Now, you've been asked some questions by Counsel Assisting about the question of lunches and dinners and so forth. You attended a lunch or dinner with Mr McLean only on one or two occasions. Is that fair to say? ---Yes, I would have.

You didn't see anything inappropriate in your attendance at that time, did you?---I've stated no, I didn't.

Would you accept that social outings can be a good communication strategy?---I might have, I don't know now.

But you'd accept it back then?---Look, they were a way to get to know key people that we had to deal with and that could have been either through meetings or given time constraints, especially with my diary, others and we would have gone to lunch.

It's important, or it was important, wasn't it, within the University to have smooth-running contracts?---Certainly for those, as we call them touchstone contracts, cleaning and security. They're two that if they go wrong they can go wrong very badly very quickly.

10

And would you agree to this proposition, that the success of the contract will depend on the relationship between the contract officer and the client and contractor?---Certainly the contact person at the University directly controlling that contract, yes.

Would you agree that regular meetings are desirable between the contract officer and the contractor in order to sort out any problems before they become large problems?---Yes.

20

And would you accept that those types of meetings can sometimes usefully be conducted in a social setting?---I'm hesitating. Most of those monthly meetings, and I expect they would be monthly with Martin or someone turning up, were conducted in our office, only because I saw Martin when I bypassed the office, and with his staff at the security office, so most of them would have been conducted like that.

And sometimes they would be conducted over lunch because of Martin's limited time and travel situation?---They were conducted over lunch, whether they had a reason for those I - -

30

Now you were asked some questions about a Toyota Yaris vehicle?---Yes.

Do you recall that after the security contract started, that's the 2005 contract there was added a number of different services on to that that SNP started providing?---Yes. We added AV and by the end of that contract we'd taken it off again. So yes we expanded that service provision.

Sorry did you say AV?---Yeah, audio visual.

40

And audio visual technician?---Yes.

That was being provided by SNP?---Yes.

And it was necessary for that audio visual technician to move around the campus at various times?---Yes, it would have been.

Did you become aware that the AV technician was using the Yaris vehicle at times?---Look I don't have a recollection of that or anyone that I knew

driving that particular vehicle. It was simply an SNP marked car and I presumed it was for the use of their employees.

And the AV technician was one of their employees?---He was in a uniform with SNP.

10 Just finally, in relation to Mr McCallum's role in approving invoices. The process was this was it not, that the invoice would come to him and then if he was satisfied he would write words like approved for payment on it and then sign it?---I would presume so, yes.

And if a certification to that affect was placed on it by him that would be the authority for Finance to then make sure they made the payment. Is that correct?---That's correct.

Without any further inquiries?---There's no other subsidiary staff looking after security. It would have gone straight to Mr McCallum.

20 But my question is once he had signed it as approved for payment - - -?
---That's correct.

- - - it would then automatically be paid by Finance?---It would.

Yes, thank you Commissioner.

ASSISTANT COMMISSIONER: Thank you Mr Bourke. Yes, if there's no other application in respect of this witness.

30 MS WILLIAMS: I have two questions arising if that's convenient, Commissioner. Mr Quinlan, you were shown, and I'll ask it to be brought up again, Exhibit 3, pages 160-161. And you'll note on page 161 that the letter asks Mr Seibert to sign on behalf of Quad Services indicating his agreement to the terms set out in the letter and he appears to have done so. The question I wish to ask you is in addition to this letter was there a contract document signed by University and Quad Services to set out the terms of the 2005 cleaning contract?---Look I would presume so. I don't particularly remember this letter anyway, but I presumed that we would have a signed contract somewhere.

40 It was the usual practice to have a - - -?---Yes, it was.

- - - formal contract signed by both parties?---Yes, it was. Alluding to the contract conditions and the specifications.

And once it was signed where was that contract kept within FMS records?
---We had a, each individual Manager would keep a contract and we probably sent it off to our RMO unit.

That's the Records Management Unit is it?---Yes, it was.

And they store records for the whole of the University. Is that correct?
---Those who send them there, yes.

Right. And within FMS whose decision was it to send a signed contract over to RMO? Was it the Line Manager responsible?---No, it was our Processes and Policies, we would send that automatically (not transcribable)

10 Right. In the course of this investigation the Commission has been unable to locate any signed contract between the University and Quad Services, SNP or Prosys. Do you have any understanding as to whether something happened to those signed contracts?---Prosys I know there wasn't a contract. I'm unsure as to why they would not have them. In terms of our capital contracts it was religiously available.

So apart from the line, the relevant manager's file at FMS and the Records Management Office at the University, is there anywhere else where those signed contracts might be located if they exist?---No.

20

Mr Bourke asked you whether at the lunches or dinners that you attended with Mr McCallum and Mr McLean of SNP you saw anything inappropriate. Do you accept now that it was inappropriate for you and for Mr McCallum to accept lunch or dinner at the cost of SNP in the first place?
---Yes.

Do you accept that that was a breach of the University's Code of Conduct - -
-?---Yes.

30 - - - and also the Gifts and Benefits Policy?---Ah, yes.

Thank you. Commissioner, I have nothing further.

ASSISTANT COMMISSIONER: Thank you. Yes, thank you now, you may be excused, Mr Quinlan, from further attendance.

THE WITNESS EXCUSED

[2.31pm]

40

MS WILLIAMS: Commissioner, I call Mr Brian Munro.

MS McGLINCHEY: Commissioner, will give his, give his evidence on oath and he seeks the declaration.

ASSISTANT COMMISSIONER: Thank you, Ms McGlinchey. Sit down, Mr Munro. Yes, Mr Munro, I'm going to make a declaration under section 38 of our Act, the effect of which is that nothing you say here can be

used against you in any criminal, civil or disciplinary proceedings. The only exception to that is if it's found that you've breached the Act by providing false or misleading information or in some way.

MR MUNRO: Ah hmm.

ASSISTANT COMMISSIONER: Do you understand the effect of the order?

10 MR MUNRO: Yes, I do.

ASSISTANT COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

20

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

30

ASSISTANT COMMISSIONER: Could the witness be sworn, please.

ASSISTANT COMMISSIONER: Yes, Ms Williams.

MS WILLIAMS: Mr Munro, can you state your full name and address for the record, please?---Brian James Munro, XXXXX

10 Thank you. Now, you are the Director of Facilities Management Services at the University of New England. Is that correct?---I am, yes.

And you have been in that role since October 2008, correct?---October or December, I'm - I thought it was closer to December.

I see. Late 2008?---Late 2008, yes.

And you have, is it four line managers reporting to you?---I have four line managers and one financial officer, offices systems officer.

20 And one of those line managers is the Campus Services Manager, is that correct?---Correct.

FMS has a budget which is broken down into amounts allocated for each line manager's area of work, is that correct?---It is correct, yes. We have - the breakdown now probably goes a little bit further than that in that we break it down within each area also. With the financial and systems officer that we have in place we have a considerable record of what will be spent in most of what we would call the activity accounts within the Finance One system.

30 The Finance One system, is that an FMS system or a University system? ---That's the finance University system.

All right. And the level of detail of the breakdown extends not only for example to Campus Services but now to, within that area, cleaning services and security services?---There would be, it's broken down into an account which is basically associated with contract so numerous contracts could be in the one account or there might be set aside a separate contract and a separate account code allocated to that.

40 And does that mean that any spending is - can be compared as against the budget for the particular contract?---Correct, yes.

And when was that level of breakdown introduced approximately?---Well, it was there when I took over so it's been there since I've been involved as director.

All right. You're aware of the University's Code of Conduct?---I am, yes.

Would you say that you are familiar with its principles?---I am now, yes.

Since - is, is it at a result of this investigation that you've become familiar with its principals?---Prior to that I had a limited knowledge of it but since the investigation, yes, I'm very aware of it.

Have you ever received any training in the University's Code of Conduct?
---No.

10

So far as you're aware have the staff within FMS ever received any training in the Code of Conduct?---Not that I'm aware, no.

As a director of Facilities Management Services, are you satisfied that your staff understand the principles of the Code of Conduct?---I am now.

And since when have you been satisfied about that?---Basically since I had the second interview process I think which was in July 2011, I've introduced policy awareness with all the staff within FMS, I've introduced it into our line managers' meetings which we have on a regular fortnightly basis and I've also introduced it into the supervisors' meetings which are held also on a fortnightly basis and we've put other initiatives in place since this investigation has commenced.

