MEDIA ALERT

SOLICITORS' MORTGAGE SCHEMES IN TASMANIA

MEAN - SPIRITED LAW SOCIETY FAILS TO KEEP FAITH WITH VICTIMS

The Chairman of the Senate Select Committee on Superannuation and Financial Services Senator John Watson has expressed extreme disappointment at the Law Society of Tasmania's decision to retain proceeds of sales of the Society's real estate, rather than compensate victims of the failed solicitors mortgage schemes. The sale of the properties is reported to have netted over $1million.

Senator Watson was commenting on the Tasmanian Attorney-General's response to the news that none of the funds would be applied to compensation for victims. "I wholly concur with the Attorney-General in his stand on this matter. My Committee's report on Solicitors' Mortgage Schemes in Tasmania supported the proposition that the Tasmanian Government improve access to compensation for all victims of Solicitors Mortgage Schemes. I share Dr Patmore's disappointment in the Society's response to the use of its windfall."

Senator Watson continued: "The Committee's report indicated that there would be a clear need for further sources of compensation to be considered. The report noted the Society's evasive responses when asked to consider a levy on Solicitors to assist with compensation, and now the Society has funds it is unwilling to share them with the victims of the society's former members."

"Garrisons Financial Advisers promptly devised a package of compensation for its clients, with ASIC's approval back in July this year," Senator Watson said. "I consider the Society's response mean-spirited, and sadly, characteristic of an attitude which appears to be completely oblivious to the needs of the Society's clients, many of whom have become its victims."

Senator Watson concluded: "I urge the Law Society Council to reconsider this decision. Application of the funds to compensation would go a long way towards restoring Tasmania's trust and confidence in its legal profession, and healing a most unfortunate rift in our community."

Contact:

For comment:	Senator John Watson Chair	03 6331 4544	(Launceston, TAS)
For information:	Sue Morton Secretary	02 6277 3433	
Internet access:	http://www.aph.gov.au/senate/committee		
Email:	super.sen@aph.gov.au		

29 October 2001