

## Anglican priest gets suspended sentence

ADELAIDE: An Anglican priest convicted of trying to encourage two boys to masturbate in front of him last year had a 12-month suspended sentence imposed by the District Court in Adelaide yesterday.

Raymond Frederick Ayles, 48, was found guilty of two counts of attempting to procure the two 15-year-olds to commit acts of gross indecency.

In passing sentence yesterday Judge Anthony Russell said the charges related to an incident at a church camp in 1991 when Ayles spoke to the boys at length about sexual matters and encouraged them to masturbate in front of him.

Ayles pleaded not guilty to the charges and said he had been conducting a sex education talk.

However, Judge Russell said the jury obviously rejected that explanation.

He said he regarded the offences as serious especially considering the position Ayles held in the community.

The judge applied a six-month non-parole period to the 12-month main sentence but suspended both terms after Ayles agreed to an 18-month good-behaviour bond.

Counsel for Ayles, Kevin Borick, said the priest risked losing everything if a planned appeal against his conviction was unsuccessful.

Mr Borick said Ayles had tendered his resignation as a priest to the Anglican Archbishop and it would also take effect if his appeal failed.

### IN BRIEF

## Defamation claim lost

SYDNEY: A woman attempting to sue a newspaper for defamation over two dog stories had her claim thrown out by a Supreme Court judge yesterday.

Marie Lorraine Armstrong took action over articles published in the *Illawarra Mercury* on October 15 and 16 last year.

Ms Armstrong said they implied she failed to prevent a savage dog, which she owned, from attacking a young child.

However, Justice Levine said the articles reflected nothing defamatory of her.

## Compensation due

SYDNEY: Byron Bay council must pay three owners almost \$1 million for a stretch of NSW north coast after it was reserved for community use, the Land and Environment Court said yesterday.

Justice Bannan ordered the council pay the applicants Donald Cochrane, James Mangleston and Annabelle Gallagher \$330,693 each.

## Appeal allowed

SYDNEY: An appeal by a law student over the discharge of pollutants by companies was of public importance, the court of appeal ruled yesterday.

Justice Priestley dismissed an application to have the appeal stopped until the student, Alexander Brown, lodged \$15,000 security for costs in case he lost.

## Court orders resumption of compensation

SYDNEY: A former tea lady whose worker's compensation was cut off suddenly after 18 years was still entitled to the weekly payments, the Federal Court has ruled.

Justice Einfeld said in his ruling on Wednesday 62-year-old Despina Harris developed a disabling psychological condition after a laden tea trolley fell on her arm in 1971.

# Ruling lessens extent of fraud protection

By ROD CAMPBELL

Firms which insure against employee fraud may not have anything like the protection they think they have, as a result of a recent High Court ruling.

Edwards Dunlop & Co found out how little insurance protection it really had when its attempt to recoup a \$695,450 employee-inspired fraud ended up in the High Court.

A spokesman for the Insurance Council of Australia, Ted Williams, said the decision highlighted the fact that employers could not be complacent about fraud by assuming they could rely solely on insurance.

In a majority decision on Tuesday, the High Court said Edwards Dunlop could only have made a successful insurance claim if it had discovered the fraud within 12 months of its annually renewed "blanket fidelity policy" expiring each year.

Each year between 1984 and 1989, the company insured itself with C.E. Heath Underwriting and Insurance

against employee fraud. For the first year it had an "industrial special risks policy".

This was replaced by a blanket fidelity policy.

Both policies provided, in effect, that the insurer was liable only if the company's loss through fraud was discovered within a year of the expiration of the policy period. The policies were renewed annually.

The insurer's argument was that there were successive policy periods of 12 months each and any fraud not discovered within a year of the last expired policy period could not be claimed.

Edwards Dunlop argued that the policy was extended each time it was renewed so that the policy period ran from 1983 to 1989, as long as the losses were discovered no later than 1990.

In 1988, the company discovered that one of its employees had misappropriated \$695,450 between 1982 and 1988.

The company could not claim for

pre-May, 1983, losses because there had been no policy in force.

There was apparently no dispute over liability for losses between 1987 and 1988.

What was in dispute was whether Edwards Dunlop could claim for 1983-87.

In their joint judgment, Justice Daryl Dawson, John Toohey and Michael McHugh, said each renewal of the policy constituted a new contract.

