

The Senate

Committee of Privileges

Persons referred to in the Senate

Mr Alan Manly and Ms Jennifer McCarthy
Group Colleges Australia

159th Report

December 2014

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Report

1.1 On 14 November 2014 the President of the Senate, Senator the Honourable Stephen Parry, received a submission from Mr Alan Manly and Ms Jennifer McCarthy, Group Colleges Australia, seeking redress under the resolution of the Senate of 25 February 1988 relating to the protection of persons referred to in the Senate (Privilege Resolution 5).

1.2 The submission referred to a speech made by Senator Rhiannon in the Senate on 2 September 2014. The President accepted the submission and referred it to the Committee of Privileges.

1.3 The committee met on 27 November 2014 and resolved to recommend that the response be incorporated in Hansard without change. In considering the submission, the committee did not find it necessary to confer with the person making the submission.

1.4 The committee draws attention to paragraph 5(6) of the resolution which requires that, in considering a submission under this resolution and reporting to the Senate, the committee shall not consider or judge the truth of any statements made in the Senate or in the submission.

1.5 The committee **recommends:**

That a response by Mr Alan Manly and Ms Jennifer McCarthy, in the terms specified at Appendix 1, be incorporated in *Hansard*.

Senator the Hon Jacinta Collins
Chair

Appendix 1

Mr Alan Manly and Ms Jennifer McCarthy Group Colleges Australia

Pursuant to Resolution 5(7)(b) of the Senate of 25 February 1988

Reply to speech by Senator Lee Rhiannon

(2 September 2014)

Pursuant to Senate Privilege Resolution 5 of 25 February 1988, we request that you refer this statement to the Senate Standing Committee of Privileges and that it be published in the Parliamentary record as a response to the statement of Senator Rhiannon on 2 September 2014 (Hansard pp.92-96).

I am Alan Manly, and my wife is Jennifer McCarthy, referred to by Senator Rhiannon. I am the Managing Director of Group Colleges Australia and my wife is the General Manager.

Concerning Senator Rhiannon's statement, we make the following observations.

Observation 1: "Group Colleges Australia donated over \$90,000 to the New South Wales Liberals between 2003 and 2011. In the year 2010-2011, GCA donated \$53,249 to the New South Wales Liberals , far more than any other education provider."

- All donations made on behalf of Group Colleges have been properly declared, either to the Australian Electoral Commission or the Electoral Funding Authority. There is nothing improper in the donations made in the 2010-2011 time period, or indeed in any time period. We refute the inference that Ms McCarthy and I, or that GCA, has paid money in exchange for government reforms to the private education sector.

Observation 2: "The husband and wife team of Group Colleges Australia, managing director Alan Manly and general manager Jennifer McCarthy, have also made individual donations totaling \$11 ,588 to the Liberal Par ty. Donations from Group Colleges Australia to the New South Wales Liberal Party dried up in 2012 when then Premier Barr y O'Farrell introduced the new Jaws banning corporate donations."

- Ms McCarthy and I are strong supporters of the Liberal Party. All of our donations to any political party have been properly declared to the relevant authorities. We have nothing to hide. Any suggestion to the contrary is scurrilous.

Observation 3: "... Ms McCarthy , who previously had never donated to the New South Wales Liberals but whose corporate credit card was used to make donations on behalf of Group Colleges Australia, made her first donation of \$3 ,500 in April 2012 , two months after the legislation prohibiting businesses such as Group Colleges Australia from donating was passed."

- The point appears to be that that Ms McCarthy, by making political donations as an individual and in accordance with the law, has somehow done something wrong or illegal or at best, deceitful. The assertion simply does not make sense, however it is still extremely damaging to Ms McCarthy's reputation. We reject it and any suggestion that we have bribed the Liberal Party in return for reforms to the sector in which our business operates is entirely false.

Observation 4: Allegations concerning Paul Nicolaou

- The Senator's statement imputes that we are corrupt because Paul Nicolaou, an allegedly corrupt Liberal Party figure, was a board member of Group Colleges Australia (GCA), and by reason of this association we should also be suspected of being corrupt.
- This is a baseless attempt to smear both Ms McCarthy and me merely because of our association with Paul Nicolaou, and it is without any proper foundation.
- These statements have caused us immeasurable distress and are entirely false. We have always complied with our legal obligations in respect of any and every political donation we have made. We are not corrupt.

