



FEDERAL COURT MAKES ORDERS AGAINST FORMER CEO OF KATUNGUL MEDICAL SERVICE

The Registrar of Indigenous Corporations, Mr Anthony Beven, has noted declarations made today by Justice Jacobson in the Federal Court in Sydney against Mr Damien Matcham, the former CEO of the Katungul Aboriginal Corporation Community and Medical Services (Katungul). Mr Matcham consented to the declarations being made.

Justice Jacobson made 25 declarations of contravention by Mr Matcham. Mr Matcham was declared to have contravened the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* in relation to a series of unauthorised payments to himself from Katungul's funds. The unauthorised payments were for bonuses, time in lieu, superannuation, recreation leave and life insurance and amounted to in excess of \$700,000.

Justice Jacobson declared that Mr Matcham had not exercised due care and diligence, had not acted in good faith in the best interests of the corporation and had improperly used his position as CEO to gain a personal advantage and to cause detriment to Katungul.

Katungul is a not-for-profit corporation that provides essential primary and secondary health services to Aboriginal and Torres Strait Islander people living on the far south coast of New South Wales.

'This is an important decision,' Mr Beven said. 'It sends a very clear message that chief executive officers are in an important position of trust and leadership in Aboriginal and Torres Strait Islander corporations, and there are serious consequences if they misuse their position.'

Justice Jacobson adjourned the proceedings until 13 November 2013 when he will hear submissions from the Registrar and Mr Matcham on penalty orders. The Registrar is seeking an order disqualifying Mr Matcham from managing companies and Aboriginal or Torres Strait Islander corporations, pecuniary penalties (fines) and an order requiring Mr Matcham to pay compensation to Katungul.

'I would like to thank the former and current directors and staff of Katungul,' said Mr Beven. 'When they became aware that money that was to be used to improve the health of their community was being diverted to one person they notified my office. They also provided invaluable support during the Federal Court proceedings.'

Katungul has achieved a significant turnaround and is now in a strong financial position. It has also expanded the range and type of health services it delivers. Mr Beven said, 'This is a good outcome and it is pleasing to see that truth and justice have prevailed for Katungul and its members and clients.'

Background

For more information on this matter please see the Registrar's media releases of 29 June 2012 (ORIC MR1112-44), 8 June 2012 (ORICMR1112-39), 3 February 2012 (ORIC MR1112-21) and 25 January 2012 (ORIC MR1112-19).

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ORIC MR1314-06
11 September 2013