



REGISTRAR COMMENCES CIVIL PENALTY PROCEEDINGS AGAINST FORMER CEO OF KEMPSEY MEDICAL SERVICE

The Registrar of Indigenous Corporations, Mr Anthony Beven, today announced that he has commenced proceedings in the Federal Court in Sydney against Mr Gerald Hoskins, former CEO of the Durri Aboriginal Corporation Medical Service (Durri). The proceedings relate to alleged breaches by Mr Hoskins of civil penalty provisions in the *Corporations (Aboriginal and Torres Strait Islander) Act 2006*.

Durri is a not-for-profit medical service based in Kempsey, NSW and delivers primary and secondary health services to Aboriginal people in the Nambucca and Macleay valleys.

The action against Mr Hoskins follows an investigation by the Registrar. It is alleged that in 2010 and 2011 Mr Hoskins arranged for bonus payments to himself of \$202 312, charged expenses of a personal nature to his corporate credit card and approved unauthorised payments to related parties of Durri.

In the civil penalty proceedings the Registrar has asked the Federal Court for a number of orders against Mr Hoskins.

The Registrar is seeking declarations from the Federal Court that Mr Hoskins contravened his duties as an officer of Durri. The Registrar is also seeking a pecuniary penalty of up to \$200 000 and an order disqualifying Mr Hoskins from managing Aboriginal and Torres Strait Islander corporations.

‘The alleged breaches of duties by Mr Hoskins are serious,’ Mr Beven said. ‘They relate to the misuse of government funding that should have been used to improve the health of Aboriginal people.’

The Federal Court Registry listed the above proceedings for directions on 29 June 2012. Freezing orders obtained by the Registrar in December 2011 against Mr Hoskins’ bank accounts and residential property were extended by Justice Emmett and listed for further directions on 15 June 2012.

Background

The Registrar appointed a special administrator to Durri on 28 November 2011 after an examination revealed poor corporate governance and weak financial management.

The special administrator terminated the employment of Mr Hoskins on 13 December 2011. The special administration is set to end on 31 May 2012.

For the latest media release on this matter refer to the Registrar’s media release of 17 February 2012 (ORIC MR1112-22).

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