20

And do those initiatives that you put in place from about July 2011 also extend to the Gifts and Benefits Policy?---The initiatives that we've put in are both in staff training and they're also both in contractor training and in particular in contractor training we have an online induction program where contractors do an induction program now before they come to campus and we've introduced those policies onto that online induction program and there are actually questions in there that relate to that. We've also introduced it into any contracts that we now let, we ensure that there's an awareness of those policies and procedures within any contracts that we let at the UNE at the present time from within FMS.

30

Is it the case that prior to about July 2011 you yourself were not familiar with the provisions of the Gifts and Benefits Policy?---I had a broad awareness, I was not fully aware of what was in the gifts policy, correct.

40

And so far as you understand it, your staff were also not aware of the detail of the Gifts and Benefits Policy prior to July 2011?---The awareness of policies I suggest from the time of being within FMS related to your involvement in the fact that we did our own policies so we also were responsible for writing policies. So in the situation whereby you were preparing a policy or whatever, you did relate to the Website and on occasions my knowledge came about from flicking through other policies on the Website.

All right. But prior to July 2011, so far as you know, had your staff been provided with any training in relation to the University's Gifts and Benefits Policy?---No, not to my knowledge.

And had you yourself before July 2011 taken any steps to inform your staff or reinforce with them the principles of the Gifts and Benefits Policy?
---I hadn't related it directly to Gifts and Benefits Policies but my staff were aware of my personal views on interaction with contractors.

10 And those personal views that you refer to, are they views that you've held at all times in your role as Director of FMS?---Correct, my personal views, yes.

And what are those personal views?---I don't believe anyone should be compromised in any of their activities with any contractors.

And does going out to contractors', sorry, does going out with contractors for lunch or dinner paid for by the contractor in your view compromise an FMS staff member?---It would depend on the nature of the discussion was
20 held during the course of that conversation at that lunchtime. If it was totally work-related and depending on whether or not it was a reciprocal arrangement, then I would have to make a decision based on the circumstances.

Does going out to lunch or dinner with a contractor paid for by the contractor put staff at risk of being compromised in your view?---Correct, it does, yes, and I don't condone that.

Okay. And it puts them at risk, does it not, of being seen to be
30 compromised, even if they are not in fact compromised?---It does, yes.

And were FMS staff members going to lunch and dinner with contractors at the contractors' cost to your knowledge prior to July 2011?---Not, I want to quantify what I say here. Contractors as in contractors engaged by the University and consultants as in consultants engaged by the University, I'll separate those two at the moment. In my knowledge, people going out with contractors, I was not, Colin McCallum left my employment or my supervision early after I took over as Acting Director of FMS, so there was a period of time until February 2009 through to December or January 2011
40 where Col was not in the office. If you're asking me the question was I was aware that contractors, Col went out with contractors prior to that as an infrastructure manager, the answer is yes. After the time I took over as Acting Director I'm aware that staff, and including myself, had meals with consultants as against being contractors. I'm talking design consultants involved in master planning and I'm talking other design consultants involved in design work for construction programs.

And what's the basis of the distinction you draw between consultants on the one hand and contractors on the other hand?---Particularly with our consultants that we talk about in the design process, there was a reciprocal arrangement within the office that we would provide them with many lunches because basically most of them travel from out of town, being either Brisbane or Sydney and we had limited time to communicate with them given the travel arrangements that you can make to and from Armidale. So we would maximise that time, we would have working lunches within the office if we had project user groups up there we would bring people down and we would provide them with lunch. And we would provide those consultants with lunch whilst they were there. And that happened on many more occasions and I think two occasions that I've been out with consultants with consultants after hours. But in most of those instances and the instances involving myself, it was work related.

You mentioned Mr McCallum being away from your supervision until I think you said January 2011, I want to suggest to you he actually returned to the role of Campus Services Manager at the very end of December 2009? ---Sorry, I might have the date wrong. Yes, I started in 2008, he left in early 2009 and returned in 2010, yes, my apologies.

January 2010?---Yeah, my apologies, yes.

No, no, that's all right. Were you aware of University's Conflicts of Interest Policy during your time as Director Facilities Management Services?---Up until the July period I had a basic awareness. After that I had a more detailed awareness.

And what about the University's Fraud and Corruption Prevention Policy, is that the same position with that one?---My recollection of that is that it was produced whilst Mr McCallum was at Audit and Risk and that's the only time I've probably seen it is in the evidence given here at this inquiry.

So that particularly policy has not been shown to you by or drawn to your attention by anybody at the University. Is that right?---No.

Is it fair to say that conflicts of interest are an inherent problem for FMS when it's letting tenders due to the small size of the region in which tenderers are likely to come from?---It's a fact of life that we live in a small country town, it's a very tight market for contractors in Armidale and we all have had or have or know somebody that's working in the industry, yes.

And when those situations arise do you consider that to be an actual or a perceived conflict of interest?---I think each individual case has to be taken on its own merit. For example, I've been involved in a conflict of interest where one of the staff members declared that his brother was working as an apprentice with one of the building companies. Now he's in no situation there where he's going to influence the commercial outcome of a tender

process to the large building company, so I think it's got to come down to, you know, particular instances on how much impact it can have.

All right. To be a little bit more specific, if somebody who is a member of a tender assessment committee within FMS knows one of the tenderers or a key person who's one of the tenderers is that something that in your view is likely to give rise to a conflict of interest that needs to be managed?

10 ---Knows is a, a loose terminology. If you said that then I would nearly have to take myself off every tender process within FMS at the University of New England. My prior job was an Assistant Manager in the local earth moving business and I was involved heavily in the construction industry. So if you use the work know, knows, then I'd have to say I'd have to eliminate myself from every process.

I want to ask you some questions about the processes used with FMS to, for procurement and tenders?---Ah hmm.

20 Is this the case that Central Procurement Group does not get involved in FMS tenders other than to provide an observer to participate in the tender assessment committee and to provide its own report to supplement the FMS tender committee report?---I'd say it was the case. There's more of a working relationship at the moment with the Finance section and Central Procurement Group. The development of the procurement plan which we currently use was a joint venture that was worked out between Finance and FMS. But in most of the years I worked at FMS I'd say that was a reasonable comment. It's only starting to change in the latter couple of years that we're getting move involved with Financial Services, yes.

30 I think you may have heard Mr Quinlan's evidence this morning about some tensions between FMS and Central Procurement Group that arose in about 2007 or 2008?---Ah hmm.

From your perspective as the current director of FMS, are those tensions continuing or have they been resolved?---I think they've been resolved to a fair degree, yes.

40 And do I understand your evidence that that had, as a result of that there is more cooperative working arrangements between FMS and central procurement in relation to FMS tenders?---Yes, that would be a fair comment.

Now, the present process, if we just take it step-by-step, the relevant line manager within FMS writes or supervises the writing of the tender specification. Is that right?---He does, yes, or she does.

And he or she seeks assistance from staff reporting to them for technical matters that may be beyond their expertise. Is that right?---That's correct, but can I just also bring into play the fact that in certain situations and

particularly in relation to our construction projects we would use also external consultants to prepare those specifications for us.

10 All right. Once the specification is written, the request for tender is issued to a select list of tenderers. Is that right?---Not so much at the present time, no. We've gone out on a couple of expressions in open tender. In the past it had been the practice basically because of the location of Armidale and the fact that we have had considerable difficulty in attracting contractors to Armidale. If we did, during the time that I was working as a project manager, we were more confined to going out to select tender because we, we would do a ring-around actually but we didn't do it as an expression or an open tender in the paper, we would normally do a ring-around up an down the coast and ask anybody were they interested in tendering our jobs and we would normally come down to get three or four people if we were lucky. So it's been limited. We have gone out on a couple with the current e-Tendering system, we have tried the open tender system and I think in the one instance we did that we actually got less people interested than ringing around and doing what we did in the past.

20 Right. The line manager responsible determines the tender assessment criteria and the weightings to be given to those criteria. Is that right? ---The line manager in conjunction with the other people that have been nominated in the procurement plan would make that, those recommendations and select the weightings on the criteria, yes.

And the procurement plan nominates the people who are to participate in the tender process. Is that right?---It does, yes. Ah hmm.

30 And those people will be from FMS. Correct?---At the present time we've had people that I'm aware of from FMS, Financial Services and OH&S group.

