

## **Pearson's plea over \$5.5m bill rejected**

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PETER Garrett has rejected a plea for the federal government to write off nearly \$5.5 million in overpayments to an Aboriginal school in north Queensland, warning that its funding would be cut for years to repay the money.

The School Education Minister also "categorically rejected" assertions by high-profile indigenous leader Noel Pearson that an audit by the Department of Education, Employment and Workplace Relations had driven Djarragun College into the ground.

Mr Pearson, who heads the Cape York Institute for Policy and Leadership, took over as chairman of Djarragun after its future was threatened by the scandal over "phantom" enrolments being used to boost its government funding.

Mr Garrett advised Mr Pearson in a letter last week that "over-reporting" at Djarragun 's two campuses, near Cairns, involved 582.8 student places and unjustified payments of \$5,492,107 between 2008 and last year.

Mr Pearson's spokesman did not return a phone call yesterday.

Mr Garrett notes in his letter that Mr Pearson, in earlier correspondence, had proposed that the federal government waive the overpayments. The minister insisted there was no precedent for the non-recovery of such debt from a non-government school.

In a statement to The Australian, he said Djarragun had received funds to which it was not entitled and they must be repaid.

"However, we realised this will be difficult for the schools, which is why I have instructed DEEWR to develop a recovery plan," he said.

"This plan will give the new board time to repay its debt to the government without unnecessarily disrupting the operations of both schools."

Mr Garrett advised Mr Pearson that, given the size of the overpayment, recovery of the funds would be "phased over a number of years". It would involve reductions in funding payments to the school until the debt was cleared.

Mr Garrett told Mr Pearson that as the "approved authority" he had outstanding obligations to the commonwealth that must be met. "I urge you to attend to these

expeditiously," the minister wrote.

The scale of the overpayments was nearly twice the \$3m admitted to last June by Djarragun 's previous Anglican Church administration. Mr Pearson had no part in this.

The school's former principal Jean Illingworth has stood aside and was said by the previous board to be co-operating with all inquiries into the affair, including an investigation by the Queensland Police Service.

The college has been hailed as a pathfinder in indigenous education, with its Gordonvale campus, south of Cairns, taking children from pre-prep to Year 12. The Wangetti campus, north of the city, opened in 2009 and caters for Years 10-12.

Mr Pearson stepped in last September, acknowledging that the takeover of Djarragun was a ``risk".

The Australian revealed last month the rescue bid was underwritten by miner Andrew Forrest, who pledged up to \$3m.