

PRESIDENT

Ikebal Patel – 0409 775 102

HEAD OFFICE

932 Bourke Street, Zetland
Sydney NSW 2017
PO BOX 7185 SSBH,
Alexandria NSW 2015
AUSTRALIA
Tel: (02) 9319 6733
Fax: (02) 9319 0159
admin@afic.com.au
www.afic.com.au

MELBOURNE OFFICE

66-68 Jeffcott Street West
Melbourne VIC 3003
AUSTRALIA
Tel: (03) 9329 1228
Fax: (03) 9329 1677
aficmelb@bigpond.com

AFIC SCHOOLS

Malek Fahd Islamic School
Tel: (02) 9642 8766
Fax: (02) 9642 5479
**Malek Fahd Islamic School
Sydney Campus**
**Malek Fahd Islamic School
Liverpool Campus**

Islamic School of Brisbane

Tel: (07) 3841 3645
Fax: (07) 3841 4320

Islamic College of SA

Tel: (08) 8340 7799
Fax: (08) 8340 9988

Langford Islamic College

Tel: (08) 9458 5206
Fax: (08) 9258 5661

Islamic School of Canberra

Tel: (02) 6288 7358
Fax: (02) 6287 3517

Islamic College of Melbourne

Tel: (03) 8742 3434

- Halal Certification & Accreditation
- Muslims Australia Magazine
- Islamic Schools Projects
- Zakat & Charitable Services
- Imams & Religious Services
- Dawah Work
- Interfaith Dialogue
- Political Advocacy

MEMBER STATE COUNCILS

Muslims NSW
Islamic Council of VIC
Islamic Council of QLD
Islamic Council of WA
Islamic Council of SA
Islamic Council of ACT
Islamic Council of NT
Islamic Council of TAS
Islamic Council of
Christmas Island

MEMBER SOCIETIES

Over 100

**48 Years of Community
Services**

Unfounded Allegations by the Australian Newspaper

On August 22, 2011, the Australian Newspaper ran an article by Leo Shanahan entitled “*Malek Fahd Islamic Schools ‘fees’ funding Australian Federation of Islamic Councils*”. This article, which appeared on its front page, contained insinuations and allegations of improper conduct by the Australian Federation of Islamic Councils (AFIC), the Malek Fahd Islamic School (MFIS) and the President of AFIC, Mr Ikebal Patel, which are not supported by the documents on which the article purports to rely.

On August 23, 2011, the Australian ran a second article entitled “*Peter Garrett calls probe into Islamic school amid rent increases*”, which contained further unsupported insinuations and stated that Federal Education Minister Peter Garrett had asked the Department of Education to examine the finances of Malek Fahd School.

AFIC and MFIS and Mr Patel deny the insinuations and allegations contained in these articles as baseless and unfounded. The Australian should immediately retract the article and issue an apology.

They are disappointed that the Australian has sought by this article to create headlines where none exist. There are enough tensions between Muslims and non-Muslims in Australia without articles of this nature which do nothing but undermine the work being done by AFIC and other organisations to reduce those tensions and allow Muslims to live harmoniously in Australia with people of all faiths and beliefs.

They also believe that the actions of Mr Garrett have resulted solely as a result of these irresponsible articles.

It should be noted that the source of the original article was nothing more than the audited accounts of MFIS for the year ending 31 December 2010. All of the so-called “unexplained” payments are clearly set out in those accounts, which have been reviewed by not only the MFIS auditor, but also the various state and federal education departments without comment. AFIC and MFIS have always complied fully with the reporting requirements of the various education departments and welcome any further review that they may wish to conduct.

Whilst AFIC and MFIS have no obligation to comment further on these matters, in the interest of setting the record straight, the following information may assist in respect of some of the matters raised in the article and also the follow-up article:



الاتحاد الاسترالى للمجالس الاسلامية
**AUSTRALIAN FEDERATION
OF ISLAMIC COUNCILS INC.**

AUSTRALIA'S NATIONAL ISLAMIC ORGANISATION

A.R.B.N. 002 757 155

1. One of the prime objects of AFIC is to provide educational opportunities for Muslims in Australia within an Islamic environment. AFIC has currently established and supports 8 schools around Australia, providing high quality primary and secondary education in accordance with the various state curricula, combined with mainstream Islamic teachings, and which focus on preparing their students to fully participate in Australian society.
2. As with all its schools, AFIC provides MFIS with a wide range of services, including IT services, accounting services, cleaning, project management for the new building works and other services. All these are provided under formal contracts and all these contracts have been reviewed by the auditors. The "management fees" paid to AFIC are for the provision of these services at commercial rates.
3. Prior to entry into the formal services agreements, the services were provided to MFIS on a less formal basis, but on the understanding that AFIC would be compensated for providing these services at an appropriate time when the school had the capacity to do so. The back charge was simply a one-off payment to AFIC for all these past services provided by it.
4. The amount of rent payable by MFIS is determined under the terms of the lease by reference to an independent valuation of the property. The increase from \$1.3m to \$1.5m was simply as a result of a standard rent review under the lease.
5. There was a review of the rent in 2004 under the previous lease which resulted in an increase in the rent payable. As an accommodation to MFIS, AFIC did not require payment of the increase in rent at that time. The rental back charge is no more than the payment of the outstanding amount from that increase. This payment was made in 2009.
6. In the follow-up article, questions were raised in respect of the increase in rents at two other AFIC schools – Langford Islamic College in Perth and the Islamic College in Brisbane. As with all its schools, AFIC provided financial assistance to these schools during their start-up years. This financial assistance included partial rental relief.
7. The increase in rents for these schools in 2008 reflected nothing more than a return to commercial rents based on valuations of the properties, as is appropriate. It is AFIC's policy to eventually recover the assistance given to schools in their early years so that it can apply those funds to the establishment of further schools. AFIC sees this as a prudent and proper use of funds.
8. As President of AFIC, Mr Patel receives remuneration of \$50,000 per annum as consideration for the significant time and effort required of him by this role. Other members of the AFIC Executive Committee and State Council Chairman receive a moderate per diem payment for the time they give to AFIC (as compensation for time off their usual work or business) as well as reimbursement of reasonable expenses on a pre-agreed basis.
9. Dr Intaj Ali denies emphatically the statement attributed to him that he "is privately furious over the manner in which AFIC has been using the school's funds".
10. The statement that MFIS has been responsible for funding the construction of its own buildings is incorrect. AFIC funded the construction of the initial buildings and has assisted MFIS with the funding of additional buildings.

For further information, please contact:

MR IKEBAL PATEL

*President – Muslims Australia – (AFIC)
Chairman – Malek Fahd Islamic School*