

**Senate Finance and Public Administration Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
**BUDGET ESTIMATES 2016-17**

Finance Portfolio  
5 May 2016

**Department/Agency:** Department of Finance

**Outcome/Program:** 3/3.1

**Topic:** Mr Damien Mantach – alleged misappropriation of funds – copies of correspondence

**Senator:** Wong

**Question reference number:** F19

**Type of question:** Hansard Proof, F&PA Committee, Pages 70-71, 73-74, 5 May 2016

**Date set by the Senate for the return of answer:** Wednesday, 14 September 2016

**Number of pages:** 7

**Question:**

**Senator WONG:** Okay. How are we going with respect to the 25 August letter?

**Ms Halton:** We just looked at it. I think the question is that I do not know whether we legally can table it.

**Senator Cormann:** We will take it on notice. If we can, we will. We will make a decision quickly, but this does relate to legal proceedings, and we do have to take advice on whether there is a public interest immunity or not.

...

**Senator WONG:** Okay. I would like a copy of correspondence from you to the Victorian Liberal Party.

**Senator Cormann:** We have taken that on notice ...

...

**Senator WONG:** So you wrote to Hope Earle the next day, requesting further clarification. I am asking for a copy of that letter.

**Ms Halton:** Yes. We will take advice.

...

**Senator WONG:** This is August 2015; we are obviously in May of the next year. I am trying to get a sense of the chronology. We have 25/8 and then we have the response from the secretary in writing—and you are taking on notice whether you can give me that.

**Ms Halton:** Yes.

**Senator WONG:** And you are taking on notice the 25 August one as well.

**Ms Halton:** Yes.

...

**Senator WONG:** So you write back on the 26th. Then what happens? Do you get a letter back?

**Ms Halton:** Yes.

**Senator WONG:** What is the date of that letter?

**Ms Halton:** The 28th.

**Senator WONG:** From Hope Earle, or Mr Kroger?

**Ms Halton:** No, from Hope Earle.

**Senator WONG:** On notice, can I ask for a copy of that letter?

**Ms Halton:** Sure.

**Answer:**

A copy of the relevant correspondence requested is attached:

- letter dated 25 August 2015 to the Department of Finance (Finance) from Hope Earle is at Attachment A;
- letter dated 26 August 2015 to Hope Earle from Finance is at Attachment B;
- letter dated 28 August 2015 to Finance from Hope Earle is at Attachment C; and
- letter dated 28 August 2015 to Hope Earle from Finance is at Attachment D.

Our Ref: AC:150227

Your Ref:

25 August 2015

Ms Jane Halton AO PSM  
Secretary  
Department of Finance  
John Gorton Building  
King Edward Terrace  
PARKES ACT 2600

Dear Ms. Halton,

**LIBERAL PARTY OF AUSTRALIA  
VICTORIAN DIVISION**

We act for the Victorian Division of the Liberal Party of Australia of 104 Exhibition St Melbourne.

On Thursday 20th August through PPB Advisory our client lodged a complaint against its former State Director Damien Mantach alleging misappropriations by Mr Mantach against the Party.

Our own preliminary inquiries seem to point to Mr Mantach having entered into an arrangement with Melbourne Mailing Pty Ltd 160 Fulham Rd Melbourne VIC whereby Mr Mantach encouraged Melbourne Mailing to increase invoices for work conducted by Melbourne Mailing for the Liberal Party and for some Victorian and Federal Liberal Party Members of Parliament so as to charge more than was actually owing. Such a direction by Mr Mantach was given without the knowledge, approval or permission of the Party and naturally, if such approval had been sought, it would have been refused. The direction was also unknown to all Liberal MP's and was given without their knowledge, approval or permission.

It seems that Mr Mantach may have caused your Department to pay above market rates for mail services rendered to Federal Members of Parliament as a result of Mr Mantach suggesting to those MP's that they channel the mailing component of their communications allowance through Melbourne Mailing.

