

Appendix A – written questions on notice from Senator Georgiou

Question 1: She says “My husband has been silenced by the banks but it appears I have not”

- How has he been silenced?
- Why do Banks / Receivers want to silence people if they have nothing to hide?
- Is Korda Mentha in agreeance with any confidentiality or silencing clause being lifted and if not why not?

Answer: A Deed of Settlement has been agreed that includes confidentiality arrangements usual in commercial settlements that apply to all parties of the Deed of Settlement. As the Deed of Settlement was negotiated and agreed on the basis that it would be confidential, we are not prepared to agree to a variation of those confidentiality arrangements.

Question 2: If Korda Mentha has nothing to hide:

- Are they prepared to provide to this inquiry and Peter Repacholi detailed tax invoices for all work charged by Korda Mentha, their lawyers and others engaged in relation to this receivership?
- Will Korda Mentha provide to this inquiry all correspondence and documentation including valuations, legal advice and consultants reports in relation to this receivership?
- If nor why not?

If they have got nothing to hide they should just hand over the material.

Answer: This question was answered in the response to questions on notice dated 27 November 2017.

As detailed in that response, we have already provided information regarding our receipts and payments to the borrowers. We have excluded details of the contractors and suppliers utilised on the receivership from that information given our concerns regarding the safety of contractors and suppliers if that information were released to the borrowers.

Question 3: From their eviction in April 2014 to November (SEVEN Months) the properties they had left remained idle... but under the management of Korda Mentha.

- Why was the property left idle?
- How much did Korda Mentha charge for work over this 7 month period?
- What were Bankwest's fees and charges including Interest over this period?

Isn't this just economic vandalism?

Answer: This question regarding maintenance of the properties was answered in response to questions on notice dated 27 November 2017, as was the question in relation to the fees of the Receivers.

As advised to the Committee, this receivership has involved assault and death threats against the Receivers and their staff, contactors, advisers as well as parties interested in purchasing the properties. We are of the view that the borrowers and related parties have been involved in orchestrating these assaults and death threats.

In these circumstances, we consider that the fact that the properties have not yet sold reflects the conduct of the borrowers and related parties and the impact that this conduct has had on realisation of the property.

Question 4: Angela Repacholi has told us that Korda Mentha charged about \$650,000 between November 2013 and August 2014. From what we've been told Korda Menthas have done little to justify this very high level of fees and it seems totally unjustified

- What work did Korda Mentha do to justify these fees?

Answer: We have not been provided with any transcript or documents to reflect any allegations from Angela Repacholi or to substantiate the basis of the figures quoted in this question. Accordingly, we are unaware of the basis upon which it is claimed that KordaMentha charged \$650,000.

As previously advised in response to questions on notice dated 27 November 2017, the costs charged by KordaMentha total approximately \$249,000 including GST and disbursements. A copy of our receipts and payments was submitted to the Committee on 27 November 2017 showing all receipts and payments in relation to the receivership.

Question 5: We have been told that Korda Mentha charged about \$120,000 to transport 3,500 sheep from their property to Beacon about 400km away for sale. Included in this was \$28,000 for security guards. The proceeds of the sale were \$180,000 so most of the proceeds were taken up in excess fees Korda Mentha and their agents.

- How can this be justified?

I request that Korda Mentha provide this inquiry with details of all costs for the removal of the sheep so that we can assess what's happened here.

Response: It is denied that KordaMentha charged \$120,000 to transport sheep.

Details of the costs of transporting sheep were provided to the Committee on 27 November 2017. As detailed in that response, the costs of transport of the sheep were approximately \$18,000. As noted by Senator Williams, he anticipated a reasonable cost would be approximately \$15,000. We consider the cost of transport to be reasonable where additional transport was engaged at short notice given the circumstances faced by the Receivers including assault and threats of violence.

Question 6: There remains 6,000 acres of farmland that is under management by Korda Mentha. This land has remained idle for over four years. The owners have been prevented from entering the property, are not allowed to maintain it and are not allowed to crop it or run sheep on it.

The owners say they have contacted Korda Mentha through their lawyers and they say the property is not for sale.

- Why has it been left idle for four years?
- Why is it not for sale?
- Why has it been left to deteriorate and lose value?
- Why haven't the owners been allowed to farm it?
- How much have Korda Mentha spent on the receivership over this four year period?
- Is Bankwest still charging interest and fees on their facilities?
- Has Bankwest done anything to help the customer at this time?
- Why is it not for sale?

- Isn't this whole situation ridiculous?

Doesn't this just show:

- What a corrupt company Korda Mentha is.
- How Bankwest / Commonwealth Bank are complicit in unconscionable / dishonest conduct.
- The need for a Royal Commission to expose what's been going on; to bring those accountable to justice and to compensate those responsible.

Response: This question was substantially answered in the response to questions on notice dated 27 November 2017 including that appropriate maintenance has been carried out in the circumstances. Further, many of these points are a repeat of questions asked earlier by Senator Georgiou in this list of written questions and are addressed in the responses above.

To expand on the responses previously provided, the Receivers have obligations to their staff as well as any contractors engaged by them to ensure that the workplace and their work environment are safe. This obligation extends to visitors to the property including interested parties. As advised to the Committee, this receivership has involved assault and death threats against the Receivers and their staff, contactors, advisers as well as intimidation of parties interested in purchasing the properties. We are of the view that the borrowers and related parties have been involved in orchestrating these assaults and death threats.

The monitoring and maintenance undertaken in relation to the property as well as efforts to sell the property reflects the Receivers ability to safely access the property and conduct maintenance or provide access to interested parties to inspect the property.

We strongly refute any allegations put forward that there has been any corruption or unconscionable/dishonest conduct.

The balance of this question reflects political comment rather than a question on notice.