

John Cleary

From: Indran Sinnadurai [REDACTED]
Sent: Thursday, 16 June 2011 10:23 AM
To: John Cleary
Subject: Sturt & Lawrence/insurance indemnity

Dear John

We refer to your recent request, on behalf of the Diocese of Newcastle, for guidance as to its conduct as an insured now that the taking of evidence in the proceedings brought by the Rev. Sturt and the Rev. Lawrence has concluded. In this regard, we note that, while the evidence has concluded, the proceedings are not complete with oral argument fixed to occur before his Honour Justice Sackar in early October 2011. The judgment by his Honour is likely to be reserved and not delivered until several months thereafter.

As you would be aware, these proceedings have generated considerable public interest and any step taken by the Diocese which may affect its professional standards processes might attract adverse media attention.

We confirm that the insurer has previously advised that it would not be appropriate for the Diocese to engage in revisions of its professional standards processes, including, the *Professional Standards Ordinance* while the proceedings are pending before the Supreme Court. In this regard, we confirm that, while the taking of evidence has concluded, the proceedings are not complete.

Another matter which arises in this regard is changes to membership of the Professional Standards Board and the Professional Standards Committee of the Diocese while the present proceedings are pending before the Supreme Court. In this regard, changes in personnel of both the Board and the Committee might be interpreted adversely to the Diocese and affect negatively its reputational risk. The insurer has informed us that it does not consider any such changes are appropriate while the proceedings are pending before the Supreme Court.

We confirm that the Diocese has the benefit of an insurance indemnity in respect of this claim (in which the plaintiffs seek monetary damages) and that the conduct of the Diocese may impact not only on its insurance indemnity in respect of this claim but its continuing insurance and any indemnity in respect of future claims.

Please feel free to contact us if you require any further information.

Regards,

Indran Sinnadurai

Special Counsel • Makinson & d'Apice, Lawyers
 Level 12, 135 King Street, Sydney NSW 2000

[REDACTED] • Direct facsimile [REDACTED]

Email lsinnadurai@makdap.com.au • Website www.makdap.com.au

This email message and any accompanying attachments may contain information that is commercially confidential and/or subject to legal privilege. If you are not the intended recipient, do not read, use, disseminate, distribute or copy this message or attachments. If you have received this message in error, please notify the sender immediately and delete this message. Before opening any attachments, please check them for viruses and defects.

Liability limited by a scheme approved under Professional Standards Legislation