From calculations provided to our client by Melbourne Mailing your Department is likely to have overpaid by \$20,590.68 for mailing services rendered by Melbourne Mailing to Federal Members of Parliament. Whilst this was a scheme the Party had no knowledge of, the President of the Victorian Division of the Liberal Party of Australia Mr Michael Kroger has instructed us to advise you that the Liberal Party has instructed us to forward



you a cheque for \$20,590.68 which is enclosed. Our client is happy to meet with you and provide the calculations at your convenience.

Yours faithfully,  
**Hope Earle**



Alan Cornell  
acornell@hopepearle.com.au

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**Australian Government**  
**Department of Finance**

**Jane Halton AO PSM**  
**Secretary**

Our Ref: SEC00012401

Mr Alan Cornell  
Special Counsel  
Hope Earle  
Level 4, 406 Collins Street  
MELBOURNE VIC 3000

Dear Mr Cornell

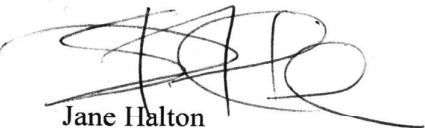
Thank you for your letter of 25 August 2015, regarding Melbourne Mailing Pty Ltd charging more than it was actually owed for mail services, under an arrangement with Mr Damien Mantach, former State Director of the Victorian Division of the Liberal Party of Australia.

I note your advice that you have sent a cheque for payment of \$20,590.68 from your client, the Victorian Division of the Liberal Party of Australia, based on calculations provided by Melbourne Mailing Pty Ltd to your client.

I note that you have indicated that the overcharging affects some members of parliament. As payments have been made based on their certification that the amounts in the invoices are correct and within their entitlement, your urgent advice is required on which Senators and Members are, in your view, affected, in order that we can take appropriate follow up action in relation to the administration of their parliamentary entitlements.

I would appreciate if you could provide the above information, and written details of the calculations of the payment amount, by 28 August 2015.

Yours sincerely

  
Jane Halton  
Secretary

26 August 2015



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Our Ref: PME:AC:150227

Your Ref:

28 August, 2015

Ms. Jane Halton AO PSM  
Secretary - Department of Finance  
John Gorton Building  
King Edward Terrace  
PARKES ACT 2600

Dear Ms. Halton,

LIBERAL PARTY OF AUSTRALIA  
(VICTORIAN DIVISION)

Thank you for your letter dated 26 August 2015.

As discussed with Ms. Charlton the Liberal Party of Australia (Victorian Division) is totally dependent on Melbourne Mailing Pty Ltd to provide the information sought. Our client can only provide the information as soon as we receive it from Melbourne Mailing Pty Ltd, which we have requested.

Mr. Paul Shannon, Independent Chartered Accountant engaged by the Liberal Party has the conduct of this exercise and will use his best endeavours to give you a prompt response. I have no objection to one of your officers contacting him direct on (03) 9652 3161 if you require further and better particulars at this stage.

Yours Sincerely,

**Hope Earle**

A handwritten signature in cursive script that reads 'Alan Cornell'.

ALAN CORNELL  
SPECIAL COUNSEL

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**Australian Government**  
**Department of Finance**

Reference: SEC00012401

Mr Alan Cornell  
Special Counsel  
Hope Earle  
Level 4, 406 Collins Street  
MELBOURNE VIC 3000

Dear Mr Cornell

Thank you for your letter of 28 August 2015 to the Secretary of the Department of Finance in response to her letter of 26 August 2015.

I note your advice that you are unable at this time to provide the details requested regarding your previous advice of 25 August 2015 that Melbourne Mailing Pty Ltd has charged more than it was actually owed for mailing services provided to some members of parliament.

While we note your advice that there is an amount to be reimbursed to the Commonwealth in relation to this matter, as you are unable to provide any details of the basis and method for calculation of the amount to be reimbursed I am returning the enclosed cheque from your client until the exact amount to be reimbursed can be verified.

We would appreciate if you could provide the information previously requested at your earliest convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'M Thomann', written in a cursive style.

Mark Thomann  
Acting Chief Operating Officer  
Department of Finance

28 August 2015