Observation 5: The letter to ICAC

- The Senator has been told by ICAC that the Commission has declined to investigate the matters raised in her letter. We fail to understand why the allegations contained in that letter have been reiterated in Parliament after ICAC has declined to take action.

Observation 6: "I think an investigation is warranted into why donations by Group Colleges and its owner are missing from Liberal Party returns."

And

"There are discrepancies in the disclosure from the NSW Liberal Party and GCA. I believe these matters warrant investigation by ICAC."

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- Assuming that there are, as is alleged in the Senator's letter, discrepancies between amounts declared by the Liberal Party and amounts declared by Ms McCarthy and me, any failure to disclose amounts by the Liberal Party can have no bearing on the propriety of our conduct or our integrity. That is a matter for the Liberal Party and the relevant authority. We have at all times complied with our disclosure obligations.
 - We reject all of the allegations in the letter.
 - We note again that ICAC has refused to pursue these baseless accusations.

Observation 7: "Liberal Party disclosures show donations that may not have been declared by the company"

- Senator Rhiannon has absolutely no basis for making this assertion, and we wholeheartedly deny and reject the allegation.

Observation 8: The allegation that Mr Manly "stacked the Warringah branch for Abbott's 1994 preselection."

- The email read out by the Senator in Parliament came from a former staff member at GCA. The relevant staff member's first day was 12 June 2003. I was not, in fact, introduced to Tony Abbott until 2011. The allegation that I was responsible for stacking the Warringah branch to secure Mr Abbott's preselection in 1994 is deeply offensive to me, is false and cannot be supported.
- We understand that the staff member has since written to Senator Rhiannon to correct the inaccuracies in the email. That correspondence to Senator Rhiannon includes the following statement:
- "My email to you was personal and I consider confidential. Shortly afterward I spoke to you and explained that my employment at Group Colleges Australia was a long time ago and that I could not be certain of my memory recall. I asked that the matter not be taken any further..."
- As far as I am concerned Alan Manly is a good businessman who has helped in the education of thousands who would otherwise have been denied an opportunity.
- Alan Manly and Group Colleges Australia were very good to me and I refute any aspersions cast on their dealings."

Observation 9: “There is nothing on Group Colleges website to warn prospective students that UBSS has only been given conditional approval... Only a rare few would know to look at TEQSA’s national register, where they will discover that GCA was unable to meet the basic threshold standards for corporate governance, which are set out in detail under the Higher Education Threshold Standards. GCA’s inability to satisfy TEQSA raises questions about its original NSW accreditation, and why, in the light of its inability to demonstrate basic board accountability, TEQSA has allowed GCA to keep offering its courses.”

- This is false. In fact, there is a link to the TEQSA National Register on the GCA website which sets out the conditions underpinning the approval.
- In our roles as Managing Director and General Manager of GCA we are ensuring that all of the conditions imposed by TEQSA are being adhered to.

Observation 10: “There are many concerning aspects to this (low of private money to the Liberal Party. Was the law broken? Was the money given to buy access and influence? Did people collude to bypass the stricter donation laws in NSW? These questions should be answered.”

- Ms McCarthy and I have not broken the law.
- We did not give money to buy access and influence.
- We did not collude to bypass donation laws.
- The Senator’s statements are deeply offensive and have damaged our standing in the community. They are false and we wish for the Australian community to understand that this is nothing more than a baseless attack upon our characters and reputations.

Observation 11: “Group Colleges is not the only one to foster links with the Liberal Party that were not transparent.”

- We have at all times been completely transparent about our links to the Liberal Party and our donations to that Party. Yes, in 2013 I accompanied New South Wales MP Geoff Lee on a trip to India. That is a matter of public record.
- We reject the suggestion that our conduct has been opaque and somehow dishonest. It has, in fact, been entirely ‘above board’.
- There is no basis for Senator Rhiannon to conclude that our conduct has not been transparent.

Observation 12: “In fact, Group Colleges is a mixed business which has also invested in a travel agency recently relaunched by Prime Minister Tony Abbott’s sister, Liberal Sydney City Councillor Christine Forster.”

- Ms Forster is a local councillor for Redfern, where the travel agency is located. There is no impropriety whatsoever in her having attended and been involved in the launch of the business.

Observation 13: “There is more to Group Colleges operations in Sydney. Its registered office is based in the centre of Sydney at MyQual”

- GCA has never been “based in the centre of Sydney” and a cursory examination of the ASIC extracts for GCA and MyQual by Senator Rhiannon would have revealed this.