

# Senate Select Committee on Superannuation and Financial Services

## Main Inquiry Reference (a)

Submission No. 161

**Submittor:** Mr Anthony Clennett  
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12 May, 2001

The Secretary  
Senate Select Committee on Superannuation and Finance  
Parliament House  
CANBERRA ACT 2600



Dear Sir

**Defaulting Contributory Mortgages**  
**Principal Outstanding \$2,570,638**  
**Controlling Solicitors – Piggott Wood & Baker, Hobart**

My wife, Betty Margaret Clennett, had \$23,000 applied to the above mortgage, namely DP & LJ Krushka Family Trust No. 3. The Krushka's are bankrupt (September, 1999). The relevant property has been sold. My wife received \$3,334 in settlement leaving a capital loss of \$19,666. This loss represents an 85% loss of capital.

The relevant property was valued at \$4,400,000. The loan principal was \$3,006,500. It was in respect of a new hotel the Sunny Hills Country Club. In my view it was in a most unpromising locale – in Ravenswood, a Housing Commission subdivision on the outskirts of Launceston – looking out over open fields. The net proceeds on sale were \$445,861.

The matter is under litigation. A mixture of written and verbal information, available to me, strongly indicates that the majority of the lenders both as to number and as to value have not taken action. It is suggested this is because of embarrassment, lack of knowledge or age.

It has now come to my attention, the injudicious loan, was represented as worthwhile, on the major prospects of the introduction of poker machines and TAB facilities in a Housing Commission subdivision.

*not attached  
not authorised for publication*

I am enclosing as an attachment, a letter in longhand, never sent (on the advice of my solicitor) to Michelle Smart of the Law Press of Australia, outlining a litany of events surrounding this matter. This arose out of her contacting my brother Bruce Campbell Clennett of Sorell, because he was the first named party, in regard to another mortgage with the same firm of solicitors.

*at the request of the  
Subs on 16/5/01  
C. Sorell*

I will be present when the sittings open at 9:00am Friday 18 May at Hadleys Hotel, Hobart. I am seeking to give verbal explanations. I will have the relevant documents. I realise the time frame to present evidence has passed. My omission is due to my absence in Sydney.

Enclosed are copies of salient documents.

ANTHONY CLENNETT

Attachments  
not authorised for publication.