

MAURITIUS

Fifth National Assembly

FIRST SESSION

Debate No. 8 of 2011

Sitting of Tuesday 17 May 2011

The Assembly met in the Assembly House, Port Louis,

at 11.30 a.m.

ORAL ANSWERS TO QUESTIONS

**VALUATION AND REAL ESTATE AND CONSULTANCY SERVICES –
DIRECTOR – VALUATION SERVICES**

The Leader of the Opposition (Mr P. Bérenger) (*By Private Notice*) asked the vice-Prime Minister, Minister of Finance and Economic Development whether, in regard to the Director of the Valuation and Real Estate and Consultancy Services, he will state if he -

- (a) is allowed to undertake private valuations or be a partner in private companies offering valuation services and, if so, the private valuations undertaken by him, indicating whether a record of the sums paid to him by private parties or Government entities is kept;
- (b) has kept an updated valuation database as required by law, and
- (c) has been suspended from duty, following his arrest by the Independent Commission Against Corruption.

The vice-Prime Minister, Minister of Finance and Economic Development (Mr P. Jugnauth): Mr Speaker, Sir, the Director, Valuation and Real Estate Consultancy Services is authorised to provide valuation services to parastatal bodies and non-Government bodies in his personal capacity against remuneration, provided that such assignments do not conflict with the interest of his office and the works are carried out outside normal working hours.

It should be noted that the current incumbent was given this authorisation in June 2006 in line with long established practice extending to his predecessors. It should also be pointed out that the PRB has endorsed this approach in its 2008 report at pages 26 to 27 of Volume 1. Moreover, at page 25 of the same report at paragraph 4.7, it is noted that, I quote –

“The market is tight or the package is insufficient compared to the private sector in areas such as Quantity Surveying, Marine Engineering, Architecture, Valuation, Law and Occupational Health and Safety.”

However, Mr Speaker, Sir, there is no authorisation for the Director to be a partner in a private company offering valuation services.

Concerning the record of private evaluations undertaken by the Director and the sums paid to him by Government owned entities and private parties, no records are kept by the

Valuation Department or the Ministry of Finance. However, I am informed that he has undertaken a number of assignments since 2006 and I am tabling a list.

Regarding part (b) of the question, I am further informed that the Valuation Department does keep a valuation database. However, in view of the LAVIMS project which is expected to be operational by the middle of this year, the Valuation Office is currently in the process of updating the database.

Concerning part (c) of the question, the officer has not been suspended but has taken an extended leave. The Responsible Officer considers that it would be more judicious to await a formal decision by the Director of Public Prosecutions before deciding whether the officer should be interdicted or not.

Mr Bérenger: Mr Speaker, Sir, can I ask the hon. Minister of Finance whether he is aware that in the past, as far as the Chief Government Valuer - now called Director of the Valuation and Real Estate and Consultancy Services - is concerned, there was only authority on a case by case basis, whereas from what I have heard and according to my information, these recent years, there have been numerous cases of private valuation done by him of Government entities but private Bodies also?

Mr Jugnauth: No, this is not the information that I have gathered. I have been told that it has been an established practice to give authority to the then Chief Government Valuer to undertake such kind of works. This is my information.

Mr Bérenger: Mr Speaker, Sir, can I know who gives the authority?

Mr Jugnauth: The authority is given by the Ministry of Finance because I can see that the officer has written to the Ministry of Finance for such authority.

Mr Bérenger: Am I given to understand that authority is given in each case by the Ministry of Finance or is there a blanket authorisation?

Mr Jugnauth: No, there is a blanket authorisation.

Mr Bérenger: And we just heard that there is no record at all of the sums received from parastatal Bodies, from Government Bodies or from private companies. Now, this idea of giving

blanket authority to the Chief Government Valuer to do valuation for private companies, is this being reviewed?

Mr Jugnauth: Mr Speaker, Sir, I must say that this is an established practice. It has applied in the past also. Such kind of authority has been given to other Chief Government Valuers. And I can quote that in the years 2000 to 2005, I am informed that such kind of authority has been given. Now, the second part of the question is whether it should be reviewed. I think probably we should have a look at it and see whether we can improve on the system.

Mr Bérenger: My information is that until 2005, the authority was given on a case by case basis because of shortage of professionals which is no longer the case, and I will come back to that later on. These recent years, therefore after 2006, all this has changed. We have a blanket authority. Out of fair play, can I ask the hon. Minister to give a list of the number of cases between 2000 and 2005 - if it is not available now - and table the number of cases since 2005?