The policy stated, unambiguously, that liability was not cumulative, regardless of the number of years the policy remained in force.

This could only mean that a "policy period" was an annual period and that the insurer's position was correct.

Justice Mary Gaudron tended to agree. But she thought the insurer was liable for losses sustained after April, 1986.

Justice William Deane thought the insurer was liable for all losses after May, 1983. He said that in cases

of continuing fraud, it might be very difficult to ascertain precisely when the loss was sustained.

If the insurer's argument was accepted, there would be a very substantial gap in the insured's cover, despite the fact that the fraud had been discovered within the overall period of insurance.

The judge thought the wording of the policy was ambiguous, although he would not go as far as the NSW appeal court judge who had said the policy could not have been more perplexing if it had been deliberately drafted to generate ambiguity.

Justice Deane concluded that the courts should avoid a construction of an insurance policy which had the effect that the insured, having paid a premium to be indemnified against a particular type of loss, was subjected to a new risk of not being insured at all, because of the ambiguity or obscurity of the language which the insurer had seen fit to use.

## Pensioner identified in war crimes trial

ADELAIDE: A Ukrainian witness has identified Adelaide pensioner Ivan Polyukhovich as a man he knew as Ivanekko near the village of Serniki in the Ukraine in 1942.

Witness Ivan Timofeyevich Polyukhovich, who has the same name as the accused and is related to him by marriage, made the identification in the Supreme Court yesterday.

The witness, 64, said that in 1942 Ivanekko had entered his house in the Ukraine armed with a rifle and he remembered being about half a metre away from the weapon. He

said the last time he saw Ivanekko was in the Ukraine in early 1943.

"In 1943 it was the last time, it was about in March," he said.

Prosecutors have alleged the accused had the street name or nickname of Ivanekko while he lived in the area near Serniki.

Under cross-examination by defence lawyer Michael David, QC, the witness gave evidence about the existence of a Jewish ghetto in the village of Serniki, and said coiled barbed wire had been placed around some Jewish houses.

Adelaide pensioner Ivan Poly-

ukhovich has pleaded not guilty to two charges relating to incidents near Nazi-occupied Serniki during 1942.

He is charged with being knowingly involved in the murder of between 553 and 850 Jews in 1942, and the second count relates to the murder of a Jewish woman and two Jewish children.

In 1990, Australian investigators exhumed a mass grave in a forest outside Serniki and found hundreds of skeletal remains.

The trial, before Justice Cox, is continuing.

## Papers suggest deceit

BRISBANE: A former Southern Cross Airlines deputy chairman, Douglas Reid, may have misled fellow directors with a string of forgeries in the company's dying days, according to documents lodged in Queensland's Supreme Court.

Documents alleged also that he took \$4.9 million from the company in its infancy.

An affidavit from an Australian Securities Commission investigator makes claims of "suspicious financial transactions" involving the company, which operated the now-collapsed airline Compass Mark II.

The claims have been denied

through Reid's lawyers, one of whom has provided an affidavit saying that Reid seemed confused and concerned by court proceedings against him and is being treated for high blood pressure.

Included in the ASC court claims are details of the \$4.9 million payment said to have been made when Reid had "absolute control" of the company's finances in 1992.

Investigator Shane Patrick Wilson said in the affidavit, "This was the period of time between the public float of the Southern Cross prospectus and the appointment of a senior financial controller over Southern Cross."

## Boy remanded on shooting charge

ADELAIDE: A 14-year-old boy appeared in the Adelaide Children's Court yesterday after a shooting incident at an Adelaide high school on Wednesday.

He faced a total of 13 charges including two counts of unlawful wounding, two counts of acts to endanger life, four counts of threatening a person with a firearm, one count of acting in a manner likely to cause harm and numerous firearms offences.

There was no application for bail and he was remanded in custody to April 29.

# EXTRAVAGANCE OR INVESTMENT

## INVESTMENT

A WORK OF ART  
Genuine Persian rugs can take many, many years to complete and are considered by collectors and connoisseurs alike as investments in beauty and as an asset.

If you seek to acquire a greater understanding of elite Persian & Oriental carpets - you are welcome to view the work of several master weavers at Canberra's National Convention Centre this weekend.

