



## LANDMARK DECISION AGAINST FORMER CEO OF KEMPSEY MEDICAL SERVICE

In a landmark case the Registrar of Indigenous Corporations, Mr Anthony Beven, has today noted the judgment handed down by Justice Emmett in the Federal Court in Sydney against Mr Gerald Hoskins, former CEO of the Durri Aboriginal Corporation Medical Service (Durri).

In his judgment Justice Emmett made declarations that Mr Hoskins had contravened several civil penalty provisions of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act). Justice Emmett found that Mr Hoskins had not exercised due care and diligence, had not acted in good faith in the best interests of Durri and had improperly used his position as the CEO of Durri to gain an advantage for himself and another.

Mr Hoskins had arranged bonus payments to himself in 2010 and 2011 totalling \$202,312; charged expenses of a personal nature to his corporate credit card and approved personal payments to a related party of Durri.

Durri is a not-for-profit corporation that provides essential primary and secondary health services to Aboriginal people in the Kempsey region of New South Wales.

Justice Emmett ordered that Mr Hoskins be disqualified from managing an Aboriginal and Torres Strait Islander corporation for a period of 15 years. This is the first time that orders have been made by the Federal Court to disqualify an officer from managing Aboriginal and Torres Strait Islander corporations.

Mr Hoskins was also ordered to pay a pecuniary penalty of \$100,000 to the Commonwealth and the costs of the Registrar.

‘This is a very important decision,’ Mr Beven said. ‘It sends a very clear message that officers must always act in the best interests of their corporation and its members, not their own.’

‘When the conduct of corporation officers doesn’t meet the required standard I will take prompt action to protect the interests of corporations and the important services they deliver.’

The Registrar maintains a publicly available register of people who are disqualified from managing Aboriginal and Torres Strait Islander corporations. It is available on the Registrar’s website [www.oric.gov.au](http://www.oric.gov.au). Mr Hoskins will be the first person listed on the register.

For more background information on the court proceedings, refer to the Registrar’s media release of 25 May 2012 (ORIC MR1112-37). Also refer to ORIC’s fact sheet, *Disqualification from managing corporations under the CATSI Act*, available on the Registrar’s website.

### Media contact

Patricia Gibson (02) 6146 4743  
31 October 2012  
ORIC MR1213-16