CAIRNS - Noel Pearson will take control of a trouble-plagued indigenous college in north Queensland after its independent board agreed to transfer ownership to an organisation headed by the aboriginal leader. Djarragun College, located at Gordonvale, south of Cairns, was once described by Mr Pearson as a "beacon of hope" for indigenous students. But it was in danger of collapsing under several million dollars of debt after revelations it claimed government funding for 250 "phantom students".

The school's remaining board of directors on Tuesday agreed to transfer ownership of the college to Mr Pearson 's Cape York Partnerships (CYP), pending an audit of the school's finances and approval from the Non-State Schools Accreditation Board. CYP, a not for profit organisation, last month said it had secured guarantees from financial backers to cover the school's debt.

In the meantime CYP has provided funds to keep the school open in the short term, and has appointed veteran indigenous educator Don Anderson as "Consulting Principal". The school's incumbent principal, Jean Illingworth, has been on sick leave since allegations about false enrolments and bullying were made public earlier this year.

The school had been run by an independent board under the auspices of the Anglican church and has been widely praised for its successes with indigenous students. The Anglican Bishop of north Queensland, Bill Ray, said he hoped the deal would secure the school's future.

"My primary concern has always been for the staff and students of that school," he told AAP. "I want it to be a sound place of learning and a place of excellence." He said the past few months had been tough on the whole school community. "It's certainly taken its toll on the staff and it has certainly created a great sense of unease."

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