Mr Jugnauth: Well, I can compile the list for 2000 to 2005, I have asked for that information, in fact. I have got one case, but we can compile the list of cases where such practices have been made.

With regard to what the hon. Leader of the Opposition is saying that in the past it used to be only in cases where there is scarcity. I must say again that the PRB Report 2008 has, in fact, recommended. Let me quote again section 4.7 at page 25 which says -

“The foregoing overview confirms that the market is tight or the package is insufficient compared to the private sector in areas such as (...)”

And the report mentions about valuation. So, valuation is still an area where there is a scarcity of resources. However, this is what the PRB has recommended in order to attract people in the department. They should also be entitled to do private work, of course, upon a number of conditions so that their package increases. I must say, PRB has, itself, recognised that it is a scarcity area.

Mr Bérenger: Not at all, Mr Speaker, Sir! PRB talks of scarcity and lower down; I am talking only about the Chief Government Valuer. There are more than half a dozen fully qualified fellow and members of the Institute concerned. There is no shortage at that level. We

understand it is a free-for-all. It has been given blanket authority. There are no records at all. I understand that we are talking about millions and millions of rupees since 2005. Has the hon. Minister of Finance looked into that or checked with the Income Tax for whatever he has declared to the Income Tax?

Mr Jugnauth: With regard to the first part of the question, my reading of the PRB Report is different from that of the hon. Leader of the Opposition.

With regard to the second part, let me, again, repeat that this has been the established practice. Now, whether we should review that practice, I have answered that probably we'll have to look at it again. Even in the past, there has been no record whatsoever kept either at the Valuation Department or at the Ministry of Finance.

With regard as to whether that gentleman has declared his income tax, I cannot say. Income Tax will have to do its work but, even as a Minister I don't have privileged information which is strictly confidential. Income tax will not give me this information. But, of course, I can inform the Income Tax that the hon. Leader of the Opposition has raised the matter in the National Assembly and it will be its duty to see to it that every taxpayer is paying his tax.

Mr Bérenger: In the case of the valuation that this gentleman made in the Med Point saga, was he paid and if yes, by whom? Was he paid for doing a valuation in his private capacity after his No. 2 had carried out an official valuation and if yes, did he do it in his private capacity and was paid by whom?

Mr Jugnauth: First of all, I am not aware about this case. Secondly, this...

(Interruptions)

Mr Speaker: Let the Minister answer. He is answering, Members have to take the answer in good faith.

Mr Jugnauth: The matter has been raised even in the House in a PNQ where the stand of Government is to be respectful of institutions since there is an inquiry which is underway. Even if I were aware, I would not have been able to provide such information. It would be for ICAC, of course, to carry out its inquiry.

Mr Bérenger: Then, in the case of Infinity and Neotown where he carried out valuations, again can I ask - I am not asking for details – whether he carry out these valuations in his official capacity as Chief Government Valuer or in his private capacity and against payment?

Mr Jugnauth: I have given a list of cases where the Government Valuer has undertaken assignments but, of course, since there are no records that are kept either at the Ministry of Finance or at the Valuation Department, we have tried to seek information from him to get the list. It might not be a complete list. So, I would not know. With regard to Infinity, I can further find out and give the relevant information.

Mr Bérenger: Can I ask the hon. Minister of Finance whether he has information whether the Chief Government Valuer has carried out, in his private capacity, valuations of property owned by Ministers?

Mr Jugnauth: I don't know. If the hon. Leader of the Opposition can tell me which Minister, I can ask the Valuer whether he has carried out any valuation.

Mr Bérenger: We have our staff, it is not difficult to go to the authorities concerned and check. Can I know from the hon. Minister of Finance whether again that gentleman carried out, in his private capacity, valuations for companies that used his valuation exercise to obtain financial assistance through the Stimulus Package, because this is my information.

Mr Jugnauth: Let me come back to the former question. Of course, we have staff and we can find out. But, in order to save time, if we know the details, we can go directly to that information and try to check. But, anyway, we will do our work and we will check whether he has done any valuation for any Minister.

With regard to this part of the question, again, I have no information, I need notice of that question in order to find out and, of course, we will provide the information to the House.