Financial Service are the, are they the division within the University which includes the procurement area?---Yes, correct.

And it's typically people from procurement who might be nominated to participate in the tender assessment- - -?---It has been typically, yes.

40 And do those people participate now as observers or as active or voting members of the Tender Assessment Committee?---I think their view is that they participate as an observer.

Do you share that view or do you think they're entitled to participate actively?---They should be there as a full member.

Is that something that you have raised with Financial Services and they have rejected?---I've had numerous discussions with the former Deputy Director of Financial Services on that and we did not agree on that.

So is it the case the Deputy Director of Financial Services has refused to allow Financial Services staff to be active or voting members of the Tender Assessment Committee?---The former Deputy Director, not the current, correct, in the discussions I had with him.

Until what time did the former Deputy Director hold that position?---Look, I, I, he's, he's been left now for I guess six months, that's just a guess though.

10

Have you had any discussions about the role of Financial Services' staff on the Tender Assessment Committees with the current Deputy Director?
---We are working with the current Deputy Director on reporting to FMS on two or three occasions now and shown him the processes that we had and looking for more involvement. Now, I can't recall a particular discussion in regards to having the observer changed to an acting member, I don't recall having a discussion on that, we may have, we may not have.

20

Based on your discussions with the former Deputy Director of Financial Services, what were his reasons for declining to allow Financial Services' staff to actively participate on the Tender Assessment Committee?---He wanted them there in an observation role only.

And he gave you no reasons to explain that?---He wanted them there as observers only.

30

What training if any do FMS staff have in procurement processes?
---In procurement processes I would say training as against contract management but in procurement it seems to become a specialised field and it would only be learning on the job, there's no set training that I would imagine or that I'm aware of that's ever been done since my employment.

And the Commission's heard evidence from Mr Quinlan that there is no UNE procurement policy, that's correct, is it?---There's a draft policy I think that was written in 2005, it was revised in September 2006 I think from my recollection of reading it on previous occasions and there - it has not been changed that I'm aware of.

40

Is that draft procurement policy something that FMS currently uses or makes reference to in undertaking the tender processes?---We have more aligned our process with the Department of Commerce guidelines and we have a capital works procurement document and we focus on those guidelines.

Once the tenders are submitted they're assessed by the line manager and the other members of the Tender Assessment Committee, is that correct?---The, the terminology, yeah, there's a group that are selected that are involved in the preparation of the documents and then the tender evaluation process and

then depending on what happens from there depends on who else would get involved in it.

All right. And the group that's selected, are they referred to as the Tender Assessment Committee or am I using the wrong term?---The (not transcribable) about procurement plans actually which we might have a copy of, yeah, I, I see the Tender Advisory Committee as the committee of council that we recommend to.

10 That's a permanent committee established by the University, is that correct?
---Correct.

Yes. And that committee that you've just referred to, their approval is required for tenders over \$2 million, is that correct?---Yes, correct.

And that committee gets involved only after the FMS committee, if I call it to avoid confusion, the FMS committee has evaluated the tenders received and made a recommendation as to how to proceed with the contract?
---Yeah, we put forward tender business papers. In practice they've then
20 gone off to Financial Services, they've put a document over the top of that and it then goes off to the Tender Advisory Committee.

And the Financial Services document over the top of that, is that Financial Services' own report of the tender process?---It's normally a report that says if they've been involved with the process, that they believe it's been conducted in a proper fashion and then it would also be supporting of the fact that there is finance ready there for the individual project.

And before the FMS committee's report goes off to the tender committee if
30 it's over \$2 million do you sign as approving the particular recommendation made?---I endorse the recommendation, yes.

What records are kept of the, the tender processes, the - for example, are records kept of the meetings of the FMS committee and its deliberations?
---If they're formal meetings, yes, they would be. In some instances they may not be if they're just an informal sit down and what do you think about it discussion.

And once a contract is awarded the same line manager who participated in
40 the FMS committee for that tender becomes then responsible for administering the contract. That's right, isn't it?---That's correct, yes.

And that line manager is responsible for any variations of the contract, correct?---Yes.

Any decisions about extending the contract?---He's responsible to recommend those, he's not responsible for the final decision but he's responsible to recommend those, yes.

The final decision about contract extensions rests with the Director of FMS, is that right?---I would want to be included in those discussions in my present situation, yes.

But in terms of formal approval processes is your approval as opposed to your inclusion in the discussions required?---Probably with our current financial system and the purchase order, if it happened in the middle of the year the purchase order could roll over so, no, it may go past, yes.

10

And the line manager is also responsible for approving invoices for payment under the contract, is that correct?---Line manager or one of his staff, yes.

And those invoices need to be either issued in accordance with the contract or for amounts that can be covered by whatever contingency has been allocated in the budget, is that right?---Yes.

20

And what steps do you as Director of FMS take to satisfy yourself that contracts are being managed appropriately by your line managers?---It depends again on the nature of the contract. Let's talk construction contracts to start with if you wish to kick off with. We have a project information management system that we've introduced into our building management system called ARCHIBUS. Through that system we have a total financial management reporting process in place so - and I actually report to the Infrastructure Committee on the ongoing financial balances of those projects and whether or not they are within budget or not within budget. Given it's also a reasonably small office I have ongoing discussions with both the project managers and the construction manager about the ongoing performance of those particular contracts. If we go to the service contracts we also use our system work requests to manage part of the service contracts, the cleaning contract and there is also the budgetary control that we have in place that we do a monthly reconciliation now in regards to our financial situation as to how we're progressing against budget and I get a report on those each month as, as does every other line manager to know how they're progressing on a monthly base against their yearly budget.

30

40

When Mr McCallum was seconded as the Director of Audit and Risk in early 2009 Mr Chris Ipkendanz stepped into the role of Campus Service Manager, is that right?---He did and I'd also like the Commission to be aware that at the same time as I stepped into the role of Acting Director we had our Energy Manager step into the role of Acting Infrastructure Manager which my former position so in the period of time that I've basically been in there we've had 33 staff and effectively we've had 31 people working because I've had two line managers who have been acting up from their substantial positions.

And so far as you're aware, did Mr McCallum continue to be involved in any major issues arising under the Campus Services contracts whilst he was the Director of Audit and Risk in 2009?---No, I was not aware. I was expecting that in a transition period from when he left until when Chris picked up on a few things that there might be some cross-relationships there but I would have thought that that would have ended after possibly three weeks to four weeks and after that I would have expected no involvement from Mr McCallum at all.

10 All right. You wouldn't have expected Mr McCallum, for example, to be in direct contact with contractors in relation to potential new contracts would you?---Absolutely not.

And to extent that Mr McCallum did have any direct contact with contractors you would expect Mr Ipkendanz to also have been involved as part of the transition process, is that right?---I wouldn't have wanted Mr McCallum involved at all. If Mr Ipkendanz was the Acting Campus Services Manager then he should have been the only one in contact with the contractors.

20

So the only, the only transition should have involved contact between Mr Ipkendanz and Mr McCallum, is that correct?---In the early stage of the transition.

I think you referred earlier to having been aware when you were the Infrastructure Manager of Mr McCallum being taken out to lunch or dinner with contractors from time to time, correct?---I was aware that Mr McCallum went out quite often with in particular Mr Bill Turner. Now, I wasn't aware of the arrangements but I knew that Bill was managing, site manager for Quad. I also knew that they were friends and that they had lunches together quite often.

30

So can I take it then that you didn't know who was paying for the lunches or what - - -?---Absolutely not.

The Commission has heard evidence that in about October 2008 Mr McCallum offered to waive two months' cleaning charges that FMS would ordinarily invoice to Sport UNE in return for Sport UNE paying an amount of \$2,000 that the New England Rugby Union owed to UNE Hockey. Were you aware of any such arrangement at about the same time as you became Acting Director of Financial Management, sorry, Facilities Management Services?---No, no, I was not. I had no knowledge of that whatsoever.

40

I want you to assume that that arrangement was carried out and that FMS in fact did not invoice Sport UNE for two months' worth of cleaning charges. Are you able to explain how FMS' financial systems would fail to pick up that an invoice had not been issued for two consecutive months?---The

process that we had in place and that continues in place is the fact that a work request is raised through our building management system on the individual to raise the invoice and they are raised, it's called a preventative maintenance work request, and you can lock into the system the dates and when you want these particular work requests raised and against who and in the situation we had an individual responsible for raising those invoices and those work requests were raised against them. If they weren't actioned then picking it up in the financial system - the only way of doing that would be the fact that your income returning would be less.