Prices are well below any recent rug "sale". The reductions are genuine and not a mathematical impossibility.

## HISTORY

### UNIQUE INVESTMENT OPPORTUNITY

Leading international carpet broker, Caroline Bosly, has researched extensively the mystique of hand-woven carpets. In her brilliant book, titled "Rugs to Riches", Ms Bosly estimates on sound background returns of 30% per annum.

For example a carpet bought in 1990 for 6,275 pounds sterling by the year 1995 is estimated to be

worth 23,298 pounds sterling.

Caroline Bosly was appointed by the Central Office of Information to represent Britain in the field of Oriental carpets which is a billion pound industry. Ms Bosly's book is published by George Allen and Unwin in London. The following table, based on Caroline Bosly's book shows an increase in the prices of fine Persian and oriental carpets.

Estimates future increases in carpet prices.

Year	Price
1990	6275
1991	8157
1992	10604
1993	13786
1994	17922
1995	23298



SAROUK, IRAN  
2.00 X 1.42M

Sarouk - a magic name to carpet connoisseurs, as this is where some of the very highest quality pieces in the Western and Oriental collections originated. This museum quality example has design affinities with the rectangular antique Heriz designs and related Feraghan pieces but the structure is clearly Sarouk.

## INTEREST FREE 12 MONTHS

Take the rug of your choice home today.

Pay over 12 months completely free of interest and charges.

Interest free offer valid this weekend ONLY.



HERIZ 10 X 8FT

In the far North-West of Persia, within the province of Azerbaijan lies the town of Heriz. Heriz, noted for the production of handwoven rugs dating back to the golden age of the Safavid Shahs, possess a balance of colour and design that classes them amongst the loveliest in the world. Designs are usually characterised by sharp angles of line and geometric shapes that conform to well established family traditions. Work is carried out entirely from memory without a planned model or chart, which sometimes results in charming variations or mis-matches of colour and design. Well known for their robustness, they are surely the Prince of Rugs.

## SPECIALS OF THE WEEK

On sale are 250 pieces at 30 - 60% off normal prices as part of our promotional sale.

TRIBAL & VILLAGE RUGS	CHINESE & HANDCRAFTED	EXTRA LARGE CARPETS	KILIMS	DHURRIES	HALL RUNNER
ARGHAN 5 x 3ft was \$495 NOW \$139	9 x 6ft was \$1650 NOW \$825	HERIZ 10 x 8ft was \$3,950 NOW \$1950	9 x 4.2ft was \$950 NOW \$410	3 x 2ft was \$39 NOW \$11	12 x 3.6ft was \$795 NOW \$345
PERSIAN BALUCHI 6 x 4ft was \$1290 NOW \$435	12 x 9ft was \$2995 NOW \$1350	BONJARA 12 x 9ft was \$2,950 NOW \$1250	8 x 4.5ft was \$650 NOW \$300	5 x 3ft was \$139 NOW \$55	14 x 3ft was \$1100 NOW \$450
TURKAMAN 9 x 6ft was \$3,900 NOW \$1900	4 x 2ft was \$440 NOW \$169	LAHORE 12 x 9ft was \$2,950 NOW \$1250	9.6 x 6.4ft was \$1800 NOW \$900	6 x 4ft was \$189 NOW \$89	PERSIAN HAMEDAN 9.6 x 2.8ft was \$1395 NOW \$695
QASHGAI 6 x 4ft was \$1,100 NOW \$495	Round Chinese Rugs by up to 60% OFF 8 x 8ft sq. Navy Blue was \$4400 NOW \$1900	DOUBLE KNOT Open-field Design 12 x 9ft was \$2,950 NOW \$1100	5.6 x 3.6ft was \$650 NOW \$259	9 x 6ft was \$395 NOW \$185	PERSIAN TABRIZ 8 x 2.5ft was \$2,300 NOW \$950
	1,000's TO BE CLEARED!		PERSIAN 12 x 8ft was \$3600 NOW \$1800	12 x 9ft was \$840 NOW \$299	PERSIAN HAMEDAN 11 x 3ft was \$1,400 NOW \$695
			PERSIAN SONACH 9 x 4ft was \$3100 NOW \$1400	100 PIECES ALL SIZES	PRINCESS BOKHARA 6 x 2ft was \$299 NOW \$129

PLUS MANY MORE BARGAINS!