Mr Bérenger: We learned that on a routine basis, blanket authorisation to do valuation for private companies. Can I lay on the Table of the Assembly - because I heard the hon. Minister say that he does not have the authority to be a partner in private companies - something which is advertised on the Internet even, but everybody knows, a firm called PolyExpert Mauritius Ltd, a company profile where proudly it is stated: 'amongst our partners so and so, a

Chartered Valuer.’ The gentleman concerned is, in fact, a civil servant, he is in a company prospectus, he is presented as so and so. He is Director, Valuation and Real Estate Consultancy Services. We talk about the civil servant at the Valuation Department and so on and so forth. He is presented proudly as a partner in a private firm that sells its services for valuation purposes. On that, at least, will action be taken?

Mr Jugnauth: First of all, let me say that I have seen this note on the website of that company, it is a private company, and I can assure the hon. Leader of the Opposition that as soon as we were made aware of certain information, an inquiry had already started at the level of the Ministry of Finance to that effect. So, he can rest assured that we will go deep into that and check about the veracity of this information and, if it is correct, of course we will do the needful.

Mr Bérenger: I am sure that the hon. Minister is now aware of the enormity of the situation. Conflict of interest! It is the Chief Government Valuer! He has to advise for tax purposes the authorities concerned. He does private valuation! And we know the temptation! We are talking of millions and millions of rupees there! He is allowed to do valuation for private companies! The conflict of interest is enormous. Does the Minister really believe that in case the No. 1 has done valuation that anybody will dare challenge him? Who will challenge the boss?

Mr Jugnauth: Mr Speaker, Sir, I think that the hon. Leader of the Opposition has made a point, but he has to be fair also in the point that he is making. It is not as if this is only now that this is happening. I have said that it has been an established practice.

(Interruptions)

I maintain that this is the information that I have. At the level of my Ministry, it has been an established practice.

(Interruptions)

Mr Speaker: No, Members have to accept ...

Mr Jugnauth: The same argument of the hon. Leader of the Opposition applies today, it did apply from 2000 to 2005. Why did the then Government at that time not thought it fit to

review this situation? Again, let me say that it is a fair point that is being made by the hon. Leader of the Opposition and, of course we will be looking at this.

Mr Bérenger: The hon. Minister should not try and compare what happened between 2000 to 2005 on a case-by-case basis to this wholesale business that has been ongoing. Now that we have seen what has taken place, have there been attempts at estimating Government revenue loss through undervaluation over the past five years?

Mr Jugnauth: This is an allegation - a very serious allegation. I need to have substance, there need to be evidence. If the hon. Leader of the Opposition, who is making a very serious allegation, can provide me with some information, we will find out and I can assure the House that no case will be left lying by if there is information that there has been under evaluation or whatsoever. We will inquire and we will do the needful to take people who are responsible for that to task.

Mr Bérenger: As far as the last part of my question is concerned, if you will allow me, it is confirmed that after he was arrested and bailed out by ICAC, that gentleman was not suspended, he is supposed to be on leave. Is the hon. Minister aware that after having been released on bail, that gentleman went to his office regularly, giving instructions to staff and taking files away from his office? Is he aware of that?

Mr Jugnauth: I am not aware of that. In fact, I have been informed that he is on leave and he is not attending his office.

Mr Bérenger: Everybody knows that he has been attending his office and taking away files, except the hon. Minister. A question was put concerning this *scandale* of the Chief Government Valuer carrying out valuation exercises for payment by private companies. Is there any reason why the question put on 09 November 2010 as late as that by hon. Li Kwong Wing on precisely that question of private companies was never answered?

Mr Jugnauth: If the question was put to me, as far as I can say, we normally...

(Interruptions)

I have to check because normally the answers are tabled in the Library of the National Assembly.

Mr Bhagwan: It is on record that that question has not been replied. Can I ask the Minister - amongst other questions - that it is known, everybody knows the person, and everybody in business knows the way he operates and his accumulated wealth. Can the Minister of Finance inform the House whether it is not time now or whether he will recommend as we do when we are elected Members we have to go to ICAC and declare our assets, ourselves, our children and we have to sign that we can make them public, we have no objection. Can the Minister inform the House whether he will use the same procedure, whether for such type of Civil Servants, at high level, that they declare their assets at the point of entry and regular monitoring be done if this is not the case to report the House whether that person has declared his assets to ICAC?

