

Djarragun fund error balloons

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DJARRAGUN College may have to repay nearly twice as much in taxpayers' funds as was publicly conceded by the indigenous school's previous administration.

The federal Department of Education, Employment and Workplace Relations has estimated that the far north Queensland school was overpaid nearly \$5.4 million, compared with the more than \$3m admitted last June.

Cape York Institute for Policy and Leadership director Noel Pearson is chairman of the school's new board and is in the process of taking over the school from the Anglican Church.

Djarragun is under investigation by the Queensland Police for alleged fraud, after an independent audit by state authorities found it had wrongly claimed government funding for 250 students over three years.

The alleged funding error occurred before Mr Pearson launched his takeover bid, and the police investigation could be finalised next month.

Former principal Jean Illingworth was stood down in March last year, but has consistently denied any wrongdoing and is still employed by the college, which is refusing to confirm whether she is still being paid.

In a public statement issued last June, former chairman Brent Kelly said the school's "financial repayment" to the federal government "may be in excess of \$3m".

That formal position has not been publicly updated.

College submissions to an unfair dismissal case before Fair Work Australia last year suggested the school had "incurred debts" to the federal and state governments of "more than \$4m".

However, The Australian has seen documentation prepared by the Department of Education, Employment and Workplace Relations in August, informing the school of the results of an audit conducted for the department by the Resolve Consulting Group.

That audit discovered there had been an "overpayment of recurrent funding" by the federal government between 2008 and 2011 of \$5,391,863 to Djarragun College Ltd.

That figure does not take into consideration potential overpayment by the Queensland government, which also funds Djarragun .

A spokesman for the college said the school disagreed with the audit's results. "The alleged overpayment of enrolment fees is the subject of a process of review being undertaken by the commonwealth department," the spokesman said in a statement.

"Djarragun College has supplied additional information on enrolments as requested . . ." Djarragun had earlier said Ms Illingworth was on paid "gardening leave" or inactive service.

However, in response to recent questions from The Australian, the Djarragun spokesman said: "Jean Illingworth is still on leave and we are informed that she continues to co-operate in a full and frank manner with all inquiries.

"Her contract is still valid, but details are personal and confidential information."

Ms Illingworth renegotiated a gross salary package of \$283,500 a year in December 2010.

Anglican Bishop of North Queensland Bill Ray said he "had been assured" Ms Illingworth was no longer being paid.