ALL MAJOR CREDIT CARDS ACCEPTED OR CHEQUES WITH I.D.

**TODAY — FRIDAY**

**THE PERSIAN CARPET GALLERY**

**2PM TO 8PM**

**SATURDAY & SUNDAY 10AM TO 6PM**

**THE NATIONAL CONVENTION CENTRE - CANBERRA**

**(MURRAY ROOM) PHONE 018 257 591**

### LAW LIST FOR TODAY

#### FAMILY COURT

Before Justice Finn in Court 1 at 9.30am: Leemhuis.

Before Judicial Registrar Nikakis in Court 2 at 9.30am: Jakic. At 9.45am: Todd. At 10am: McCann. At 10am: The dissolution list as follows: Briggs, Finner, Smith, Fryer, Hunt, Furnival/Wood, Trawick, Thompson, Hanlon/Thompson, Dunn, Djalag, Neil, Schick, Buckley, Miller, Cassidy/Azarsomith, Brewer, Fouchier, Carter, Fuller/William, Tarabalski, O'Connor.

#### SUPREME COURT OF ACT

Before the Master in Court 1, ACT Law Courts, starting at 10am: Motions: Criminal injuries compensation: In the matter of an application.

Appellate Jurisdiction: Vrakas v Smith trading as Tridents; Jackson v Boys and another; Marks v National and General Insurance Co Ltd.

Civil Jurisdiction: Hrvovjeic v Fisher, Smyth v Briggs and another; Taira (T & T) Pty Ltd trading as Cannons Food Barns Stores v Federal Capital Press trading as The Canberra Times; Trigg v Commissioner of Housing for the ACT; Kahsai v Hail; Clarke v Rankin; Hutchinson v Katsiannis and another; Skywest Aviation Pty Ltd v C of A; Cadell Pty Ltd and others v Maunill Pty Ltd.

#### Before the Deputy Registrar in Court 6, ACT Law Courts, starting at 9.30am: Return of subpoenas: Klefisch v Franklins Ltd; Hartas v ACTEA; Adams by his next friend Adams and another v Hutchison; Christian v Fernandez; Corrin v C of A; Harrison v Nominat; Defendant and another; Novosel v C; Evers Interior Directions Pty Ltd; Clarke v Rankin; Nonas v Timnor Pty Ltd; Oliver v Calvary Hospital ACT Inc; Hammond v Hammond.

#### ADMINISTRATIVE APPEALS TRIBUNAL

Before Senior Member Grimes, Mr Russell, Member, HG Julian DSC, Member, Hearing Room 1, fourth floor, Canberra House, 40 Marcus Clarke Street, Canberra. Hearing: 10.15am: Papadopoulos and Commissioner for Superannuation.

Before Senior Member Allen: Telephone Conference: 10am: Haynes and Repatriation Commission.

#### AUSTRALIAN INDUSTRIAL RELATIONS COMMISSION: ACT REGISTRY

Before Senior Deputy President Rioridan in Hearing Room 1, at 9.30am: ACT Minister for Urban Services, ACT Minister for Industrial Relations and ACT Fire Commissioner and United Firefighters Union of Aus-

#### tralia re: redeployment and redundancy conditions for firefighters employed by the ACT. At 10am: Public Sector, Professional, Scientific Research, Technical, Communications, Aviation and Broadcasting Union and University of Canberra re: log of claims. At 10.15am: University of Canberra, Automotive, Metals and Engineering Union, Health Services Union of Australia, Australian Liquor, Hospitality and Miscellaneous Workers Union and Public Sector, Professional, Scientific Research, Technical, Communications, Aviation and Broadcasting Union re: application for certification of agreement.

Before Commissioner Peterson in Hearing Room 2 at 9.30am: Printing and Kindred Industries Union and ACN Pty Ltd re: termination payments. At 9.30am: Printing and Kindred Industries Union and Disc Deed Pty Ltd re: continuity of service/employment protection.

Before Commissioner Holmes, 1st Floor, AIDAB House, 62 Northbourne Avenue, Canberra, at 10am: Bakery Employees and Salesmen's Federation of Australia and Tip Top Bakeries (Canberra) re: alleged unfair dismissal.