10

And if two months worth of cleaning charges were missing the returning income should have shown as being under what was expected in the financial system. Is that correct?---It would have been difficult to detect because the income came from not only the regular raising of invoices but also from ad hoc work. So the volume of income returned in any given year could vary depending on the amount of ad hoc work that was also done and charged out to a faculty. A faculty might have had a particular even that they wanted special cleaning done for and they could have reimbursed FMS for that and it would have been shown as income within the budget for cleaning.

20

And the income returned was something that was considered on an annual rather than a monthly basis. Is that right?---From where I sat, yes.

The Commission has also heard evidence that in 2010 Mr McCallum made an arrangement with Sport UNE that FMS would again waive two months worth of cleaning charges for Sport UNE if Sport UNE would in turn waive an equivalent amount owed by the New England Rugby Union for facilities hire. Are you aware of any such arrangement having been made or carried out in 2010?---I'm aware of it being carried out. I've written a report on it, which has been supplied through this inquiry. I was not aware of it and I was not asked to approve it at the time it happened.

30

Okay. Your answers as to why these systems would not pick up a failure to issue two consecutive months in invoices in October 2008, does that evidence also apply as at 2010 or was there any relevant change to the system?---Well in this particular instance and I have spoken with the individual because I did conduct an inquiry, at the time he followed the direction of a Line Manager and I said to him, look did you ever think to ask the question why. And he didn't at the time and the reason he didn't at the time is that there had been some issues in regards to the quality of the cleaning work and he took the view that Mr McCallum was simply compensating for poor cleaning. So unfortunately that one went through. We are looking now at how we can track that and working with our Finance (not transcribable)

40

If a staff member had a, had a concern about something they were asked to do or not to do by a Line Manager or wished to complain about conduct of

a Line Manager that they considered to be unethical or contrary to the Code of Conduct what was the, what was the process for them to make that complaint?---There were two, several options actually. They could come to myself, given the fact that with the, we lost the position of the Deputy Director through the budgetary controls prior to me taking over, the Line Managers were then reporting directly to me. So they could have come to me and lodged a complaint. Or they could have gone through our HR process or they could have gone above me and mentioned it to my immediate supervisor or someone above that.

10

And the processes you've just described were they formal processes that were communicated to staff in some way or that is just what you expect staff would have realised they could do?---No, that's what I would have thought that they would have had the opportunity to do.

I just want to ask you a few questions about the tender that was issued in, sorry the request for tender that was issued in 2009 for the new cleaning contract, being tender number 2009/33?---This is the one that was stopped.

20 Yes, it was stopped in 2010?---Okay. Yes.

Do you recall that Mr McCallum completed a conflict of interest declaration in relation to that particular tender?---Yes, I do.

Were you aware at the time that he completed that declaration that he had dinner with Mr Yardley and Ms Cutler from Quad Services on 17 December, 2009?---No, I wasn't.

30 Is that something that he ever disclosed to you during the course of this tender process?---Mr McCallum never disclosed any of these dinners that we've heard about in this inquiry.

If he had disclosed to you any of these dinners and in particular the dinner on 17 December, 2009 what would you have done?---I would have stood him down. The same as I tried to do when he returned.

You refer to having tried to stand him down when he returned, he was subsequently reinstated - - -?---Yes, correct.

40 - - - a couple of days later. Is that correct?---He was reinstated on the Monday I think after the Friday, yes.

Had you stood him down generally or only in respect of involvement with this particular tender?---I was obviously aware that I was not aware that there was an ICAC inquiry going on. I had not been informed of that. But I was aware that there had been three files - - -

I'll just stop you there for a moment. I'll just – I might ask you some further questions in a minute, but I only wanted to know in the first instance had you stood him down generally in relation to this - - -?---From the, sorry, no, from the tender process.

Oh, from the tender process?---Yes.

10 Just pardon me one moment, Commissioner. In answering the next question I'm not asking you to disclose the names of any persons who may have made any complaints that you may have been aware of, but can you just tell the Commission briefly what were the reasons why you stood Mr McCallum down from the tender process for the cleaning contract?---I was aware through the fact that I'd been requested to supply three files to our governance section that there was obviously some form of internal inquiry going on and three contracts which were all related to the one individual. So I'd asked the question was it appropriate that Mr McCallum should be involved in this particular tender process given that one of the files that was taken from our office was the cleaning contract.

20 And you asked that question of somebody in the governance section at the University did you?---I, I'm unsure if I asked it at the governance section or if I asked it of my immediate supervisor and got a response from them.

Right. In any event Mr McCallum was then reinstated and was involved in the tender process?---Correct.

30 Okay. And what role did he play in that tender process?---I kept the Acting Campus Services Manager, Chris Ipkendanz involved. Obviously due to the nature of the organisation Col's position was then the Campus Services Manager. Chris had had to return to his role of Acting Environmental Officer, Environment Officer not Acting, sorry. But Chris had basically prepared all the documentation and been working on that tender document up until the point we were just about to release it. So I thought it important that I wanted Chris involved because of the background information that he had and I also saw it as a, an additional control given the fact that I had knowledge that Col was somehow under some type of investigation, procedural issues with the information I had.

40 So far as you're aware had Mr McCallum had any involvement in the tender documentation before the request for tender was released? And before you answer that I'll ask you to assume that the request for tender was issued on 17 December, 2009 and Mr McCallum returned as Campus Services Manager on about 24 December, 2009?---I couldn't answer whether or not Chris had asked him any questions. But otherwise I wouldn't expect that he would have been involved.

Right. Rochelle Slade was a member of the FMS committee to evaluate the tenders?---Yes, she was. She was our cleaning supervisor, yes.

And whose decision was it to involve Rochelle Slade in that FMS committee?---I would suggest it would have been Chris' at the time.

Now you were aware weren't you that Rochelle had worked for Quad Services until about May 2009?---I was aware that she'd worked for Quad Services, yes. She filled in a conflict of interest document for that effect.

10 And if Mr Munro could be shown page 112 of Exhibit 1, please. Is that the conflict of interest declaration that you're referring to?---Yes.

That you see on the screen there?---Ah hmm.

Now are you aware that Ms Slade was asked to prepare FMS' internal benchmark figures for the hours per week required to clean each particular area of the University that was included in the tender?---I was, I was aware that she was involved in that, yes.

20 Right. Now, do you know whose decision it was to ask her to undertake that task?---No, I just knew the task was being undertaken.

Right. Didn't Ms Slade's involvement in that task make it inevitable that the benchmark hours prepared would reflect the approach taken by Quad to the cleaning of the buildings?---At the time I believed that Ms Slade's involvement and her history of the fact that she wasn't solely a supervisor but she was also a cleaner who had practical experience in doing what we were asking people to tender on and would give us realistic views as to the hours that we should be looking at.

30 Ms Slade had had experience doing the cleaning whilst working for Quad Services?---Yes, ah hmm.

And supervising some of the other cleaners whilst working for Quad Services?---Yes, ah hmm.

And whilst working for the University she had experience supervising Quad cleaners doing it Quad's way. Correct?---Yes.

40 And so my question is, isn't it, wasn't it inevitable that Ms Slade would prepare the benchmarks based on the approach that had hitherto been adopted by Quad Services?---I believe Ms Slade would have prepared the estimates based on her experience. That may have agreed with or it may not have agreed with Quad's current working practices.

Well, it was more likely that it would have agreed with Quad's working practices, wasn't it, because that is the way she had- -?---I think if you listened to Ms Slade's evidence she made a statement that sometimes the cleaners tried to extend the time frames that they would like to have to work

on certain areas and I believe that Ms Slade would have made a decision based on her own belief as to what the hours were.

With the benefit of hindsight, wouldn't it have been a better option to involved an independent estimator to prepare the benchmark hours?
---That's, it's a difficult call because the issue with the cleaning of the hours is that the cleaning of the hours have to be site specific. Now, if I could use for an example, if you assume that the square metres of this building were equivalent to the square metres that we have to clean on campus, your
10 cleaning contractors would come in here, use a lift service, there'd be car parking downstairs, they'd have rubbish bins, everything would be located within the one building. If you then took this space and spread it over what we have, a hundred and three hectares, then you'd have to assume that there's going to be a difference in time because of the actual physical activity of moving from space to space to clean. So it was very important in our view that whoever tendered on our cleaning contracts had a specific site knowledge of what we were asking for, and Rochelle Slade had that.

