



REGISTRAR COMMENCES PROCEEDINGS AGAINST FORMER BICKERTON ISLAND EXECUTIVES

The Registrar of Indigenous Corporations, Anthony Beven, has commenced civil penalty proceedings in the Federal Court in Brisbane against Mr Paul Pini and Ms Katrina Lucas.

Mr Pini was the general manager and Ms Lucas the business manager of Lagulalya Aboriginal Corporation (Lagulalya) from April 2012 to February 2014.

Lagulalya is located in the remote Aboriginal community of Milyakburra on Bickerton Island in eastern Arnhem Land in the Northern Territory. It owns and operates a community store and a business centre for the local community. The corporation's store is the only food outlet for the residents of Bickerton Island.

Lagulalya is registered under the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (CATSI Act).

The Registrar has applied to the Federal Court for declarations and an order disqualifying Mr Pini and Ms Lucas from managing corporations registered under the CATSI Act.

The Registrar alleges that Mr Pini and Ms Lucas mismanaged Lagulalya resulting in a trading loss of \$146,560 for 2012–13 and insufficient funds for the corporation to pay its current liabilities. It is alleged that Mr Pini and Ms Lucas did not have the skills or experience required for their senior positions in Lagulalya.

The Registrar is seeking a disqualification order against Mr Pini and Ms Lucas but no other penalties. No criminal charges have been laid.

‘Taking on a senior role in a corporation brings with it serious obligations,’ Mr Beven said. ‘Senior managers must exercise a high standard of care, particularly in a corporation delivering essential community services. If they do not have the required skills, they should not take on the role.’

It is not alleged that Mr Pini and Ms Lucas made any direct financial gain from their conduct. Mr Pini and Ms Lucas have cooperated fully with the investigation conducted by the Registrar.

A directions hearing will be held in the Federal Court in Brisbane on 26 June 2014.

Background

The Registrar placed Lagulalya under special administration on 16 December 2013 after concerns about the governance and financial position of the corporation. The special administration is due to conclude at the end of May 2014.

Media contact

Patricia Gibson
(02) 6146 4743
ORIC MR1314-31
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