

Pearson denies phantom students cost millions

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Australian
26 June 2012

NOEL Pearson has disputed that government funding for "phantom" students and millions in overpayments took place at a showpiece indigenous school in north Queensland.

Through a spokesman, the prominent Aboriginal leader also took issue yesterday with the leaking to *The Australian* of a letter in which federal Schools Minister Peter Garrett rejected his request that Canberra write off a \$5.5 million bill to Djarragun College near Cairns for over-reporting student numbers between 2008 and last year.

"It was most disappointing to read in today's *Australian* newspaper the contents of a letter sent to Mr Pearson from Minister Peter Garrett -- before he had received the letter," the spokesman said.

"Mr Pearson has previously advised Minister Garrett that the accusation of 'phantom students' and alleged overpayments has not been proven, and is therefore unreliable.

"The new board and the Djarragun staff have been assisting with a forensic audit of the operations and administration of Djarragun College, and it is pleasing that a more factual picture is emerging."

Mr Pearson took over as chairman of the troubled college last year after it was engulfed in a scandal over the alleged reporting of government funding, forcing its then principal to stand aside and for changes to be made to the board.