20 According to the conflict of interest declaration, sorry, it's left the screen now. While that's being brought back, Ms Slade's previous employment with Quad Services gave rise to at the very least a perceived conflict of interest, didn't it?---I don't know how you can say it could be a perceived conflict of interest. She changed from one employer to another and that happens on a regular basis. Sales people go from selling one product to the next product, one week they're telling you this is the best product, the next week they're telling you that's the best product. I don't see that as unusual in the marketplace.

30 Well, it may not be unusual but she had had a previous employment relationship with Quad Services. Correct?---Which we declared through a conflict of interest declaration.

40 Yes. From the point of view of other potential tenderers, for example, do you accept that they may perceive that her involvement in the tender process may be a conflict of interest in that she may be inclined to favour Quad Services because of her prior relationship with them?---Look, a perceived conflict of interest can be anything, I'll grant you that, but I don't perceive that many people would have known or had any concern in the fact that one of the supervisors had come from Quad to FMS to supervise the job. I personally, if I was on the tendering process, that would not concern me, that would not be the basis on which I would make my decision.

But you understand that it was important to, in determining whether a conflict of interest did exist to consider other people's perceptions?---That is the basis of the conflict of interest, yes.

And that's why you arranged for this declaration to be made. Is that correct?---That's right, we wanted to have it out and up front that she was involved in the tender process and that she had previously worked for Quad.

Now, that was out and up front within the University but how was the, how was the perceived conflict managed?---How would it be any different if she had have come from any other cleaning service?

10 Well, I'm asking you the questions, Mr Munro, and I'd like to know how was Ms Slade's perceived conflict arising from her previous employment with Quad managed in relation to this tender process?---It was managed in I guess, I'm not saying that I still agree that it's a perceived conflict but it was managed in the fact of her role within the tender process, it was limited.

But the role was to prepare the benchmark hours?---That was one part of the selection criteria.

20 And what other role did she have in the tender process?---She was involved on the panel that when we did the interviews for the post-tender interviews, and then there would have been general discussion as to what her view was in regards to the overall outcome.

And how did that involvement involve limitations that managed any perceived conflict of interest?---I think Rochelle knew at the time that her main area that she was looking at was one criteria, so it was one out of four that would have impacted on the outcome of the tender process.

That being the- - -?---If I recall there was five criteria.

30 Right. And the, that criteria you're referring to being the hours per week? ---That was the one she was involved with, yes.

That was a critical criterion, wasn't it, for this particular tender process? ---In the final outcome? No.

40 No. I'm asking you about the FMS committee's deliberations on these tenders, the hours per week was the critical component, wasn't it? ---It was a considered component in the tender process, but if I can talk about the outcome and then the final recommendation. The outcome was resolve at the post-tender meetings and presentations by the three lowest contractors and if I could put it bluntly I'd say Quad won it by default in the fact that the other two could not demonstrate to the panel, which was five people, their capabilities of conducting that cleaning contract. And I think that's reasonably well-recorded in the final recommendation.

And you were, did you participate in the interviews?---I participated in the meetings and that's why I'm familiar with the outcome from those meetings, yes.

That's the meetings with the tenderers?---With the three tenderers, yes.

Could Mr Munro now be shown volume CP3 pages 1 to 5. Have you seen this document before, Mr Munro?---I believe I would have, yes.

I'll ask for that to be given to you in hard copy as well because it will make it easier?---Thank you.

10 Who wrote the document?---I'm unsure if Mr Ipkendanz or Mr McCallum wrote the document.

So far as you can recall or can tell from reading the document, it was written, was it, after the meetings with the tenderers that you've referred to? ---Talking about the first pages, 1 to 7, I would make the assumption that that was received after the tenders were closed but prior to the tender meetings.

20 All right?---Because it doesn't mention some of the things that came out in the tender meetings.

If you can direct your attention to paragraph 2.1.1 which commences on page 1 and goes over to page 2, just take a moment to read that please.--- Yes.

30 Now do you agree with me that the author of the report had formed, reached the conclusion that of the three conforming tenderers only Quad Services is capable of meeting the minimum acceptable cleaning standards required under the contract because the other two have indicated cleaning hours per week significantly less than the FMS benchmark estimate.---I would agree that that's, yes, that's in it.

40 Do you agree with me that the hours per week then was the critical component that was used to evaluate the tenders received for this cleaning contract?---Not in relation to my involvement, no, my involvement was not at that detailed level and the recommendation was put to me finally for my sign off but after I'd been involved in those tender meetings and I asked to be involved in those tender meetings because as I talked about earlier, I was aware there was an issue and in those tender meetings, regardless of the fact that somebody has formed the view before hand, the two lowest tenderers both performed very poorly in their presentations and my recollection is that one of those tenderers actually withdrew, that's not recorded in this. So that's why I believe it was prior to those meetings and the other person who had submitted their tender, some of their views on how they would handle the fact that if their hours were less than what was needed then we'd have to review our costings afterwards which were not acceptable. Their understanding of the contract management process was not there and I

formed my view based on what I had seen, I can't recall at the time if I'd seen this document.

Do you recall that a number of the hours per week estimated by Quad for particular buildings were exactly the same as the hours per week estimated by FMS?---I'm aware of that now, I wasn't aware of that at the time, it wasn't brought to my - - -

10 You weren't aware at the time?---It wasn't brought to my attention, no.

Did you see this document that is in front of you now at the time, CPI pages 1 to 5?---The document that normally comes to be is a tender business document and I'm unsure if this was included in that document.

So it's possible but you can't recall seeing this document at the time the tender process was being carried out. Is that right?---I can't recall at for the moment if I saw that document.

20 And you can't recall anybody else at FMS who was involved in this tender process bringing to your attention the fact that Quad had estimated exactly the same number of hours down to the decimal point per week as FMS in a number of instances?---I don't recall it, no, the first time I recall it was when it was raised in my interview process.

If it had been raised with you at the time, is it likely that you would recall it now?---My recollection is I don't recall it being discussed with me.

30 If it had been raised with you at the time, would that have alarmed you or struck you as extraordinary?---I would have questioned it, yes.

Pardon me one moment, Commissioner. Commissioner, I have nothing further for Mr Munro.

ASSISTANT COMMISSIONER: Thank you. Yes, does anyone else wish to question Mr Munro?

MR NEIL: (not transcribable)

40 ASSISTANT COMMISSIONER: Yes, Mr Neil.

MR NEIL: Mr Munro, I represent the University of New England. I just want to ask you about the congregation of the Fraud and Corruption Prevention Policy. Do you recall that when that policy was adopted it was publicised to all members of the University staff by something called the UNE Official?---Can you give me a time frame that we're talking about?

January 2010.---I can't recall but January in 2010 was a very hectic time for me, for obvious reasons.

For the record, a UNE Official is a formal notice either from the Vice Chancellor or a member of the Senior Executive Staff of a matter of importance to the University or its employees. Is that right?---I receive UNE Official, yes.

Yes. And the description I put to you is one you would agree with. Is that correct?---The description of - - -

10 Of an UNE Official that I've just put to you is one that you would agree with. Is that right?---It goes to UNE Official which goes to any UNE staff that are registered on that site.

Yes. And it, it emanates either from the Vice Chancellor a member of the University's Senior Executive Staff?---Yes, we can put out UNE Official through approval processes, yes.

20 And it's a process or a procedure which is designed to bring to the attention of the University staff matters which are considered to be of important to the University and its staff. Is that right?---Yes.

Now, you were aware at all times where you held office as the Director of FMS that the code of conduct was available on the University's Intranet. Is that correct?---Yes.

And you and other members of the University staff had free access to the University's Intranet. Is that correct?---Yes.

30 You were aware that the University's gift and benefits policy was published on the University's Intranet. Is that correct?---Yes.

And you were again, at all times while you held office as the Director of FMS that the University's Conflicts of Interests Policy was published on the University's Intranet?---Can we just clarify that at all times I've held office, what are you referring to there?

During the period, at all times, during the period when you have held that office?---As Director of FMS?

