

Aboriginal leader Noel Pearson's Good to Great Schools organisation involved in 'high risk' business practices, secret audit reveals

By the National Reporting Team's James Thomas
11 Nov 2016

Aboriginal leader Noel Pearson's Good to Great Schools Australia organisation has been involved in "high risk" business practices potentially leaving the schools open to possible fraud and official misconduct, according to a confidential government audit of the Cape York Academy schools obtained by the ABC.

Key points:

- The audit reveals that payments and purchases have not been adequately explained by the academy
- Former executive principal of the academy wants a further probe into GGSA
- Mr Pearson has previously said GGSA was not responsible for controlling finances

The audit, conducted between August 2014 and August 2015 and issued in February this year, reveals that hundreds of thousands of dollars in payments and purchases have not been adequately explained by the Cape York Academy.

The academy is a division of the umbrella body Good to Great Schools Australia (GGSA), spearheaded by Mr Pearson, which now delivers education programs into about 40 remote Australian schools.

Until Thursday, it operated three remote schools in Cape York — Aurukun, Coen and Hopevale — in partnership with the Queensland Education Department.

Mr Pearson's Good to Great Schools Australia has just announced it has withdrawn from the Aurukun campus of its Cape York Academy. This follows an investigation by the ABC into the governance of GGSA.

The audit found the original memorandum of understanding with Education Queensland, signed in 2009, is out of date and lacks clarity around which parties are responsible/accountable for costs.

The concerns raised in the audit are backed by a former executive principal of the Cape York Academy, John Bray.

Mr Bray told the ABC he would like to see an investigation into the governance of Good to Great Schools Australia.

"I went home at night feeling very uneasy about some of the transactions which were occurring, which did not sit right with me," he said.

Queensland Minister for Education Kate Jones has also raised concerns about governance.

"I want to get to the bottom of what the funding is being used for," she told the ABC in an interview.

Tony Abbott's spirited defence of Good to Great Schools Australia

However, Mr Pearson and his supporters — including former prime minister Tony Abbott — have mounted a spirited defence of Good to Great Schools Australia.

"I thought that the \$22 million that we put into this program was a very modest investment given the potential for transformational change."

Since 2010, GGSA has received more than \$37 million in federal and state funding.

According to financial reports, in the past two years alone, Good to Great has spent almost \$7 million on consultants.

About \$7.8 million has been allocated to GGSA by the Queensland Government to fund the three Cape York Academy Schools in Aurukun, Coen and Hopevale.



PHOTO: Noel Pearson has withdrawn his support for Aurukun school

Mr Pearson, who declined requests for an interview, has publicly stated that the Queensland Education Department is responsible for controlling the finances of the Cape York Academy, not GGSA.

The audit report from last February found staff from GGSA are involved in "budget management and decision making".

Audit raises concerns over four specific payments

The audit report specifically raises concerns about four payments to Good to Great Schools Australia totalling \$202,460.

The audit said the payments "could not be adequately substantiated" and pose a "high risk" of an "increase in possibility of official misconduct, fraud".

However, the chair of GGSA's finance (and audit) committee, Michael Andrew said the payments were "not unexplained at all".

Rather, he said the education department "just lost the documentation. This is a documentation issue rather than an explanation issue," he said.

A client action plan obtained by the ABC suggests these issues have since been resolved, although that is denied by the Education Department

Mr Andrew said people should not read too much into the internal audit.

"They have quite rightly identified some weaknesses in internal control, the consequences of those, if not corrected, might lead to those particular issues [but] they are not saying any of those [fraud, official misconduct] have occurred," he said.

Kon Kalos, former principal at the Aurukun campus of the academy, defended Noel Pearson and the governance of Good to Great Schools Australia.

He said he "never saw any splashing of money; in fact, quite the opposite, I never witnessed or experienced any unethical behaviour or issues of concern".

Mr Kalos believes former executive principal of Cape York Academy John Bray "is a compromised voice" because of his work with the Stronger Smarter organisation, which is led by educator Chris Sarra, a vocal critic of Noel Pearson's educational vision.

'Ideological people out to get Noel': Tony Abbott

Former prime minister Tony Abbott echoed Mr Kalos' concerns.

"Don't underestimate the number of ideological people who are out to get Noel. Don't underestimate the modern representatives of the 60s and 70s mindset who deeply dislike what Noel's done," Mr Abbott said.

The ABC has confirmed Mr Bray did raise his concerns with senior executives at the department of education. However, Mr Bray felt there was a culture of intimidation

which stopped him from escalating his complaint with senior management at Good to Great Schools Australia.

He said he believed money was spent on airline flights, accommodation and other services which should have been spent on the students.

He said at the time of leaving the school he cited illness.

Mr Bray now says a prime driver in leaving was the dysfunction created through answering to the Queensland Department of Education on the one hand but feeling pressured on the other, by Good to Great, to do things he felt were wrong.

Good to Great's Mr Andrew accepted there was confusion surrounding the partnership agreement with the education department but strenuously denied any allegation of bullying.

He said "we would never ever be in a position where we would override the decision of the principals. They themselves have full autonomy to run their schools".

'Money has been pouring in like a river'

Aside from Mr Bray and the education minister Kate Jones, a former senior Queensland education bureaucrat, Ian Mackie, is also critical of the way federal and state money has been spent on the Good to Great Schools program, which is now delivering programs into about 40 remote Australian schools.

Commenting on the \$7 million spent on consultants, the former assistant director general of the department said: "Money has been pouring in like a river into Good to Great Schools. Questions have to be asked where that money has gone."

Good to Great's Mr Andrew acknowledges the consultancies may seem expensive but said: "What we are doing here is importing proprietary information... which was created in the US and the charter school system".

Mr Andrew said it could not be done cheaper here in Australia. That claim is disputed by Mr Mackie.

"Teaching us how to suck eggs. Don't we have experts in this country? The thought we have to take tuition from experts in the USA because we don't have the expertise in this country I find professionally offensive," he said.

"There are more than enough teachers in this country who are capable of supporting these schools."

The ABC received permission from Queensland Education to film The Cape York Academy's Coen campus, interview staff and families.

But the night before the trip, Noel Pearson called the Queensland Education director general. Shortly after, the ABC received this email from the department:

"Permission for the ABC to film within the grounds of Coen Campus of CYAAA is withdrawn until such time as you receive formal written permission from Mr Noel Pearson, or through Good to Great Schools Australia, on his behalf."

Under the terms of the partnership with the education department, Good to Great are meant to have no role in the administration of the school.

Ian Mackie believes Mr Pearson should answer those questions on behalf of the school.