Mr Jugnauth: If this is not the case, if he is not covered by law it is a very good suggestion and on Government side we will look at it if we need to.

Mr Dayal: Can I ask the hon. Vice Prime Minister and Minister of Finance - for the benefit of the House - whether one of the conditions laid down by the Public Service Commission is that when an Officer is appointed he should devote all his time at the disposal of Government and whether, in this particular case, authorisation was sought and received?

Mr Jugnauth: I understand authorisation to carry out private work, yes. I have just answered that authorisation was asked as previously has been the case, but there is also the Human Resource Management Manual which says - I think it is good that I read it for the understanding of all Members, in accordance with section so and so, Human Resource Management Manual –

“Any officer may subject to the approval of his Supervising Officer be exceptionally authorised to undertake private work where the work -

- (a) Is performed outside official working hours;
- (b) Has no adverse effect on his official position or duties.

Mr Ganoo: Can the hon. Vice Prime Minister confirm that during the period of 2000 and 2005 to which he referred, in fact, Government valuers were allowed to undertake valuation solely for the Municipal Council & parastatal bodies?

Mr Jugnauth: For the Municipal Councils probably, but also other institutions...

Mr Speaker: Parastatal bodies.

Mr Jugnauth: I have here for example a case where the Chief Government valuer was requested by the Mauritius Ports Authority to carry out valuation and he did so.

Mr Baloomoody: Can I ask the hon. Minister, now that we know that this gentleman has breached one of the main regulations, that he is not supposed to be a partner in a company and we know that he is a partner in a company. We know that he is a Civil Servant and we know on record that there are many more Civil Servants once they are arrested, it is, of course, for the DPP to prosecute. Once they are arrested, they are interdicted to attend office and they are suspended. Can I know in that case why this procedure has not been followed and what action Government intends to take now that we know he has also been a Director of a Company.

Mr Jugnauth: Well as I have answered in the main reply, the Supervising Officer feels that it would be more judicious to await the decision of the DPP, but with regard to the first part of the question, the hon. Member is saying that now that it has been proved that he is a partner of a private company, to me it has not yet been proved. I have said that an inquiry is underway at the level of the Ministry of Finance to find out whether that is so. If that is so, of course, we will take the necessary procedure.

Mr Uteem: Since the hon. Vice Prime Minister has mentioned that he is aware of the prospectus of that private company which publicised that the Chief Valuer is a member of staff, will he look in all cases where this firm has been involved in valuation and verify with the Government Valuation department whether there have been any cases where the Government Valuer challenged the valuation of that firm.

Mr Jugnauth: Yes. As I said the inquiry pertains, therefore, to the fact that there has been this publication by a private firm mentioning that this gentleman is a partner and everything that pertains to that company will be looked at.

Mr Bhagwan: Can the Vice Prime Minister inform the House who is the one who approved his leave on which date and what grade? I mean who is the high officer in his grade who approved his leave and whether he will take immediate steps to recover all files which are in his

custody? We happened to know that there are many confidential files of Government - dealing with valuation and transactions – which are in his custody and that these files must be recovered even if we have to use the police, *met ménote dans lamain*.

Mr Jugnauth: I have a minute dated 05 June 2006 whereby at that time Mr Guptar had approved, so I can't say more than that ...

(Interruptions)

...this is what I am saying on 05 June 2006. It concerns this gentleman.

Mr Speaker: No, who approved the leave?

Mr Jugnauth: I don't know who, but by the Ministry of Finance. I have to find out.

Mr Bérenger: It is a shocking situation. We are informed that an inquiry will be carried out under the control of the same gentleman, the Financial Secretary who found it fit that he would be on leave and not be interdicted. Can we have a real inquiry, not judge and party, a Commission of Inquiry, if necessary, or an inquiry by a top person whom we can believe in and then we have a full report on what to pay, how many millions this gentleman had made and who are the parties who benefitted from that situation, private parties, Ministers, if any, Members of Parliament, if any, anybody who benefitted from that scandalous situation since 2005?

Mr Jugnauth: Well I can assure the hon. Leader of the Opposition that a real inquiry is being carried out at the level of the Ministry of Finance.

Mr Speaker: Questions addressed to Dr. the hon. Prime Minister, the Table has been advised that PQ No. B/314 in regard to Agalega will be answered by the Minister of Local Government and that PQ No. B/325 in regard to State Bank of Mauritius will now be replied by Dr. the hon. Prime Minister.