40 Yes. That the University's Conflicts of Interest Policy published on the University's Intranet?---I would say I became aware of it during the course of time that I was sitting as Director.

Would you like to put a time on that by reference to whether there was a date or an event?---It would have been an event relating to somebody who raised a conflict of interest issue with me so I would have gone looking on the web site to see the policy and have a review of it.

And at all times when you held office as Director of FMS, you were aware were you not, that you as well as the line managers and the staff who reported to you were required by the University to comply with the code of conduct?---I think everybody employed at the University was aware that they had compliance with the code of conduct, yes.

10 That is, that compliance with the code of conduct was a requirement of your position and their position and that that requirement was imposed by the University. Would you agree?---I'd say that it was put in documentation by the University but there was no training and practice to enforce it.

You were aware of that fact weren't you?---Of the - - -

Of the fact that, the University required of you in your position that you complied with the code of conduct?---Through what method are you suggesting that? The only code of conduct or the only way that I became aware of the code of conduct was through actions that I took myself.

20 You were aware at all times when you held office as the Director of FMS that the University required of you that you comply with its Code of Conduct. Is that correct?---I was aware that there was a Code of Conduct. I had not had any training in it and I had not trained my staff in it as I made in previous evidence.

Right. Do you recall the question I asked you?---Yes.

What's the answer, is it yes or is it no?---Aware of it as in the detail of it?

30 Were you aware, I'll start again, were you aware that the University required you to comply with its Code of Conduct?---I was aware that there was Code of Conduct, I was not aware of in detail what was involved in the Code of Conduct.

I'll ask again. Were you aware that the University required you to comply with its Code of Conduct?---I think it was an expectation that they had of every employee, as I said.

40 And it's an expectation of which you were aware. Is that right?---I was aware that there was an expectation that people complied with the Code of Conduct but I was also aware that people were not fully aware of the Code of Conduct.

Right. Now, were you aware holding office as Director of FMS that the University required you to comply with its Gifts and Benefits Policy? ---I became Director of FMS in July last year and since then I am fully aware of the Code of Conduct and the expectations.

Right. I'll ask the question again. Were you aware in your position of Director of FMS that the University required you to comply with its Gifts and Benefits Policy?---Since I became director of FMS in July last year I am fully aware.

And were you aware, again since you became Director of FMS, that the University required you to comply with its Conflicts of Interest Policy? ---I am aware since I was appointed as Director of FMS, yes.

10 Were you aware, since you were appointed as Director of FMS, that the University required the line managers who reported to you and the staff who were beneath them to comply with its Gifts and Benefits Policy and it's Conflicts of Interest Policy?---Yes, I was aware since I was appointed and I take action, taken action to make that happen.

If you please.

ac the line managers who reported to you and the staff who were beneath them to comply with its Gifts and Benefits Policy and it's Conflicts of
20 Interest Policy?---Yes, I was aware since I was appointed and I take action, taken action to make that happen.

If you please.

ASSISTANT COMMISSIONER: Thank you, Mr Neil. Yes, if there's nothing further you may now be - -

MR WATSON: I'm sorry, just briefly.

30 ASSISTANT COMMISSIONER: Yes, Mr Watson?

MR WATSON: Mr Munro, you've indicated that the issue of the similarity between the number of hours in the tender document for 2009 with the tender of the Quad tender was something that you became aware of when you were questioned by the investigators from the Commission?---Correct, yes.

And when you were asked about that issue I think the position is that you indicated to those asking question that you explained the similarity be
40 reference to Rochelle Slade's familiarity and experience with the times taken by Quad Services?---I wasn't aware that my statement was out there. I'm unsure as to what I said at the time, I'd have to review my statement.

MR WILLIAMS: I should say Mr Munro hasn't provided a statement to the Commission in this matter to my understanding.

MR WATSON: The transcript.

ASSISTANT COMMISSIONER: It may be a transcript of an interview I'm assuming?

THE WITNESS: Yes, sorry, it's not, it's a transcript of an interview.

ASSISTANT COMMISSIONER: Are you referring to transcript of interview?

10 MR WATSON: Transcript of the interview. I thought that was in evidence when- - -

MS WILLIAMS: No, it's not in evidence.

ASSISTANT COMMISSIONER: Well, do you remember making that statement to the investigators?---Commissioner, I had four hours in an interview process. I'd like the opportunity of reviewing that before I answer the question.

20 Perhaps if he could be show what he, what he said.

MR WATSON: Yes. Volume 1, CP2 at page 304, Commissioner.

ASSISTANT COMMISSIONER: Do we have an electronic or hard copy of it?

MS WILLIAMS: Sorry, perhaps if my learned friend would indicate the page again?

30 MR WATSON: 304 (not transcribable) CP.

ASSISTANT COMMISSIONER: I think the witness has it.

MR WATSON; It's page 85 of the actual interview itself, if it assists. Perhaps to go the first lengthy paragraph on that page?---I say at the end of it, yes, okay, so that I assume that what we've done is, we've simply put the hours down that were being done by Quad at the time, yes,.

40 You would have, by reference to and assessment of whether or not the hours were satisfactory, in other words whether Quad Services was performing its obligations under the contract satisfactorily, you would have then looked to see the hours being charged by Quad Services and in the absence of any other information or explanation for the similarity is that it would appear that (not transcribable) by the University?---I'm sorry, can you put that to me again. My, my observation at the level that I was dealing with this was a recommendation to a Tender Assessment Committee and I'd been involved on the meetings. The assessment of the hours I didn't have a detailed knowledge on. What I looked at when I was making my determination to support the recommendation or not was the total hours that were submitted.

Now, can you just turn over the page to page 305. What you suggested was that Rochelle Slade had knowledge as in direct knowledge or indirect knowledge of the hours that were involved?---That's correct, I've said that in previous discussion.

10 If she didn't have direct knowledge then she would have done what anyone else would have to do, just work on a metre basis and effectively make a calculation?---No, I actually believe that she probably would have put down what she thought it would take her to clean.

20 Have you looked at point 4 on page 305, you suggested that in answer to the question that you were asked at the time, "We had to have some form of guidance as to how long it was going to take to clean the building otherwise we'd go and do exactly what the tenderers did, put a square metre rate on it and come up with so many square metres per cleaning?"---That's correct, and that's exactly why I'm saying that Rochelle Slade was a benefit to our organisation because she had a cleaner's perspective and a supervisor's perspective as to how long it should take which then brought it back to being site specific evaluation which is what we wanted.

And to the extent that the hours that you were show on the schedule were in fact exactly the same, your explanation for that is that the University has simply adopted those figures which were figures provided by Quad, Quad Services, known to Rochelle Slade?---What I say is that Rochelle may have put down hours that she knew about from her experience with Quad.

30 Yeah Back on page 304 you say, "What I would assume we've done is simply put in the hours being done by Quad at the time?"---If you didn't have any idea that may have been one decision that she made, yes.

ASSISTANT COMMISSIONER: You seem to go on then in the interview when the investigator says, "But what about a new building, she wouldn't have known about the new building?" And you said, "Well, she would have taken that from the invoices Quad was putting in possibly."---That could have been - -

Do you see that?---I'm sorry, which page are we on?

40 Well, it's the bottom of that page?---"There was a new building which (not transcribable) in the cleaning contract."

Yes?---She would have made her assessment as to whether or not those hours were reasonable or being charged at the time, yes.

From Quad?---From Quad, yes.

Yes, which sort of brings us back to the issue that the benchmark's being set by what Quad say they're doing which some other contractors might think is unfair.

MS McGLINCHEY: Can I just make a comment on that? At the time when Mr Munro was being interviewed he did say that he was assuming that that might well have been how she would have done that.

ASSISTANT COMMISSIONER: Ah hmm.

10

MS McGLINCHEY: But in fact when she gave her own evidence she said that when she did need to assess that new building, I think it was the- - -

ASSISTANT COMMISSIONER: Is this the one she went and cleaned- - -

MS McGLINCHEY: Yes.

ASSISTANT COMMISSIONER: - - -just to see what it was like?

20

MS McGLINCHEY: She actually went and cleaned it herself so in fact Mr Munro wouldn't have known that at the time but in fact she had gone well beyond the call of duty and- - -

ASSISTANT COMMISSIONER: Yes.

MS McGLINCHEY: - - -gone and cleaned it herself so that she could assess those hours more correctly.

