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Mr F R de Castella
Director

Rob de Castella's SmartStart for Kids Limited
PO Box 6127
MAWSON ACT 2607

Australian Government
Department of Health and Ageing

Dear Mr de Castella,

Review of Indigenous Marathon Project

I refer to my letter dated 5 April 2013 concerning the information provided by you in your email of 15 March 2013 and your subsequent meetings and correspondence with representatives of the Department's Audit and Fraud Control Branch (AFC).

I acknowledge that you have provided a number of documents to AFC, for which I thank you, and these have now been assessed. There are four issues arising from this assessment about which I request further comment and information.

Marathon entries and accommodation

I am advised that guaranteed race entry applications from outside of the USA can only be purchased through an international travel partner of the organisers of the New York City Marathon, the New York road Runners (NYRR). For Australia the partner is Travelmanagers, and I understand that it is necessary to purchase packages of either a race entry and airfares or a race entry and accommodation.

Fourteen race entries were purchased from Travelmanagers and paid for from Indigenous Marathon Project (IMP) funds sourced from the Department of Health and Ageing. Accommodation for IMP runners and others was also purchased from Travelmanagers and paid for from IMP funds.

You have provided documents which show that you provided the names of fourteen runners, including two who were not part of the IMP, to Travelmanagers. However, these documents do not establish that all of these names were provided to NYRR as part of the race entry process. Thirteen of the race entries paid for from IMP funds can be identified as runners from the IMP and S 47F and S 47F. The lack of clarity is with the fourteenth race entry.

You have suggested in your discussions with and emails to Mr Conway of AFC that the fourteenth entry related to S 47F who withdrew after Travelmanagers had been informed of the names of the runners. If this is the case then one of three scenarios may have existed:

- a race entry was submitted to NYRR for S 47F and this was not withdrawn:
 - in this case there should be evidence of her entry and you should have received a marathon registration form similar to that received in respect of the other thirteen entrants;
- a race entry was submitted to NYRR for S 47F and this was withdrawn:
 - in this case there should be evidence of the entry and withdrawal and I would expect that there would have been a refund; or
- a race entry was submitted for S 47F and it was changed to another name:
 - in this case there should be evidence of the name submitted to the NYRR and a registration form.

Information about what happened with the fourteenth entry should be available from Travelmanagers. As I understand you have other commitments and it may take some time to resolve this issue I ask that you sign the attached authority to provide information. The Department will then be able to obtain the information directly from Travelmanagers in relation to this issue.

Entries and accommodation for S 47F

The entries and accommodation for S 47F were paid for from IMP funds, although some repayments were subsequently made. Commonwealth funds were not provided for this purpose. If you wish to assist other people with marathon entries and accommodation in future the cost should be paid from other funds.

You have provided evidence of two repayments by S 47F. One matches the amount of their race entry fees, but the other repayment does not match the cost of their accommodation. Records provided to AFC show that their accommodation cost \$3,772.00, but the tax invoice and amount refunded was only \$2,998.00. I would be grateful if you could please account for the difference in these two amounts.

Accommodation for S 47F

In your email dated 15 March 2013 you said that an internal administrative oversight which had resulted in S 47F accommodation being charged to IMP funds had since been rectified. You have provided AFC with a copy of a journal entry from your accounting system as evidence of this change.

However, I understand that the journal entry evidenced in the document provided only relates to a transfer of \$1,417.00 between two bank accounts and does not affect the IMP expenses. The transfer only relates to a job called IMP Donation and not the job called IMP to which the original expense was charged. The result is that the original expense is still recorded in the accommodation expense account as an IMP expense. It will be necessary to arrange for the amount to be taken out of the IMP expense account so that it does not appear in the project income and expenditure statement.

Airfares and donations

The Department was aware that you were intending to raise funds for the IMP from donations, and the budget you provided in the proposal for the current funding agreement

includes expected donations of \$22,000 a year. However, the information provided to AFC indicates that Qantas provided support with a value in excess of \$47G for the 2011 New York trip alone. Your email of 15 March 2013 also makes reference to raising funds from non-government donations.

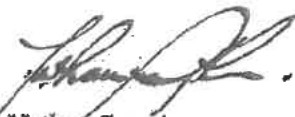
Clause 4 of the current funding agreement states that you must notify the Commonwealth in writing within 10 business day of receipt, or allocation to the project of the amount, source and proposed use of any "Other Contribution" not already identified in the budget. "Other Contribution" is defined as "financial or in-kind resources (with in-kind resources valued at market rates) from third parties or the Participant for the Project, other than the Funds".

As the Department has not received written notice of at least one substantial contribution, would you please provide written advice of all contributions made to the project, their source and intended or actual past use.

Once we have this information we will decide if we need additional information about airfares relating to the 2011 New York City Marathon.

If you have any project related questions please contact Helen Eastburn on 6289 8939. Questions about this issue or other issues in relation to this review should be directed to Alan Conway on 6289 5731.

Yours sincerely



Nathan Smyth
First Assistant Secretary
Population Health Division

11 April 2013

THIS DOCUMENT HAS BEEN RELEASED UNDER THE
FREEDOM OF INFORMATION ACT 1982
BY THE DEPARTMENT OF HEALTH

Authority to provide information

I, Robert De Castella, of, being a Director of SmartStart (Australia) Pty Ltd ('SSA') and Rob de Castella's SmartStart for Kids Ltd ('SSK'), and being authorised to provide this authority on behalf of both companies, hereby authorise TravelManagers Australia to provide the following information and documents to the Commonwealth of Australia (contact persons Mr Colin Cronin and Mr Alan Conway):

1. Any communications between TravelManagers Australia and me or any officer of SSA or SSK or other person regarding travel and accommodation arrangements for any person to attend the New York Marathon in 2010, 2011 or 2012;
2. Any information in relation to work done by TravelManagers Australia in relation to the Indigenous Marathon Project in 2010, 2011 or 2012; and
3. Any communications or information about the entry of any individual into the New York Marathon in 2010, 2011 or 2012.

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Robert De Castella

April 2013

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