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GRAHAM RICHARDSON

'I am tired of hearing these young blokes described as being disenfranchised as if they are the victims'



Muslim school principal ousted

LEO SHANAHAN The Australian September 21, 2012 12:00AM

THE nation's peak Muslim body continues to charge the country's largest Muslim school millions of dollars in management fees, with the school's principal now suspended after a long-running dispute with the board about financial mismanagement.

According to last year's financial report, the predominantly government-funded Malek Fahd Islamic school paid over \$2 million in "management fees" and "service fees" to its manager, the Australian Federation of Islamic Councils.

AFIC charged the school \$1.27m in unexplained management fees and almost \$1m in service fees, including a payment of \$320,000 to AFIC for "project management".

The school also handed over \$10.2m in rent to AFIC, including \$8.4m for nine years' advanced rent at the Beaumont Hills campus, in Sydney's west, which had just 31 children enrolled last year.

In 2011 the school received just under \$20m, or 80 per cent of its funding, from the commonwealth and state governments, including \$5.1m from the Gillard government's Building the Education Revolution funding for the construction of a school hall.

Last month NSW Education Minister Adrian Piccoli ordered the school to pay back \$9 million in state funds after The Australian revealed that in 2010 the school had paid \$5.2 million in unaccounted-for management fees and backdated rent.

The minister concluded that the school had been acting contrary to the law as it had been operating for a profit.

NSW Police and Australian Securities and Investment Commission have also been investigating the school's management.

A spokesman for the minister yesterday confirmed that the demand of \$9 million in repayments included the school's payments to AFIC last year.

The crisis at the school of more than 2000 students has escalated in the past two weeks with the suspension of principal Ltai Ali who had voiced concerns about school funding going to AFIC.

Dr Ali yesterday did not respond to The Australian's request for comment.

A petition organised by past students and parents is being circulated to have Dr Ali reinstated and have the school board, led by AFIC secretary Ikebal Patel, stood down.

Many of the school board's members are also on AFIC's board, including Mr Patel -- who is the school board chairman -- and acting AFIC president and school board member Hafez Kassem.

Mr Patel is also on the boards of all other AFIC-run schools. He did not return calls yesterday, but has previously described the payments from Malek Fahd "as simply the formalisation of some pre-existing arrangements and the recovery of some assistance given to Malek Fahd and other schools as they were starting out".

As reported in The Australian yesterday, federal Schools Education Minister Peter Garrett this week released details of an audit report into all other AFIC schools, exposing further financial

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