30

ASSISTANT COMMISSIONER: All right. Thank you for that. Does anybody have anything else? If not- - -

MR BOURKE: I just have one matter to raise.

ASSISTANT COMMISSIONER: Yes, Mr Bourke.

MR BOURKE: Can I ask this question. Is Mr Munro's interview going to be tendered because if it is, and I assumed it was going to be, then I won't have any questions for him, but if it's not, then I do have some questions for him.

40

ASSISTANT COMMISSIONER: Well, that, that makes me think that it should be tendered because- - -

MS WILLIAMS: Yes, it can be included in what will be tendered as part of the exhibit (not transcribable)

ASSISTANT COMMISSIONER: Yes, it will be tendered, Mr Bourke.

MR BOURKE: (not transcribable)

ASSISTANT COMMISSIONER: All right. You may now be excused.

MS WILLIAMS: Commissioner, I'm sorry, just before Mr Munro is excused.

ASSISTANT COMMISSIONER: Yes. I'm not having much luck.

10 MS WILLIAMS: Mr Munro, while you have your record of interview there could you go to page 299 using the page numbers in the top right hand corner?---Which volume, which volume?

That's in volume CP1 that's been given to you?---295?

299, please. Do you see there about a quarter of the way down the page there's recorded an answer by you which says, what I was given was the excel spreadsheet which demonstrated the areas where the variations were?
---Yes, yes.

20

And to give that some context could you in fact turn back to page 298 and just read the last answer that appears on the page there, that is the answer recorded by you, what we did was we looked at the areas, et cetera?---Ah
hmm.

And in answering those questions you were explaining to the Commission investigators were you not the process, the evaluation process in which you participated or which you observed. Is that correct?---Which I was aware of.

30

Yes. Having refreshed your memory about those answers, I just want to ask you again whether you were aware during the evaluation process that Quad Services had specified hours per week for a number of buildings that were identical to the hours that had been estimated by FMS?---No, I don't recall that at all.

40

The Excel spreadsheet that you refer to at page 299, so far as you can recall did not identify the - - -?---I don't, if I was given the Excel spreadsheet I would have looked at the total hours. The differentiation between different buildings was a focus to ensure that contractors were site specific on knowledge. I wouldn't have delved into that level. If I recall, the spreadsheet that I saw afterwards was an evaluation spreadsheet that was put together that had about 96 rows in it. So no, I didn't evaluate any detail. I looked at basically the total hours, the information that we believed should be the total hours, which had come from our estimate that we'd done and then how that related to what the contractors had tendered.

All right. So the extent that you may have had a document which revealed that some of the figures were identical you did not read the document and the level of detail to give you that knowledge. Is that the effect of your evidence?---If I had that, that's a reasonable comment, yes.

Thank you, Commissioner, nothing further.

ASSISTANT COMMISSIONER: Thank you. Yes, you're now excused from further attendance.

10

THE WITNESS EXCUSED

[3.43pm]

MS WILLIAMS: Commissioner, I call Mr Chris Ipkendanz.

ASSISTANT COMMISSIONER: Yes. Could Mr Ipkendanz come forward please.

20 MR LEWIS: Commissioner, I seek your authorisation to represent the witness. Lewis is my name.

ASSISTANT COMMISSIONER: Yes, Mr Lewis. Thank you. Yes, Mr Ipkendanz, you can take a seat. Will your client be seeking a declaration Mr Lewis?

MR LEWIS: He will be seeking a declaration, thank you.

30 ASSISTANT COMMISSIONER: Thank you. Yes, Mr Ipkendanz, you've been called here to give evidence. You are required to give answer all the questions asked of you. I am going to make a declaration under section 38 of our Act, the effect of which is that nothing you say here can be used against you in any disciplinary, civil or criminal proceedings unless it's found that you've breached our Act in some way, for example by giving false or misleading evidence. Do you understand the affect of the order?

MR IPKENDANZ: I do.

40 ASSISTANT COMMISSIONER: Pursuant to section 38 of the Independent Commission Against Corruption Act, I declare that all answers given by this witness and all documents and things produced by him during the course of his evidence at this public inquiry are to be regarded as having been given or produced on objection and there is no need for the witness to make objection in respect of any particular answer given or document or thing produced.

PURSUANT TO SECTION 38 OF THE INDEPENDENT COMMISSION AGAINST CORRUPTION ACT, I DECLARE THAT ALL ANSWERS GIVEN BY THIS WITNESS AND ALL DOCUMENTS AND THINGS PRODUCED BY HIM DURING THE COURSE OF HIS EVIDENCE AT THIS PUBLIC INQUIRY ARE TO BE REGARDED AS HAVING BEEN GIVEN OR PRODUCED ON OBJECTION AND THERE IS NO NEED FOR THE WITNESS TO MAKE OBJECTION IN RESPECT OF ANY PARTICULAR ANSWER GIVEN OR DOCUMENT OR THING PRODUCED.

ASSISTANT COMMISSIONER: Now you are required to take an oath on the Bible or make an affirmation to tell the truth.

MR IPKENDANZ: I'll take an oath.

ASSISTANT COMMISSIONER: Yes, could the witness be sworn, please.

ASSISTANT COMMISSIONER: Thank you. Yes, Ms Williams.

MS WILLIAMS: Mr Ipkendanz, could you state your full name and address for the record, please?---Christopher John Ipkendanz, XXXXX

10 Now you've made two statements to the Commission in connection with this investigation. Is that correct?---Correct.

One dated 29 July, 2011?---Yes.

And the second one dated 21 November, 2011. Correct?---Yes.

Commissioner, Mr Ipkendanz's first statement is at pages 275-296 of Exhibit 1 and I ask that those pages be included in Exhibit 1.

20 ASSISTANT COMMISSIONER: Yes, those pages are included.

#EXHIBIT 1 - PAGES 275 - 296 IN VOLUME 1 TO BE INCLUDED IN EXHIBIT 1

MS WILLIAMS: And Mr Ipkendanz's second statement is at pages 343-346 of volume CP1 and I ask that they be marked Exhibit CP1.

30 ASSISTANT COMMISSIONER: Yes, pages 343-346 will be marked Exhibit, sorry, what did you want them to be marked?

MS WILLIAMS: If they can be marked as Exhibit CP1 so as to correlate with the volume from which they are taken.

ASSISTANT COMMISSIONER: Right. All right. Yes, they will be marked Exhibit CP1.

#EXHIBIT CP1 - PAGES 343-346 IN CP VOLUME 01 TO BE MARKED EXHIBIT CP1

40

MS WILLIAMS: Thank you, Commissioner. Now Mr Ipkendanz, prior to about February 2009 you were the Environmental Services Officer at FMS at the University of New England. Is that correct?---That's correct.

And you then stepped into the role of Acting Campus Services Manager in February 2009. Is that right?---That's right. I was moved across on higher duties allowance initially and the seconded there.

And when you were seconded into the role is it the case that you hadn't received any training in tendering or procurement processes?---That's correct.

And you had no experience in that area at that stage?---No.

10 And during the period in which you were Acting Campus Services Manager during the 2009 period did you receive any training in relation to procurement or tender processes?---No, I did not.

20 When you stepped into the role in February 2009 what if any instructions or guidance did you receive from Mr McCallum who was moving out of the role to Audit and Risk?---For an initial transition period I would make contact with Mr McCallum on and off to determine different aspects of the role. It's quite a diverse portfolio, so it was a large scope of work to get my, to get my head around. After that initial period there may have been some sporadic contact with Mr McCallum later on in the year in 2009 for some specific tasks that arose but there was on specific contact beyond that transition point that I can recall.

Could Mr Ipkendanz be shown volume CP3 at page 191 please. Mr Ipkendanz, is that your email address that appears in the cc line at the top of that email?---That's correct.

And do you recall receiving that email on about 29 January, 2009?---I don't specifically recall receiving it but I accept that I did.

30 You see that Mr McCallum says in the email that during the period of his secondment or what he refers to as the initial period, he will still address major contract issues?---Yes, I can see that.

Does that accord with the understanding you had at that time that Mr -- did you understand that Mr McCallum would be responsible for major contract issues?---For the initial period of the transition there were some crossover issues that I believe Mr McCallum did deal with. And then once that transition period was over then it was referred to myself.

40 Okay. And roughly how long did that initial transition period last?---From memory perhaps a month, six weeks at the most.

And do you recall what the crossover issues were?---It was mainly around addressing of invoicing. Mr McCallum was the designated contact for the majority of the contracts so until those were changed over he did still receive some invoices at that point.

Were there any crossover issues that involved what you would describe as major contract issues during the initial - - -?---Not that I can recall, no.

And are you aware whether Mr McCallum had any dealings with contractors other than in relation to issues such as how to address invoices?
---Not that I can recall.

Is it the practice of FMS staff to enjoy a drink on Friday afternoon?---That's correct.

And that occurs in the office?---Yes.

10 And so far as you're aware is the alcohol for those drinks provided by contractors from time to time?---From time to time, yes.

Does that continue to be the practice today?---It does not, no.

When did that stop?---I can't recall. If I had to hazard a guess it would be coinciding probably with the commencement of this investigation maybe if not before.

20 You yourself have been to dinner with representatives of SNP on one occasion, is that correct?---That's correct.

And who paid for dinner on that occasion?---SNP did.

And was that something that was disclosed to your supervisor at the time?
---At the time it was not, not.

Do you understand the University's Code of Conduct?---I do now.

30 And do you understand that as a result of some training sessions that have been implemented since July last year?---I do and also because of my own investigations via the Intranet prior to July last year.

All right. Did you understand - I withdraw that. When did your investigations on the Intranet take place?---They commenced at or around November 2009.

And prior to that time is it fair to say that you did not have a, an understanding of the principles of the Code of Conduct?---That's correct.

40 Were you aware of its existence prior to November 2009?---I was aware of its existence but not in a, I didn't have an in depth knowledge of its function.

Had you received any training about the Code prior to November 2009?
---Not that I believe, no.

Was it something that your supervisors had ever mentioned or raised with you in their regular dealings with you?---Not regular dealings, upon

commencement of employment in April 2008 it may have been, I may have been advised to attend a staff induction training session. I don't recall going to that staff training session.

All right. And I take it nobody followed you up and made sure that you went?---No, not that I can recall.

Are you aware that the University has a Gifts and Benefits Policy?---I am aware now, yes.

10

And when did you become aware of that?---Again, it was around the November 2009 period.

And was that also as a result of your own looking at the Intranet?---From my recollection, yes.

Have you ever received any formal training in relation to that Gifts and Benefits Policy?---No, I haven't.

20

Are you aware that the University has a fraud corruption, sorry, Fraud and Corruption Prevention Policy?---I am.

And when did you become aware of that?---I knew Col McCallum was working on one when he was in Risk and Audit so I would hazard a guess it would have been early 2010.

And early 2010 was also the time when Mr McCallum returned to the Campus Service Manager's position?---Correct.

30

Did he at that time so far as you're aware implement any fraud controls? ---Not that I can recall, no.

Going back to the dinner that you attended with SNP were you aware at the time of attending that dinner that it was contrary to the University's Code of Conduct for you to - - -?---I wasn't, no.

Were you aware at the time that it was contrary to the University's Gifts and Benefits Policy?---I wasn't, no.

40

Do you accept now that it was contrary to the Code and the Gifts and Benefits Policy for you to have attended?---Yes, I do.

You also mention in your first statement attending various lunches paid for by Quad Services, is that correct?---One I believe.

One, I'm sorry?---That I can recall.

And that was in 2009, correct?---Correct.

And is it the position in relation to that lunch that you weren't aware at the time that it was contrary to the Code of Conduct or the Gifts and Benefits Policy but you accept that it is now, is that correct?---Yes.

The lunch that you can recall attending with Quad Services, that was with Mr Turner of Quad Services was it?---Mr Turner and Ms Cutler.

10 Right. And that was towards the end of 2009, about October or November, is that correct?---It was, yes.

And at that stage the University was moving towards issuing a Request for Tender for the new cleaning contract, correct?---Correct.

20 Was Mr McCallum involved in the preparation for that forthcoming tender in any way before he returned to FMS as Campus Services Manager?---I may have contacted him once or twice to seek clarification about the wording or the intent of some content of the previous tender document which is primarily what I based tender 2009/33 documentation off.

Ah hmm?---That would have been the only contact I had with him about that.

So far as you're aware did he have a copy of the draft Request for Tender before it was issued in December 2009?---Not that I can recall, no.

You can't recall him having a copy but do you think it's unlikely that you, that he would have had a copy or - - -?---It would have been unlikely, yes.

30 Could he have, could he have obtained a copy other than by getting it through you?---No, I would suggest not.

All right. And the lunch that you went to with Mr Turner and Ms Cutler in October or November 2009, did you discuss the upcoming tender at that lunch?---In general I believe we would have, yes.

And can you recall any aspects of that discussion?---No, not specifics.

40 Can you recall for example whether you ever conveyed to Mr Turner or Ms Cutler whether or not you wanted Quad Services to retain the work? ---I can't recall, I wouldn't imagine it would be something I would have conveyed to them given the understanding of the tender process.

Did you provide them with any information about how the tender process would work?---If I did it would have only been in, in a general nature relative to the procurement processes that I was aware of at the University.

The University - I withdraw that. FMS prepared benchmark cleaning hours for each building, hours per week, that's right, isn't it?---Correct. I believe Rochelle Slade prepared those.

All right. Was it you who asked her to prepare those hours?---I can't recall. It may have been something I did prior to the end of my secondment but I can't recall whether it was or not.

10 Do you recall whether Ms Slade was asked to prepare the hours before or after the Request for Tender was issued?---I believe it would have been after.

20 Mr McCallum's return as Campus Services Manager, was that sudden and unexpected or had you anticipated it for some time?---It was relatively sudden. There was a request for some documentation for some contracts that I was currently managing in my role as Acting Campus Services Manager that was received towards the end of November 2009 from what I've previously heard Mr Munro make reference to in his evidence today and from that point I guess that I accepted that the time in that position or my secondment would not continue indefinitely.

All right. Now up until the time when Mr McCallum returned you had been in charge effectively of the 2009 cleaning contract tender, correct?---That's correct.

And when Mr McCallum returned did he in effect take over as the lead FMS person on that tender process?---He did, yes.

30 You were aware I think at that time that Mr McCallum had been entertained by Quad Services on a fairly regular basis, is that correct?---I was aware that he'd attended lunches with Mr Turner. Whether or not he, that was Quad Services that had been paying for those lunches I wasn't sure.

The Commission has - well, before I move on to that, can I ask for page 291 of Exhibit 1 to be brought up on the screen please, paragraph 63 of Mr Ipkendanz's statement. If I can just ask you to look at paragraph 63 and also paragraph 64?---Ah hmm.

40 You knew, didn't you, as at the end of 2009 that Mr McCallum had been attending lunches with contractors including Quad Services?---Correct.

Not just personal lunches with Mr Turner but lunches to which he was taken by Quad Services' representatives, correct?---That he'd attended with other contractors, yes.

Was that something that you reported to Mr Quinlan or subsequently Mr Munro as Director of FMS?---It was not, no.

Was it something you considered at the time was inappropriate in any way?
---I did, yes.

And why was it that you chose not to report that?---I guess I didn't feel it my place.

10 Were you aware of any process by which you could report it if you'd chosen to do so?---Yes, I, I could have gone to either Mr Munro or Mr Quinlan directly and I'm familiar with the other more confidential avenues for reporting such incidents through the, either the HR processes or through the Equity Office.

But you didn't feel it was your place to take any action?---I didn't, no.

20 Did the knowledge that Mr McCallum had been entertained by Quad Services as referred to in paragraph 63 and 64 of your first statement cause you any concern about whether he might have a tendency to favour Quad in relation to the evaluation of the 2009 cleaning contract tenders?---At that time my perception of Col was that he would have been someone with enough professional integrity to remove himself from any favouritism.

The Commission has heard evidence that Mr McCallum had dinner with Mr Yardley and Ms Cutler from Quad Services on 17 December, 2009, the same date that the Request for Tender was issued. Is that something that you were aware of as at late 2009 throughout the tender evaluation process?
---Not that I can recall, no.

Commissioner, is that an appropriate time?

30 ASSISTANT COMMISSIONER: Yes, yes. We will adjourn at this time until 10 o'clock tomorrow morning.

**AT 4.02 PM THE MATTER WAS ADJOURNED ACCORDINGLY
[4.02PM]**